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Press Release

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IMMEDIATE

MTA's Transportation Revenue Bond Credit Rated "AA+"

Kroll Bond Rating Agency Gives MTA Bonds Among Highest Possible Ratings

The Metropolitan Transportation Authority (MTA) today announced that bonds issued through its Transportation Revenue Bond (TRB) credit have been rated AA+ by the Kroll Bond Rating Agency in its inaugural assessment. AA+ is among the rating agency's highest possible measures of debt creditworthiness, and it is an indication that MTA bonds have been "determined to have minimal risk of loss due to credit-related events," and that MTA bonds "are deemed very high quality."

The rating applies to the MTA's Transportation Revenue Bonds, which are backed by a diverse pledge of revenues, including fares, tolls, and government subsidies and dedicated taxes.

In making its determination, Kroll exhaustively evaluated the MTA's finances, levels of customer demand, management history, debt issuance structures, transparency in financial disclosure, history of commitment from the New York State Legislature, and measures of the MTA's importance to the continued functioning of the Western Hemisphere's largest economy.

"MTA provides a critical transportation network for over 15 million people in the greater New York Metropolitan area, which is essential to the economic and social fabric of the area," the rating agency noted in its guidance to bond buyers. "MTA has a well-defined governance and management structure, which includes specific policies governing the budget process, multi-year financial and capital planning and debt management." The rating report continued: "MTA management has a strong track record of balancing its operating budget over changing economic cycles and unforeseen events as well as managing complex capital programs designed to improve and expand the system."

On key credit strengths, Kroll noted that "...it views the monthly deposits of revenues with the Trustee, prior to the payment of operating expenses to be a strong security feature of the TRB Resolution". Kroll's high rating of MTA's Transportation Revenue Bonds reflects its recognition of the significance of non-operating revenues in the pledge and, hence, gives more weight to the gross pledge of revenues that provides tremendous coverage to bondholders.

In response to the receipt of the rating, MTA Chief Financial Officer Robert E. Foran said: "Much of the public discourse surrounding the MTA finances focuses on the total volume of debt outstanding, but Kroll's rating is based on a deeper look into the soundness of the MTA's underlying financial fundamentals, both now and in the foreseeable future. The sterling rating is recognition of the bottom line fact that the MTA has, and can be expected to have, the resources available to repay its bondholders while continuing to operate its \$1 trillion network of trains, buses, bridges and tunnels in service of the New York region."

The MTA's Transportation Revenue Bond credit is rated "AA-" by S&P, "A2" by Moody's and "A" by Fitch.

The MTA also issues bonds under three other credits: Dedicated Tax Fund Bonds that are backed by taxes collected by the State of New York and dedicated to the MTA, and Triborough Bridge and Tunnel Authority Bonds (through senior and subordinate liens) that are backed by tolls collected at MTA Bridges and Tunnels' nine water crossings. MTA's portfolio of outstanding bonds has a weighted average cost of 3.91% and is predominantly in fixed-rate mode.