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Missouri Highways & Transportation Commission: Fitch New Issue Report

Fitch Ratings' upgrade of MHTC's outstanding second and third lien state road bonds to 'AAA' from 'AA+' reflects the security structure's improved resilience, as pledged revenues have expanded modestly and debt service on senior and second lien bonds has declined. Fitch expects the third lien bonds' resiliency to remain very high, even as debt service increases in the short term as a result of the current issue. The upgrade includes the ratings of series 2019 B and 2021 A third lien bonds, as Fitch views these bonds as being on parity with all other third lien bonds backed by SRF revenues. Although these two series carry a distinct security structure that also relies on annual appropriations of state general revenues to support debt repayment, in addition to residual SRF revenues, Fitch regards them as possessing the same underlying credit strengths as other bonds carrying the same lien.

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