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Moody's Downgrades New York's Credit Ratings Because of the Pandemic.

New York's credit ratings are the latest casualties of the coronavirus pandemic.

Moody's downgraded both the city and state's general-obligation bonds by one notch to Aa2, the firm's third-highest rating, from Aa1.

The firm's analysts kept a negative outlook on New York City's debt, meaning they could downgrade the city's debt again in the next year or two. They changed their outlook for New York state's debt to stable from negative, meaning more downgrades of its debt are unlikely in coming months.

New York City certainly isn't the only municipal bond issuer coming under pressure because of the Covid-19 pandemic. But it has been one of the worst affected by the crisis, as Moody's points out, and the state could experience consequences as well because the city is one of its largest economic engines.

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Barron's

By Alexandra Scaggs

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