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S&P: U.S. Public Finance Housing Rating Actions: September 2021 And Third-Quarter 2021

S&P Global Ratings' U.S. Public Finance Housing rating actions for the third quarter of 2021 had 10 downgrades and seven upgrades. There were also five favorable and seven unfavorable outlook revisions.

The number of downgrades slightly outpaced upgrades, highlighting the mixed bag of results seen over the various rated housing sectors during the ongoing COVID-19 pandemic.

There were 56 affirmations out of 87 total rating actions during the third quarter, or about 64% of rating actions. Currently, about 88% of our ratings carry stable outlooks, partially attributable to both ongoing federal support and existing balance-sheet strength, despite headwinds posed by the pandemic. However, we continue to observe volatility in the rental housing bond sector. Rental housing bond issuers, already strained prior to the pandemic, continued to experience occupancy shortfalls and subsequent deterioration in coverage, and accounted for 16 of the 19 negative rating and outlook actions. These 16 individual actions covered seven issuers.

Additionally, one issuer defaulted in the third quarter, and encompassed three rating actions based on the separate individual issuances. The ratings for Capital Trust Agency; Florida H-Bay Ministries Inc., Texas; and Affordable Housing were lowered to 'D' on July 7, 2021, and subsequently withdrawn 30 days later.

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