

RatingsDirect®

Summary:

New York City Municipal Water Finance Authority; CP; Water/Sewer

Primary Credit Analyst:

Scott D Garrigan, New York + 1 (312) 233 7014; scott.garrigan@spglobal.com

Secondary Contact:

Jenny Poree, San Francisco + 1 (415) 371 5044; jenny.poree@spglobal.com

Table Of Contents

Credit Highlights

Outlook

Related Research

Summary:

New York City Municipal Water Finance Authority; CP; Water/Sewer

Credit Profile

US\$257.185 mil wtr and swr sys rev bnds ser 2024 AA-1 due 06/15/2053		
<i>Long Term Rating</i>	AA+/Stable	New
US\$167.46 mil wtr and swr sys rev bnds ser 2024 AA-3 due 06/15/2048		
<i>Long Term Rating</i>	AA+/Stable	New
US\$160.945 mil wtr and swr sys rev bnds ser 2024 AA-2 due 06/15/2053		
<i>Long Term Rating</i>	AA+/Stable	New
New York City Mun Wtr Fin Auth WS (1st resolution)		
<i>Long Term Rating</i>	AAA/Stable	Affirmed

Credit Highlights

- S&P Global Ratings assigned its 'AA+' rating to the New York City Municipal Water Finance Authority's 2024 series AA-1, 2, and 3 water and sewer system second general resolution revenue bonds, issued on behalf of New York Water.
- At the same time, S&P Global Ratings affirmed its 'AAA' rating on the authority's first general resolution bonds, its 'AA+' rating on the authority's second general resolution bonds, and its 'A-1+' commercial paper program.
- The other 'A-1+' and 'A-1' short-term ratings on the system's various debt, where applicable, are based on the liquidity provider's short-term rating.
- The outlook, where applicable, is stable.

Security

The 'AA+' long-term rating reflects our view of the general creditworthiness of New York Water. We rate the first general resolution (senior) issues at 'AAA'. We maintain a one-notch difference between the first and second general resolution bonds, based primarily on the significantly stronger coverage of the first-lien bonds. New York Water has approximately \$455.7 million in first general resolution bonds and \$31.6 billion in second general resolution bonds outstanding. New York Water plans to use the series 2024 AA-1 and AA-2 bond proceeds to fund system costs and the AA-3 bond proceeds to refinance existing debt.

The second resolution bonds do not benefit from a debt service reserve fund. However, by practice, New York Water has utilized carry-forward cash balances to fund debt service well in advance of payment dates, which functions as a de facto set-aside. All bondholders benefit from a gross revenue pledge and a statutory, perfected lien. Current law does not authorize New York Water or the board to declare bankruptcy. While S&P Global Ratings does not rate to recovery, the presence of a statutorily perfected lien and limitations around bankruptcy are viewed as positive structural provisions.

The 'A-1+' rating on New York Water's commercial paper program is based on the system's long-term rating and reflects our view of the system's general creditworthiness, as well as its market access. The program is \$600 million, none of which is outstanding.

Credit overview

The 'AA+' long-term rating reflects our view of New York Water's broad, diverse, and affluent service area as well as the sophisticated management team that supports its highly complex operating profile and capital plan. While all-in coverage is weaker than its peers at the current rating level when accounting for all utility operating expenses, the security structure provides significant bondholder security and robust system liquidity, which in turn provides operating flexibility and mitigates the potential financial pressure from event risk. New York Water faces several challenges related to the macroeconomic and policy landscape as well as the age, size, and complexity of the system's underlying infrastructure. With continued uncertainty related to the ability to sell liens, higher relative rates may be required to offset lower collections. The authority's ability to balance rate affordability and financial health are an important credit consideration. Water and sewer payments for fiscal year 2023 were 6.7% higher than budget; however, accounts receivable remains elevated, with unpaid bills increasing more than 7% year over year and remaining over \$1 billion since the 2022 fiscal year, which may begin to pressure the credit if not addressed. The Department of Environmental Protection offered an amnesty program in 2023 for a late charge portion of the accounts receivable amount. If rate-setting flexibility or enforcement becomes more challenged, it could pressure credit quality.

Furthermore, labor and supply chain obstacles are expected to remain meaningful for both New York Water and the sector. Labor challenges may pose outsized credit risk for New York Water, given the magnitude of its unfilled vacancies. We consider an entity's ability to hire and retain essential staff an important aspect in our operational effectiveness assessment. While New York Water's vacancies have led to capital plan execution difficulties, which may increase deferred maintenance risks, major milestones have been met.

The fiscal 2024 capital budget is \$2.77 billion, an 18% increase from the fiscal 2023 level. We consider its strong asset management an important credit consideration. Management continues to refine and improve its asset management program, including well-defined policies that provide a uniform methodology for a comprehensive evaluation of capital assets and a systematic approach to scheduling preventive maintenance and upgrades. This is a critical driver in our asset adequacy assessment, given the advanced age of New York Water's infrastructure and the potential risks for catastrophic failures. We consider management's asset planning extremely robust.

