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S&P U.S. Public Finance Housing Rating Actions, Second-Quarter 2025

S&P Global Ratings' U.S. public finance housing rating actions (including outlook revisions) for second-quarter 2025 consisted of 18 positive rating actions, three negative rating actions, and 61 affirmations.

Second-Quarter Rating Actions

We took positive rating actions on 14 rental housing bond (RHB) credits, which consisted of 10 upgrades and four outlook changes (see table 1). Eight of the upgrades were in the military housing subsector. Of the eight upgrades, four reflected improved and sustained financial performance due to completion of repairs from the damage of Hurricane Florence, while another four reflected improved net cash flow, with effective gross income increasing at a higher rate than operating expenses. The remaining two upgrades were in the age-restricted housing subsector, reflecting improved net cash flow as a result of additional properties being included in the obligated group, as well as higher occupancy rates and ongoing expense management, which ultimately resulted in stronger maximum annual debt service (MADS) coverage.

Two of the positive rating actions were outlook revisions to positive on the first and second lien of an RHB in the military housing subsector as result of increases in occupancy and the Basic Allowance for Housing (BAH) rates, leading to improved MADS coverage and the likelihood that coverage will continue trending positively, which, all else being equal, could lead to higher overall credit quality. The remaining two outlook revisions to positive from stable occurred in the military housing and mobile home subsectors. The military housing outlook revision was due to increases in net rent collections from higher occupancy and rising BAH rates, while the mobile home outlook revision was due to ongoing expenditure management.

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13-Aug-2025 | 16:12 EDT