



# **Legal Studies Research Paper Series**

## **Making Credit Ratings Data Publicly Available**

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## Making Credit Ratings Data Publicly Available

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In the aftermath of the 2007-08 global financial crisis, regulators and policy makers recognized the importance of making bond ratings publicly available.<sup>1</sup> During the following decade, the major credit rating agencies, known as Nationally Recognized Statistical Rating Organizations (NRSROs), have in fact made some ratings data available on their websites. Nevertheless, obtaining this information in bulk can be difficult or impossible. At some times, the data is costly; at other times, it is simply unavailable. Some NRSROs have provided data only on a subscription basis for tens or even hundreds of thousands of dollars annually.<sup>2</sup>

The cost and lack of availability of ratings data are particularly striking given the regulatory requirement that NRSRO publish such data. The Securities and Exchange Commission adopted the first publication rule in February 2009, amending Regulation 17g-2 to impose a modest requirement on NRSROs to publish a 10% sample of their ratings on a six-month delayed basis in XBRL (eXtensible Business Reporting Language) format.<sup>3</sup> A few months later, the SEC strengthened this requirement by adding Regulation 17g-7, a more comprehensive rule that requires NRSROs to publish their full rating histories on a 12-month delay (or a 24-month delay for investor paid ratings).<sup>4</sup> The rating history files must be updated monthly, formatted in XBRL and posted to each rating agency's website.

Unfortunately, the ways in which the major NRSROs have responded to these rules have not made credit rating data available in an easily accessed or comprehensive way and have instead hindered academic and think-tank research into credit ratings. Financial researchers who lack the funds required to purchase bulk ratings must use a variety of ad hoc methods to obtain rating data or limit their studies of credit ratings. Many researchers are unfamiliar with XBRL. It also can be difficult to locate historical files.

As a result of the problems associated with NRSRO ratings history disclosure, online ratings data has been of only limited use. At a recent conference session on public finance, one of us (Joffe) found that

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<sup>1</sup> For a recent article assessing the role of the the credit rating agencies in the markets during the decade following the global financial crisis, as well as regulatory reactions and their implementation, see Frank Partnoy, What's (Still) Wrong with Credit Ratings, 92 Washington Law Review 1407 (2017), available at <https://digital.lib.washington.edu/dspace-law/handle/1773.1/1729>.

<sup>2</sup> A product sheet for Standard and Poor's bulk rating product may be found at [https://marketintelligence.spglobal.com/documents/products/Xpressfeed\\_Ratings\\_v2.pdf](https://marketintelligence.spglobal.com/documents/products/Xpressfeed_Ratings_v2.pdf).

<sup>3</sup> Securities and Exchange Commission (February 2009). Release No. 34-59342. Amendments to Rules for Nationally Recognized Statistical Rating Organizations, available at <https://www.sec.gov/rules/final/2009/34-59342.pdf>.

<sup>4</sup> Securities and Exchange Commission (November 2009). Release No. 34-61050. Amendments to Rules for Nationally Recognized Statistical Rating Organizations, available at <https://www.sec.gov/rules/final/2009/34-61050.pdf>.

none of the academic researchers in attendance were even aware of the availability of this data, while one smaller NRSO reported that downloads of its credit rating history file averaged only one per month.<sup>5</sup>

In late 2017, the [Center for Corporate and Securities Law at the University of San Diego School of Law](#) commissioned a software project to make the SEC mandated credit rating data more accessible. Developers created a tool written in Python that crawls credit rating agency websites, downloads the XBRL files, and converts them to Comma Separated Value (CSV) format.

The software tool – written in the Python programming language - is open source and freely available on GitHub at [https://github.com/govwiki/rating\\_history](https://github.com/govwiki/rating_history). The most recently processed ratings data are available at <http://www.ratingshistory.info>. This web page contains a set of ratings history CSV files broken down by agency and asset category. Most of these files can be directly loaded into Microsoft Excel; some of them are large, with more than one million rows, requiring the use of database tools. Finally, the entire universe of rating actions is available on Data.World at <https://data.world/muni-finance/credit-ratings-history-data> where it can be queried online. The total universe includes over eight million rating actions, which include assignments, upgrades, downgrades, and withdrawals.

We hope these resources will further credit rating research and look forward to corresponding with academics and analysts using this data.

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<sup>5</sup> Marc Joffe. Open Data for Financial Reporting: Costs, Benefits and Future (September 2017). Data Foundation, at 33, available at <http://www.datafoundation.org/xbrl-report-2017/>.