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Fitch Ratings Updates State Revolving Fund and Muni Finance Pool Program Criteria.

Fitch Ratings-Austin-11 August 2021: Fitch Ratings has published an update to its “State Revolving Fund and Municipal Finance Pool Program Criteria.” This report replaces the previous report of the same title last published on March 3, 2021.

The fundamentals of these criteria remain unchanged. However, on Aug. 9, 2021, Fitch published an exposure draft for its “CLOs and Corporate CDOs Rating Criteria (CDO Criteria)” that proposes a calibration update to its Portfolio Credit Model, including probability of default assumptions, confidence intervals, and correlation.

Given the relationship of these criteria to the CDO criteria, for new ratings, Fitch will utilize a modified version of its Portfolio Stress Model incorporating similar changes as those proposed in the CDO criteria exposure draft. With respect to the surveillance of existing ratings, Fitch will utilize the existing version of the Portfolio Stress Model without modification. Following the consultation period and publication of the new CDO Criteria, this SRF criteria and the Portfolio Stress Model will be updated accordingly.

Fitch does not expect any ratings changes as a result of these updates.

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