

Article Title: ARCHIVE | Criteria | Structured Finance | CDOs: Advance Notice Of Proposed Criteria Change: Rating Municipal CDOs Data: (EDITOR'S NOTE: — Standard & Poor's published the request for comment titled, "CDOs And Pooled TOBs Backed By U.S. Municipal Debt; Methodology And Assumptions," on Oct. 12, 2011. This advance notice of proposed criteria change is no longer current.) Standard & Poor's Ratings Services is undertaking a comprehensive review of the assumptions and methodologies that it uses to assign ratings to municipal collateralized debt obligations (CDO) and U.S. public finance transactions backed by pools of municipal securities. We intend for these revisions to enhance the comparability of municipal CDO ratings with ratings in other sectors, such as corporate CDOs, corporates, sovereigns, and other areas of structured finance, and to more explicitly address credit stability (see "Understanding Standard & Poor's Rating Definitions," published June 3, 2009, and "Methodology: Credit Stability Criteria," published May 3, 2010). The scope of our review may include our default rate stresses, correlation assumptions, recovery levels and timing, event risk, and model risk. This review would likely result in changes to the assumptions and methodologies we use to assign ratings to municipal CDOs and to securities backed by pools of municipal bonds issued by governmental entities. The effect that these potential changes could have on a particular security's ratings will depend on the final criteria that we adopt and our analysis of the credit quality of the underlying portfolio of securities, the structural features, and the investment guidelines, to the extent applicable. Following this advance notice, we expect to publish a request for comment (RFC) outlining all of our proposed criteria changes. Subsequently, we will publish our final criteria, which will consider market feedback, as appropriate. RELATED CRITERIA AND RESEARCH "Methodology: Credit Stability Criteria," published May 3, 2010; "Update To Global Methodologies And Assumptions For Corporate Cash Flow And Synthetic CDOs," published Sept. 17, 2009; "Standard & Poor's Explains Updates To Global Corporate Cash Flow And Synthetic CDO Criteria," published Sept. 17, 2009; "Application Of Supplemental Tests For Rating Global Corporate Cash Flow And Synthetic CDOs," published Sept. 17, 2009; "Understanding Standard & Poor's Rating Definitions," published June 3, 2009; "Revising U.S. Municipal CDO Modeling Assumptions In CDO Evaluator Version 3.3," published July 24, 2007; "Principles-Based Rating Methodology For Global Structured Finance Securities," published May 29, 2007; and "Long-Term Municipal Pools," published Oct. 19, 2006.