

**Rating Action: Moody's assigns Aa2 to Framingham, MA's GO bonds; outlook stable**

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New York, November 06, 2019 -- Moody's Investors Service has assigned a Aa2 rating to the City of Framingham, MA's \$27.5 million General Obligation Municipal Purpose Loan of 2019 Bonds. We maintain the Aa2 rating on the city's issuer rating and outstanding general obligation limited tax bonds. The issuer rating is equivalent to the city's hypothetical general obligation unlimited tax rating; there is no debt associated with this security. The outlook is stable.

The outstanding general obligation limited tax bonds (GOLT) are considered limited tax because the entire amount of debt service has not been excluded from restrictions under Massachusetts law on the city's ability to increase the property tax levy to pay debt service, referred to as Proposition 2 1/2.

**RATINGS RATIONALE**

The Aa2 issuer rating reflects the stable financial position, sizeable tax base with a large local economy, above-average but manageable debt burden, and average unfunded pension liability.

The absence of distinction between the GOLT rating and the issuer rating reflects the city's ability to override the property tax cap and its pledge of its full faith and credit.

**RATING OUTLOOK**

The stable outlook reflects the healthy growth in the tax base that is expected to continue over the near term as well as expectations that the city will maintain the current financial position with no material changes in reserves or liquidity.

**FACTORS THAT COULD LEAD TO AN UPGRADE**

- Material growth in reserves and liquidity
- Significant decline in the debt burden
- Sustained trend of higher resident income levels

**FACTORS THAT COULD LEAD TO A DOWNGRADE**

- Continued growth in the debt burden
- Decline in reserves and liquidity

**LEGAL SECURITY**

The bonds are secured by the city's full faith and credit, general obligation limited tax pledge as debt service has not been excluded from the tax levy limits of Proposition 2 1/2.

**USE OF PROCEEDS**

Proceeds will be used to finance various capital projects of the city.

**PROFILE**

Framingham has a population of 70,743 and is primarily residential with a large commercial presence. The city is located in Middlesex County, approximately 20 miles west of Boston.

**METHODOLOGY**

The principal methodology used in this rating was US Local Government General Obligation Debt published in

September 2019. Please see the Rating Methodologies page on [www.moody's.com](http://www.moody's.com) for a copy of this methodology.

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