

Fitch: Municipal Ratings Tied to U.S. Sovereign Placed on Rating Watch Negative

Written by Australian Business

NEW YORK--([BUSINESS WIRE](#))--Link to Fitch Ratings' Report: Fitch: Municipal Ratings Tied to U.S. Sovereign Placed on Rating Watch Negative

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=721153

Following Fitch Rating's placement of the United States of America's 'AAA/F1+' foreign and local currency Issuer Default Ratings on Rating Watch Negative, Fitch places on Rating Watch Negative the ratings of certain categories of debt that are directly tied to the creditworthiness of the United States or its related entities.

Categories of debt whose ratings are affected include:

--Obligations that are supported by credit enhancement issued by financial institutions directly linked to the United States, such as Fannie Mae, Freddie Mac, or the Federal Home Loan Banks;

--Debt obligations whose repayments are guaranteed by the United States or certain of its related entities;

--Pre-refunded bonds whose repayments are wholly dependent on 'AAA' rated United States government and agency obligations held in escrow;

--Municipal bonds that are wholly secured by 'AAA' rated United States government and agency obligations held in escrow;

--Municipal housing bonds that are primarily secured by mortgage-backed securities issued by Ginnie Mae, Fannie Mae, and/or Freddie Mac;

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--United States government-sponsored entities' obligations whose ratings, in Fitch's estimation, reflect a very high likelihood and degree of government support.

For more Fitch commentary on U.S. ratings tied to the U.S. sovereign ratings, please see 'Fitch: Sovereign Rating Implications of U.S. Debt Ceiling Crisis' (Oct. 10, 2013) and 'Rating Linkages to the U.S. Sovereign Rating' (July 18, 2011).

For more information on Fitch's U.S. sovereign rating actions, please see 'Fitch Places United States' 'AAA' on Rating Watch Negative' (dated Oct. 15, 2013), 'Fitch Places Fannie Mae and Freddie Mac Ratings on Rating Watch Negative' (dated Oct. 16, 2013) and 'Fitch Places FHLB Atlanta's IDR on Rating Watch Negative; Affirms VR' (dated Oct. 16, 2013), available on Fitch's website at 'www.fitchratings.com'.

Additional information is available at 'www.fitchratings.com'.

Applicable Criteria and Related Research:

--Fitch Places United States' 'AAA' on Rating Watch Negative (Oct. 15, 2013)

--Fitch Places Fannie Mae and Freddie Mac Ratings on Rating Watch Negative (Oct. 16, 2013);

--Fitch Places FHLB Atlanta's IDR on Rating Watch Negative; Affirms VR (Oct. 16, 2013);

--Fitch: Sovereign Rating Implications of U.S. Debt Ceiling Crisis (Oct. 10, 2013);

--Rating Linkages to the U.S. Sovereign Rating (July 18, 2011).

--U.S. Municipal Structured Finance Rating Criteria (Feb. 27, 2013);

--Revenue-Supported Rating Criteria (June 3, 2013);

--Rating Guidelines for Letter of Credit-Supported Bonds (June 14, 2013);

--Rating Guidelines for Variable-Rate Demand Obligations and Commercial Paper Issued with External Liquidity Support (Jan. 31, 2013);

--U.S. Public Power Rating Criteria (Dec. 18, 2012);

--Solid Waste Revenue Bond Rating Criteria (June 19, 2013)

--State Housing Finance Agencies: Single-Family Mortgage Program Rating Criteria (Jul. 25, 2013).

Applicable Criteria and Related Research:

Rating Linkages to the U.S. Sovereign Rating

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=646469

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U.S. Municipal Structured Finance Rating Criteria - Effective Apr. 25, 2011 to Feb. 28, 2012

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=624129

Revenue-Supported Rating Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=709499

Rating Guidelines for Letter of Credit-Supported Bonds

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=710476

Solid Waste Revenue Bond Rating Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=710712

State Housing Finance Agencies: Five-Year History June 2000

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=72457

Rating Guidelines for Variable-Rate Demand Obligations and Commercial Paper
Issued with External Liquidity Support

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=699392

U.S. Public Power Rating Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=696027

Additional Disclosure

Solicitation Status

http://www.fitchratings.com/gws/en/disclosure/solicitation?pr_id=805216

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