MOODY'S
INVESTORS SERVICE

Rating Action: Moody's revises outlook to stable, affirms Aaa municipal ratings indirectly linked to US

Global Credit Research - 19 Jul 2013

New York, July 19, 2013 -- Moody's Investors Service moved the rating outlook to stable and affirmed the Aaa on four states and 37 local governments following the move to a stable outlook on the US government's Aaa rating yesterday. The four states are Maryland, Missouri, New Mexico and Virginia. The 37 local governments are listed below. The rating affirmations and outlook revisions include five state aid intercept programs. Moody's also affirmed the Aaa ratings and revised the outlooks to stable for 26 state housing finance agency (HFA) single family loan programs, as well as seven federal lease transactions.

When Moody's placed the US government on negative outlook in 2011, it revised the outlooks of certain Aaa-rated US municipal issuers to negative to reflect their close economic, financial and capital markets linkages to the federal government. At the time, Moody's indicated that if the US government rating were to move down, these ratings would also be likely to change because of their economic sensitivity to federal spending cuts, dependence on federal transfers and exposure to a capital markets disruption.

The conditions that led to the return to a stable outlook on the US government rating reduce the exposure to these risks over Moody's outlook period. However, future federal budget and deficit actions could affect the credit quality of specific issuers independent of the US government bond rating or outlook.

For additional details on the US government rating, please refer to the webpage containing all of Moody's related announcements at http://www.moodys.com/USRatingActions.

Moody's maintains negative outlooks on three indirectly linked local governments for fundamental credit reasons not related to their indirect sovereign linkages. These are Cedar Rapids (IA), the Fairfax County Water Authority (VA), and San Antonio (TX). Detailed discussion of their credit fundamentals, including what could move their ratings down can be found on the individual issuer pages on moodys.com.

Indirectly linked local governments with outlooks revised to stable and ratings affirmed at Aaa:

Alamo Community College District (TX)

Albuquerque Metropolitan Arroyo Flood Control Authority (NM)

Alexandria, City of (VA)

Ames, City of (IA)

Arlington, County of (VA)

Baltimore, County of (MD)

Bernalillo, County of (NM)

Bexar, County of (TX)

Bowie, City of (MD)

Charleston, County of (SC)

Charleston County Park and Recreation District (SC)

Chesterfield, City of (MO)

Easton, Town of (CT)

El Paso County School District 12 (Cheyenne Mountain) (CO)

Fairfax, City of (VA)

Fairfax, County of (VA)

Hamilton, County of (IN)

Harford, County of (MD)

Herndon, Town of (VA)

Howard, County of (MD)

Huntsville, City of (AL)

Indianapolis, City of (IN)

Linn, County of (IA)

Loudoun, County of (VA)

Montgomery, County of (MD)

Oklahoma City, City of (OK)

Olmstead, County of (MN)

Prince George's, County of (MD)

Prince William, County of (VA)

Rochester, City of (MN)

Rockville, City of (MD)

San Antonio River Authority (TX)

St. Louis, County of (MO)

Tarrant County Hospital District (TX)

Vienna, Town of (VA)

Virginia Beach, City of (VA)

Washington Suburban Sanitary District (MD)

Programmatic state aid intercept ratings revised to stable:

Maryland Infrastructure Fin. Intercept Prog.

Missouri School District Direct Deposit Prog.

New Mexico S.D. Enh. Prog.-Pre Mar.30, 2007

New Mexico S.D.Enh.Prog.-Post Mar. 30, 2007

Virginia Resources Authority State Aid Intercept Program

Indirectly linked state HFA programs with outlooks revised to stable and ratings affirmed at Aaa:

Arkansas DFA Home Ownership Revenue Bonds (2009)

California HFA Residential Mortgage Revenue Bonds

Colorado H&FA Single Family Program Bonds (NIBP) & Single Family Mortgage Class I bonds

Delaware SHA Authority Single Family Mortgage Revenue Bonds NIBP

Florida HFC Homeowner Mortgage Revenue Bonds, Special Program

Hawaii HFDC Single Family Mortgage Purchase Revenue Bonds

Indiana H&CDA Home First Mortgage Revenue Bonds (NIBP)

Iowa FA Single Family Mortgage Bond Resolution & Single Family Mortgage Revenue Bond Resolution (2009)

Idaho H&FA Single Family Mortgage Senior Bonds, Series 2000 A, B, C, D & E

Kentucky H C Housing Revenue Bonds

Louisiana HFA Single Family Mortgage Revenue Bonds (Mortgage Backed Security Program)

Maryland CDA Single Family Housing Revenue Bonds

Minnesota HFA Homeownership Finance Bonds

Ohio HFA Residential Mortgage Revenue Bond Program & Single Family NIBP Indenture

Oklahoma Housing Finance Agency Homeownership Loan Program (2009 Indenture)

South Carolina SHFDA Homeownership Bonds (NIBP)

Texas DHCA Residential Mortgage Revenue Bond Program

Washington SHFC Single Family Program Bonds & Homeownership Program Bonds (NIBP)

Federal leases with outlooks revised to stable:

Des Moines Federal Courthouse, L.C. First Mortgage Lease Revenue Bonds, Series 2004

EDA of the City of International Falls Voyageurs Taxable Lease Revenue Bonds, Series 2010A (Voyageurs National Park Headquarters Facility)

Guggenheim Energy Funding LLC 2010-1 Bonneville Power Administration Inter Agency Agreement Backed Pass-Through Trust, Series 2010-1

Maryland Economic Development Corporation Taxable Lease Revenue Bonds (United States Department of Defense Laboratory for Telecommunications Sciences Facility), Series 2003

Miami (City of) FL Rental Revenue Series '88, Dated 7-1-89 (U.S. Government Lease)

Tacoma (City of) WA Lease Revenue (Tacoma Union Stadium Federal Courthouse Project), Series 1990

Tacoma (City of) WA Lease Revenue (Tacoma Union Stadium Federal Courthouse Project), Series 1992

RATING METHODOLOGIES

The principal methodology used in rating the state general obligation debt was US States Rating Methodology published in April 2013. The principal methodology used in rating the local general obligation debt was General Obligation Bonds Issued by US Local Governments published in April 2013. The additional methodology used in rating the lease revenue debt was The Fundamentals of Credit Analysis for Lease-Backed Municipal Obligations published in December 2011. The additional methodology used in rating the moral obligation debt was Moody's Approach to the Moral Obligation Pledge published in June 1999. The principal methodology used in rating the state aid intercept programs was State Aid Intercept Programs and Financings: Pre and Post Default published in July 2013. The principal methodology used in rating the housing debt was U.S. Housing Finance Agency Single Family Programs published in February 2013. Please see the Credit Policy page on www.moodys.com for a copy of these methodologies.

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on www.moodys.com for additional regulatory disclosures for each credit rating.

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