Key credit factors, in addition to the structural provisions described above, include our view of the utility's:

- Broad and diverse economic and customer base, which has no comparably sized peers. The pandemic significantly affected the city, particularly commercial consumption, which represents approximately 20% of the revenue base. Economic recovery has begun, but management projects continued declines in consumption through 2027.
- Affordable rates, with annual rate increases of 5.4% projected in 2025 and 5.9% in 2026, followed by a 6.6% annual rate increase in 2027. Rate increases are expected to be manageable, but if collections continue to underperform, rate increases may be higher to offset this revenue loss. Rate setting is flexible, with the ability to increase rates within 30 days, which we view favorably.
- Adequate financial capacity, which may be pressured by inflationary cost increases and above-average

delinquencies, reflecting the stubborn nature of the recovery as well as current inability to sell liens, which reduces remedies available to compel payment and is expected to negatively influence collections based on historical precedent.

- Seasoned and effective management team and board, which we believe have a strong sense of fiduciary duty as well as operational and financial acumen. This supports our credit view and our confidence in management, despite the substantial complexities New York Water faces during the outlook period, including a sizable capital plan, labor challenges, uncertainties related to collection, and lien policy and increasing climate change pressures, all in a currently challenging economic environment.
- Extremely strong liquidity position, both nominally and on a days' cash basis, which is critical to financial flexibility and credit strength. The ability to maintain significant cash balances directly influences debt service coverage, given the carry forward of balances on an annual basis, which reduces debt service and improves coverage. This practice also allows for a more level rate structure, although, if the use of rolling cash balances results in a postponement of rate increases, we would view that as indicative of potential structural issues, which could pressure credit quality.

Environmental, social, and governance

New York Water is faced with numerous ongoing environmental, social, and governance (ESG) factors that affect our analysis. We believe the system has outsized environmental risks, given the regulatory and climate resilience efforts that will be required to maintain its infrastructure at adequate levels.

The management and governance structure--with separate entities for operations, governance, and finance--has allowed for critical and apolitical decision-making, with an eye toward both financial integrity and maintaining operations at a high level. We believe governance efforts are sophisticated, which supports addressing long-term risks associated with asset adequacy.

Extreme weather events are becoming more common and ongoing sea-level rise will present system challenges. Emergency preparedness has improved. Climate resilience has taken on more urgency and is expected to require significant additional funding. New York Water has several planning initiatives, including resiliency planning, climate change modeling, and annual reporting to measure progress.

In 2021, the city released a report on "The New Normal," which addresses risk mitigation related to extreme storms. This report outlines efforts to reduce emissions, harden infrastructure to protect shoreline communities most vulnerable to storms, and initiatives to create a continuous line of protection against rising sea levels and storms. Specific to the utility, the report addresses the substantial need to rehabilitate and replace sewer pipes that were designed a century ago and are expected to be inadequate for current climate considerations. The report highlights long- and short-term upgrades needed as well as innovative drainage solutions.

We believe management's approach to climate resiliency and sustainability is sound, and there is strong collaboration with the city. Given the age of the system and the regional climate risks, the capital plan addresses infrastructure projects that result in a more resilient system and has been increased to incorporate some of the projects associated with the recent report.

An independent consulting engineer's opinion, updated annually, indicates that the system's condition is generally adequate, its most favorable characterization. Addressing labor-related issues that have hindered procurement is cited

as a potential system risk. Replacing underground infrastructure will remain a focus, including reducing high water losses and addressing regulatory requirements related to the combined sewer system, and the water supply's quality and quantity are extremely favorable.

Median household effective buying income varies widely from borough to borough. Given the variance, the city's Department of Environmental Protection has a bill pay assistance program for low-income, senior, and disabled customers that we view as at least as robust in achieving social goals as those of comparable peer cities.

Outlook

The stable outlook reflects our belief that New York Water will retain the financial capacity to weather the effects of a potential recession, inflation, and other system challenges.

Downside scenario

If the large amount of accounts receivable and lack of lien sale revenues leads to meaningful negative financial variances or the need for outsized rate increases in order to maintain financial performance in line with current projects, the rating would likely be pressured downward. The level of receivables is large, both in absolute terms and relative to operating revenues, in our view. While we believe that New York Water's budgeting practices are generally conservative and credit-supportive at the current rating, a general misalignment between revenue and revenue requirements, leading to financial performance that is consistently weaker than historical trends, could also pressure the rating. We believe management has the capacity and willingness to adjust rates to offset these issues, as evidenced by the board having a very long history of adjusting rates, usually annually, as needed. However, we will monitor the system for additional rate increases or any indication of reduced rate-setting flexibility.

