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Ratings

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Summary:

San Francisco Municipal Transportation Agency; Letter Of Credit

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Summary:

San Francisco Municipal Transportation Agency; Letter Of Credit

Credit Profile		
San Francisco Municipal Transportation Agency LOC		
Short Term Rating	A-1	Downgraded
San Francisco Municipal Transportation Agency LOC		
Short Term Rating	A-1	Downgraded

Rationale

S&P Global Ratings lowered its rating on San Francisco Municipal Transportation Agency, Calif.'s series A-1 tax-exempt and series A-2 taxable commercial paper (CP) notes to 'A-1' from 'A-1+'.

The action reflects a new direct-pay letter of credit (LOC) provided by Sumitomo Mitsui Banking Corp., acting through its New York branch, as of June 20, 2018, substituting a prior letter of credit provided by State Street Bank and Trust Co.

The 'A-1' short-term rating reflects the liquidity support that Sumitomo Mitsui Banking Corp. provides for the series A-1 and series A-2 CP notes in the form of an irrevocable direct-pay LOC. This LOC fully supports all CP note payment obligations.

The note issuance cannot exceed the amount available under the LOC. The notes must mature within 270 days of issuance and no later than one business day prior to the LOC expiration date. The issuing and paying agent (IPA), U.S. Bank N. A., has instructions to stop issuance of the notes upon receipt of a stop issuance notice from the bank. The IPA may also receive a bank notice that directs the trustee to make a final draw for all notes outstanding. The IPA would hold the proceeds of such a draw pending payment of the notes as they mature.

The LOC is scheduled to expire on June 19, 2023, and covers all principal and interest at the maximum 12% rate for 270 days.

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