

MOODY'S

INVESTORS SERVICE

Rating Action: Moody's affirms P-1 on Massachusetts Bay Transportation Authority CP Notes, Series A, Series B & Series C

Global Credit Research - 07 Dec 2015

\$250M debt affected

New York, December 07, 2015 -- Moody's Investors Service has affirmed the P-1 ratings on the Massachusetts Bay Transportation Authority (the "Authority") Tax-Exempt Commercial Paper Sales Tax Bond Anticipation Notes, Series A, Series B and Series C (collectively the Notes).

SUMMARY RATING RATIONALE

The rating affirmation is in conjunction with (i) substitution of the liquidity facility provided by State Street Bank & Trust Company with a liquidity facility provided by U.S. Bank, N.A. for Series A, (ii) the amendment and extension of the existing liquidity facility provided by Sumitomo Mitsui Banking Corporation for Series B and (iii) substitution of the liquidity facility provided by The Bank of New York Mellon with a liquidity facility provided by TD Bank, N.A. for Series C. U.S. Bank, N.A., Sumitomo Mitsui Banking Corporation and TD Bank, N.A. are collectively referred to as the "Banks". The substitutions and amendment are effective December 10, 2015.

The P-1 ratings are based upon (i) Moody's short-term counterparty risk assessments (CR Assessment) of the Banks which are currently P-1(cr); and (ii) the likelihood of termination of the liquidity facilities without payment of the Notes. Events, which would cause the liquidity facilities to terminate without payment of the Notes, are directly related to the credit quality of the Authority.

The liquidity facilities for Series A, B, and C are sized for \$100 million, \$100 million and \$50 million, respectively, which is sufficient to cover the maximum stated principal amount and each facility covers 270 days of interest at the maximum rate of 9%.

WHAT COULD MAKE THE SHORT-TERM RATING GO DOWN

The short-term rating on a Series of Notes would be lowered if Moody's were to downgrade the short-term CR Assessment of the applicable Bank and could be lowered if Moody's were to downgrade its long-term rating of the Authority.

RATING METHODOLOGIES

The methodologies used in these ratings were US Public Finance Special Tax Methodology published in January 2014 and Variable Rate Instruments Supported by Conditional Liquidity Facilities published in March 2015. Please see the Credit Policy page on www.moody.com for a copy of these methodologies

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