Upside scenario

Consistent with the application of our "Assigning Issue Credit Ratings Of Operating Entities" criteria (published May 20, 2015, on RatingsDirect), we do not consider there to be upward rating potential on the second general resolution debt.

Rating Above The Sovereign

Although the rating on New York Water's first general resolution bonds is currently above that of the U.S., New York Water has a predominantly locally derived revenue base. Local service charges, derived through an autonomous rate-setting process, represent virtually all the entity's revenues. This, coupled with operating expense flexibility, precludes exposure to federal revenues and allows us to rate the system above that of the U.S.

Related Research

- Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022

Ratings Detail (As Of September 19, 2023)

Ratings Detail (As Of September 19, 2023) (cont.)

New York City Mun Wtr Fin Auth wtr and swr sys second gen res rev bnds, adj rt		
<i>Long Term Rating</i>	AA+/A-1/Stable	Affirmed
New York City Mun Wtr Fin Auth wtr and swr sys 2nd general resolution rev bnds		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth wtr swr sys second gen resolution rev bnds ser 2020EE due 06/15/2042		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth wtr & swr sys first resolution bnds		
<i>Long Term Rating</i>	AA+/A-1/Stable	Affirmed
New York City Mun Wtr Fin Auth wtr & swr sys 2nd gen resolution rev bnds fiscal 2011 VRDBs ser DD-3B dtd 11/18/2010 due 06/15/2043		
<i>Long Term Rating</i>	AA+/A-1+/Stable	Affirmed
New York City Mun Wtr Fin Auth EMCP series 7		
<i>Short Term Rating</i>	A-1+	Affirmed
New York City Mun Wtr Fin Auth EMCP series 8		
<i>Short Term Rating</i>	A-1+	Affirmed
New York City Mun Wtr Fin Auth WS		
<i>Long Term Rating</i>	AAA/A-1/Stable	Affirmed
New York City Mun Wtr Fin Auth WS		
<i>Long Term Rating</i>	AAA/A-1/Stable	Affirmed
New York City Mun Wtr Fin Auth WS		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
New York City Mun Wtr Fin Auth WS		
<i>Long Term Rating</i>	AA+/A-1+/Stable	Affirmed
<i>Unenhanced Rating</i>	NR(SPUR)	
New York City Mun Wtr Fin Auth WS		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS VRD		
<i>Long Term Rating</i>	AAA/A-1/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (AGM) (SEC MKT)		
<i>Unenhanced Rating</i>	AAA(SPUR)/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (BAM)		
<i>Unenhanced Rating</i>	AA+(SPUR)/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (BAM) SEC MKT)		
<i>Unenhanced Rating</i>	AA+(SPUR)/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (BAM) (SECMKT)		
<i>Unenhanced Rating</i>	AA+(SPUR)/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (BAM) (SECMKT)		
<i>Unenhanced Rating</i>	AA+(SPUR)/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (BAM) (SEC MKT)		
<i>Unenhanced Rating</i>	AA+(SPUR)/Stable	Affirmed

Ratings Detail (As Of September 19, 2023) (cont.)

New York City Mun Wtr Fin Auth WS (BHAC) (SEC MKT)		
<i>Unenhanced Rating</i>	AAA(SPUR)/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (CIFG) (SEC MKT)		
<i>Unenhanced Rating</i>	AAA(SPUR)/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (FGIC)		
<i>Unenhanced Rating</i>	AA+(SPUR)/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (FGIC) (SEC MKT)		
<i>Unenhanced Rating</i>	AAA(SPUR)/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (MBIA) (AGM)		
<i>Unenhanced Rating</i>	AAA(SPUR)/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (MBIA) (FGIC) (National)		
<i>Unenhanced Rating</i>	AAA(SPUR)/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (MBIA) (National)		
<i>Unenhanced Rating</i>	AAA(SPUR)/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1/Stable	Affirmed

Ratings Detail (As Of September 19, 2023) (cont.)

New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/Stable	Affirmed

Ratings Detail (As Of September 19, 2023) (cont.)

New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/Stable	Affirmed

Ratings Detail (As Of September 19, 2023) (cont.)

New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/A-1/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution)		
<i>Long Term Rating</i>	AA+/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution) (AGM)		
<i>Unenhanced Rating</i>	AA+(SPUR)/Stable	Affirmed
New York City Mun Wtr Fin Auth WS (2nd gen resolution) (National)		
<i>Unenhanced Rating</i>	AA+(SPUR)/Stable	Affirmed
New York City Mun Wtr Fin Auth WS		
<i>Unenhanced Rating</i>	AAA(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.spglobal.com/ratings for further information. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

Copyright © 2023 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com/ratings (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.