

# MOODY'S

## INVESTORS SERVICE

### **Rating Action: Moody's Assigns MIG 1 to Framingham MA's \$11.8M GO BANs; Affirms Aa2 GO**

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#### Global Credit Research - 02 Jun 2016

New York, June 02, 2016 -- Issue: General Obligation Bond Anticipation Notes; Rating: MIG 1; Rating Type: Underlying ST; Sale Amount: \$11,801,000; Expected Sale Date: 06/07/2016; Rating Description: Note: Bond Anticipation;

#### Summary Rating Rationale

Moody's Investors Service has assigned a MIG 1 rating to the Town of Framingham MA's \$11.8 million General Obligation Bond Anticipation Notes (BANs, dated June 24, 2016 and payable June 23, 2017). Concurrently, Moody's has affirmed the Aa2 long-term rating on \$150 million of outstanding general obligation bonds.

The MIG 1 rating reflects the strong fundamental long-term credit characteristics, ample liquidity, and satisfactory management of take-out risk mitigated by a demonstrated history of market access.

The Aa2 long term rating reflects the stable financial position, a sizeable and expanding tax base, above average but manageable debt burden, and average pension liability.

#### Rating Outlook

Outlooks are usually not assigned to local government credits with this amount of debt outstanding.

#### Factors that Could Lead to an Upgrade

Continued increase in reserve levels

Decline in the debt burden

Material increase in socio-economic indicators

#### Factors that Could Lead to a Downgrade

Significant increase in the debt burden

Multi-year trend of operating deficits resulting in a decline in reserves

Sizeable decline in the tax base

#### Legal Security

Debt service on the BANs are secured by the town's general obligation limited tax pledge, as debt service has not been exempt from the tax levy limitations of Proposition 2 1/2.

#### Use of Proceeds

Proceeds will fund various capital projects of the town.

#### Obligor Profile

The town of Framingham is located in Middlesex County, approximately 20 miles west of Boston. As of the 2010 census, the town had an estimated population of 68,318.

#### Methodology

The principal methodology used in the long-term rating was US Local Government General Obligation Debt published in January 2014. The principal methodology used in the short-term rating was US Bond Anticipation

Notes published in April 2014. Please see the Ratings Methodologies page on [www.moody's.com](http://www.moody's.com) for a copy of these methodologies.

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