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## **Fitch Project Financing in the U.S. Higher Education Sector (Debt Structure and University Relationship Determine Criteria Application)**

This report details Fitch Ratings' approach to determining the primary criteria when rating projects at or in the vicinity of U.S.-based, not-for-profit private and public colleges and universities (institutions). Projects can range from student housing, parking and mixed-use to energy and utility projects, or a combination thereof. Fitch's approach to higher education project financings can include the U.S. Public Finance College and University Rating Criteria, the Infrastructure and Project Finance Rating Criteria or the U.S. Affordable Housing Rating Criteria. The coronavirus pandemic resulted in fiscal challenges at institutions and virtual learning dampened housing demand, but Fitch anticipates an increase in project financings and public private partnerships (PPPs) over the medium term as institutions look to expand housing and repurpose assets. Debt Structure and University Involvement Determine Primary Criteria Determining which criteria will anchor the analysis depends on debt structure, repayment, affiliation with the institution, and exposure to completion and cost risk. While anchoring its analysis on one criteria, Fitch will look to the other criteria to inform its assessment of the key rating drivers in a higher education setting.

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