S&P Global Ratings

RatingsDirect®

Metropolitan Transportation Authority, New York; Joint Criteria; Note; Transit

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Credit Profile		
US$500.0 mil transp rev BANs ser 2020B-S due 02/01/2023		
Short Term Rating	SP-2	New
US$300.0 mil transp rev bnds (Mandatory Tender Bnds) ser 2020D-2 due 11/15/2055		
Long Term Rating	BBB+/Negative	New
US$300.0 mil transp rev bnds (Mandatory Tender Bnds) ser 2020D-1 due 11/15/2055		
Long Term Rating	BBB+/Negative	New

Rating Action

One or more of the ratings referenced within this article was assigned by deviating from S&P Global Ratings' published Criteria. The exception relates to the application of "Mass Transit Enterprise Ratings: Methodology And Assumptions" (Mass Transit Criteria), published Dec. 18, 2013.

Tables 4, 5, and paragraph 65 in the Mass Transit Criteria call for the use of historical data in assigning initial scores for economic fundamentals, market position, debt service coverage, liquidity, financial flexibility, and debt burden factors. The initial scores for economic fundamentals and market position are based on data from the last five years and the initial scores for debt service coverage, liquidity, financial flexibility, and debt burden factors are based on data from the most recently completed fiscal year (sometimes referred to as the "base year"). Under the Mass Transit Criteria, we can make various positive and negative adjustments to the initial scores, but these can only change those initial scores by a maximum of 1 point per adjustment and 2 points in the aggregate. Given the significant negative impact of COVID-19 on various demand and financial metrics, we believe the existing criteria framework will limit our ability to adequately incorporate a forward looking view in our assessments of these factors. Similarly, depending on the speed of the recovery, the reverse situation could be observed in a future year, where by an entity's negative performance in the most recently completed year, or its significant impact on a 5-year historical average, will inappropriately weigh down the initial score, while any expectations we may have for positive performance as the economy recovers could only improve the score by 1 point. Accordingly, we excepted this rating from the provisions of the Mass Transit Criteria noted above by allowing instead for the use of current and next fiscal year projections in assigning the initial scores, rather than as an adjustment in assessing economic fundamentals, market position, debt service coverage, liquidity, financial flexibility, and debt burden scores.

In this instance, without the criteria exception, we would use 2014-2019 data to derive the initial scores for economic fundamentals and market position and 2019 data to derive the initial scores for all financial metrics per our analysis of the credit under our mass transit criteria. Under this exception, we are using 2015-2020 data in the economic fundamentals and market position analyses and 2019 data for the financial risk profile analysis.

S&P Global Ratings took the following rating actions on the Metropolitan Transportation Authority (MTA) of New

York:

- We lowered our issuer credit rating (ICR) to 'BBB+' from 'A-' on the MTA and removed the rating from CreditWatch, where it had been placed with negative implications on May 4, 2020;
- We lowered our stand-alone credit profile (SACP) to 'bbb+' from 'a-' on the MTA;
- We lowered our long-term rating and underlying rating (SPUR) to 'BBB+' from 'A-' on the MTA's previously issued transportation revenue bonds (TRBs) and removed the rating from CreditWatch, where it had been placed with negative implications on May 4, 2020;
- We lowered our short-term rating to 'SP-2' from 'SP-1' on the MTA's previously issued transportation revenue bond anticipation notes (BANs);
- We assigned our 'BBB+' long-term rating to the MTA's proposed $600 million series 2020D TRBs (mandatory tender bonds), consisting of $300 million subseries 2020D-1 and $300 million subseries 2020D-2; and
- We assigned our 'SP-2' short-term rating to the MTA's proposed $500 million series 2020B-S transportation revenue BANs.

The outlook, where applicable, is negative.

Due to the lowering of the rating on the MTA's SPUR, under our joint criteria methodology we also took the following additional rating actions:

- We lowered our dual ratings to 'AA-/A-1+' from 'AA/A-1+' on various MTA variable-rate TRBs with enhancement by letters of credit from Toronto Dominion Bank and U.S. Bank N.A. and removed the ratings from CreditWatch, where they had been placed with negative implications on May 4, 2020; and
- We lowered our dual ratings to 'AA-/A-1' from 'AA/A-1' on various other MTA variable-rate TRBs with enhancement by letters of credit from Bank of America N.A., Bank of Montreal, Barclays Bank PLC, PNC Bank N.A., and Landesbank Hessen-Thueringen Girozentrale and removed the ratings from CreditWatch, where they had been placed with negative implications on May 4, 2020.

The ratings were placed on CreditWatch on May 4, 2020, reflecting our assessment of the significant and growing operational and financial impacts on the MTA as a result of the ongoing COVID-19 pandemic.

The dual ratings above reflect the application of our joint criteria, assuming low correlation, and our 'BBB+' SPUR on the MTA's existing TRBs.

The series 2020D-1 and 2020D-2 TRBs will bear interest in term rate mode and are subject to mandatory tender for purchase on May 15, 2023, and May 15, 2025, respectively (as proposed). The bonds are not subject to optional redemption and mandatory tender prior to their respective mandatory purchase dates. The MTA plans to remarket the bonds on or before the mandatory purchase date and apply the remarketing proceeds to pay the tender price. The MTA expects to appoint a remarketing agent to offer for sale and use its best efforts to find purchasers for all tendered bonds. A failed remarketing would not constitute an event of default (soft put structure), although the interest rates would increase to 9% until the bonds are remarketed.

The TRBs are secured by MTA gross revenue before expenses of the MTA, the New York City Transit Authority, the

Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA), the Long Island Rail Road Co. (LIRR), