

# MOODY'S

## RATINGS

### **Rating Action: Moody's Ratings downgrades to Aa2 LOC-backed variable rate demand bonds jointly supported by TD Bank, N.A.**

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31 Oct 2024

New York, October 31, 2024 -- Moody's Ratings (Moody's) has downgraded the long-term ratings of the below bonds to Aa2 from Aa1. We reviewed the long-term ratings of the bonds following our rating action of TD Bank, N.A. (the Bank). On October 23, 2024, we downgraded the Bank's long-term Counterparty Risk (CR) Assessment to A1(cr) from Aa3(cr). For more information on such rating action please see the press release published on such date (<https://ratings.moodys.com/ratings-news/431276>).

The short-term VMIG 1 rating assigned to the bonds remains unchanged.

- Baltimore (Mayor and City Council of) MD, Taxable Revenue Refunding Bonds (Baltimore City Parking System Facilities), Series 2008; (Underlying bond rating A1)
- Allen (County of) OH, Adjustable Rate Hospital Facilities Revenue Bonds, Series 2012B (Catholic Health Partners); (Underlying bond rating A2)
- Rhode Island Health and Educational Facilities Building Corporation, Higher Education Facility Revenue Refunding Bonds, (Bryant University Issue - Series 2008); (Underlying bond rating A3)
- Colorado Health Facilities Authority, Hospital Revenue Refunding Bonds (Children's Hospital Colorado Project), Series 2020A and Series 2020B; (Underlying bond rating A1)
- Louisiana Public Facilities Authority, Variable Rate Revenue Refunding Bonds (CHRISTUS Health), Series 2009B-2; (Underlying bond rating A1)
- Tarrant County Cultural Education Facilities Finance Corporation, Variable Rate Revenue Refunding Bonds (CHRISTUS Health) Series 2008C-3 and Series 2008C-4; (Underlying bond rating A1)
- Metropolitan Transportation Authority, NY, Transportation Revenue Variable Rate

Refunding Bonds, Subseries 2002G-1g and Subseries 2012G-2; (Underlying bond rating A3)

- Orange County Health Facilities Authority, FL, Hospital Revenue Bonds (Orlando Regional Healthcare System) Series 2008E; (Underlying bond rating A2)
- Philadelphia Authority for Industrial Development, PA, Multi-Modal Lease Revenue Refunding Bonds, 2007 Series B-2; (Underlying bond rating A1)
- City of Philadelphia, Pennsylvania, Gas Works Revenue Refunding Bonds, Eighth Series B, Eighth Series C, Eighth Series D and Eighth Series E (1998 General Ordinance); (Underlying bond rating A3)
- Arizona Industrial Development Authority, Hospital Revenue Refunding Variable Rate Demand Bonds (Phoenix Children's Hospital), Series 2019A and Series 2019B; (Underlying bond rating A1)
- Northampton County General Purpose Authority Hospital Revenue Bonds, Series 2024B (Saint Luke's University Health Network Project); (Underlying bond rating A3)
- Iowa Finance Authority, Variable Rate Health Facilities Revenue Bonds Series 2013B-1 and Series 2013B-2(UnityPoint Health Project); (Underlying bond rating A1)
- Maryland Health and Higher Educational Facilities Authority, Revenue Bonds University of Maryland Medical System Issue Series 2008D; (Underlying bond rating A2)
- Vermont Educational and Health Buildings Financing Agency, Variable Rate Hospital Revenue Refunding Bonds, (Fletcher Allen Health Care Project) Series 2008A; (Underlying bond rating A3)
- West Virginia Hospital Finance Authority, Hospital Variable Rate Refunding Revenue Bonds (West Virginia University Health System Obligated Group), 2018 Series C; (Underlying bond rating A2)
- Massachusetts Development Finance Agency, Variable Rate Demand Revenue Bonds Worcester Polytechnic Institute, Series 2008A; (Underlying bond rating A2)

## RATINGS RATIONALE

The long-term ratings are based on joint default analysis (JDA) which reflect our approach to rating jointly supported transactions. JDA incorporates: (i) the long-term Counterparty Risk (CR) Assessment of TD Bank, N.A. (the Bank) and the credit quality of the applicable obligor; (ii) the probability of default in payment by both parties; and (iii) the structure and legal protections of the transaction, which provide for timely debt service payments. Our current long-term and short-term CR Assessment of the Bank is A1(cr) and P-1(cr), respectively. Our underlying bond

rating of each of bonds are listed above.

We determined that the joint probability of default between the Bank and the applicable obligor is low, which results in credit risk consistent with a JDA rating of Aa2.

#### FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Upgrade the long-term CR Assessment of the Bank, or the underlying rating of the applicable bonds.

#### FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Downgrade of the long-term CR Assessment of the Bank, or the underlying rating of the applicable bonds.
- Our assessment of the level of default dependence between the Bank and the applicable obligor increases.

The principal methodology used in these ratings was Guarantees, Letters of Credit and Other Forms of Credit Substitution Methodology published in July 2022 and available at <https://ratings.moodys.com/rmc-documents/386295>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

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