

NON-RATING ACTION COMMENTARY

Fitch to Take Various Rating Actions on MTA Series 2008A-2b

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Fitch Ratings-New York-22 September 2025: On the effective date of Oct. 2, 2025, Fitch Ratings will take the following rating actions on the Metropolitan Transportation Authority's \$84,855,000 dedicated tax fund variable rate refunding bonds, subseries 2028A-2b:

- Affirm the long-term rating at 'AAA';
- Upgrade the short-term rating to 'F1+' from 'F1'.

The Rating Outlook for series 2008A-2b remains Stable.

These rating actions are in connection with the: (1) substitution of the current PNC Bank, National Association (rated A+/F1/Stable) irrevocable direct-pay letter of credit (LOC) that currently supports the subseries 2008A-2b bonds with an LOC to be provided by the Bank of America (rated AA/F1+/Stable) and (2) mandatory tender of the bonds, scheduled to occur on Oct. 2, 2025.

KEY RATING DRIVERS

The long-term rating for the bonds will continue to be determined using Fitch's dual-party pay criteria and will be based jointly on the underlying rating assigned to those bonds by Fitch (currently AA) and the rating assigned by Fitch to Bank of America N.A., which will provide the substitute LOC as support for the bonds. The short-term 'F1+' rating will be based solely on the LOC. For information about the underlying bond, see Fitch's press release dated Sept. 22, 2025 at www.fitchratings.com.

Fitch's dual-party pay criteria considers the likelihood of the failure of both a rated obligor and a bank LOC provider. The methodology results in a long-term rating that is up to two

notches higher than the stronger of the two credits if the following conditions are met: (1) both entities have a rating of 'A' or higher; (2) the transaction is structured such that payments from both the municipal issuer and the bank are in the flow of funds and both entities would have to fail to perform before the bonds defaulted; and (3) the interest rate modes to be covered by Fitch's rating provide for either a mandatory purchase at the end of each interest rate period, or a purchase demand option. A one- or two-notch uplift will apply to the long-term rating depending on the frequency of the purchase demand option or the duration of the interest rate period which concludes with a mandatory tender.

The bonds provide holders with a tender option upon seven days' notice in the interest rate modes rated by Fitch. Fitch will apply a two-notch uplift which results in a long-term rating of 'AAA' for the bonds.

Pursuant to the substitute LOC, the bank is obligated to make regularly scheduled payments of principal of and interest on the bonds in addition to payments due upon maturity, and redemption, as well as purchase price for tendered bonds. The LOC has a stated expiration date of Oct. 2, 2030, unless extended or earlier terminated, and provides full and sufficient coverage of principal plus an amount equal to 53 days of interest at a maximum rate of 9% based on a year of 365 days and purchase price for tendered bonds, while in the daily and weekly rate modes. A mandatory tender of the bonds will occur on the substitution date on Oct. 2, 2025. The remarketing agent for the bond is BofA Securities, Inc.

RATING SENSITIVITIES

Factors That Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

--The long-term rating is tied to the unenhanced rating assigned to the bonds and the long-term rating that Fitch maintains on the bank providing the LOC. Changes to one or both of these ratings may affect the long-term rating assigned to the bond;

--The short-term rating is exclusively tied to the short-term rating that Fitch maintains on the bank providing the LOC and will reflect all changes to that rating.

Factors That Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

--The long-term and short-term ratings are currently in the highest rating category and cannot be upgraded.

Contact:

Primary Analyst

Mario Civico

Director

+1-212-908-0796

mario.civico@fitchratings.com

Fitch Ratings, Inc.

300 W. 57th Street

New York, NY 10019

Secondary Analyst

Sallymatu Sesay

Analyst

+1-646-582-3744

sallymatu.sesay@fitchratings.com

Committee Chairperson

Kristen Reifsnnyder

Senior Director

+1-646-582-3448

kristen.reifsnnyder@fitchratings.com

Media Relations: Cristina Bermudez, New York, Tel: +1 212 612 7892, Email:

cristina.bermudez@thefitchgroup.com

Additional information is available on www.fitchratings.com

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