

## Ratings Placed Under Criteria Observation Due To Revised Counterparty Risk Criteria

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LONDON (S&P Global Ratings) March 8, 2019--S&P Global Ratings has today added its under criteria observation (UCO) identifier to certain structured finance, covered bond, and equipment trust certificate ratings. These ratings have the "UCO" label in the Regulatory Identifier column on the individual transaction pages of S&P Global Ratings online credit rating products. The UCO identifier indicates a rating that could be affected by a published change in criteria (see "Standard & Poor's Announces "Under Criteria Observation" Identifier For Ratings Potentially Affected By Criteria Changes," published May 7, 2013).

## *Ratings Placed Under Criteria Observation Due To Revised Counterparty Risk Criteria*

The addition of the UCO identifier follows the publication of our revised criteria for assessing counterparty risk in structured finance transactions (see "Counterparty Risk Framework: Methodology And Assumptions"). These criteria become effective today, except in those markets that require prior notification to and/or registration by the local regulator, where the criteria will become effective when so notified by S&P Global Ratings and/or registered by the regulator.

Our assessment of counterparty risk may constrain the rating assigned to a security if the maximum supported rating as determined under these criteria is lower than what would be supported under other applicable criteria in our analysis of that security. The criteria apply primarily to structured finance and covered bond transactions. They also apply to the analysis of financial counterparty risk in project finance transactions. In addition, they apply in specific circumstances to our analysis of counterparties supporting other corporate and government issues that possess structured finance characteristics (e.g., catastrophe bonds, gas prepay financings, stand-alone tax-exempt single- and multi-family housing bonds, and equipment trust certificates).

The UCO identifier will remain in place until the conclusion of the review under the changed criteria for all of the affected ratings, at which time the ratings may be affirmed, changed, or placed on CreditWatch. The UCO identifier does not modify any rating definition, nor is it equivalent to a CreditWatch placement. S&P Global Ratings expects to review the ratings identified as UCO within six months of the criteria's effective date.

This report does not constitute a rating action.

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