

Bond Case Briefs

Municipal Finance Law Since 1971

California Infrastructure & Economic Development Bank: Fitch New Issue Report

Key Rating Drivers Sufficient Financial Structure: Fitch's cash flow modeling demonstrates that the ISRF program can continue to pay bond debt service even with hypothetical loan defaults in excess of Fitch's 'AAA' liability rating stress hurdle, as produced by the Portfolio Stress Model (PSM).

Adequate Pool Credit Quality: Pool quality is average to slightly below average in comparison to other 'AAA' sector peers. In addition, approximately 67% of the pool is considered investment grade versus Fitch's 'AAA' median of 73%, which drives pool quality down slightly lower. Favorable Pool

Diversity: The largest borrower and top-10 borrowers represent less than 10% and 50% of the pool total, respectively. Each of these metrics is more favorable than Fitch's equivalent 'AAA' medians for the sector. Sound Program Management: Program management adheres to a formal underwriting policy that includes, among other things, minimum coverage requirements for most borrowers. To date, there have been no pledged loan payment defaults in the ISRF program.

ACCESS REPORT

Fri 02 Dec, 2022