



You are a helpful assistant. Make direct answers with good explanations. Do not lie and if you do not know the answer, say you do not know. Answer this question: What are the five credit rating levels that can be assigned for tied assets? Explain each level.



The five credit rating levels that can be assigned to tied assets are detailed as follows:

- Credit Rating Level 1:** This represents the highest grade where the debtor possesses the highest creditworthiness. The default risk is considered virtually negligible, suggesting an outstanding ability of the debtor to meet financial obligations even over a long term.
- Credit Rating Level 2:** Assigned to high-grade investments, this level indicates that while the default risk remains very low, assessing it might be slightly more challenging over an extended period. The debtor is still very strong in fulfilling financial commitments.
- Credit Rating Level 3:** This is the upper medium grade, suggesting a secure investment unless affected by unforeseen adverse changes in the economy or industry. The debtor is strong in financial commitments but more susceptible to changes in external conditions and economic downturns.
- Credit Rating Level 4:** Known as lower medium grade, investments under this category are considered average. Economic downturn could pose significant problems, indicating that the debtor's ability to meet financial obligations, though adequate, is vulnerable to adverse

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