

Credit Rating Levels Clarified

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Question: "What are the five credit rating levels that can be assigned for tied assets? Explain each level."

Answers:

Answer 1.:

The five credit rating levels that can be assigned for tied assets are:

1. Credit rating level 1: This is the highest grade, indicating that the debtor has an outstanding ability to meet its financial obligations.

The default risk is virtually negligible, even in the longer term.

2. Credit rating level 2: This is a high grade, indicating that the debtor's ability to meet its financial obligations is very strong. The default risk is virtually negligible, but may be somewhat more difficult to assess in the longer term.

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