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Cities' Credit Ratings Are at Risk Because There Aren't Enough Accountants.

- **149 muni ratings on negative watch for disclosure delays: S&P**
- **S&P says staffing challenges have led to late fiscal documents**

Municipalities across the US are at risk of having their credit ratings downgraded or withdrawn by S&P Global Ratings because staffing shortages have delayed financial disclosure documents.

S&P has placed 149 long-term, underlying and program ratings on a negative credit watch this year because the ratings company hasn't received 2021 financial statements from the issuers. That's the most since at least 2018, and materially higher than the prior five-year average of 95 such moves, according to S&P data.

"If we don't have the financials, then bondholders don't have the financials," Jaime Blansit, a rating associate at S&P, said in an interview. "We don't want financial deterioration happening without our knowledge and updating our rating accordingly. Without financials we don't know if the rating is accurate or not."

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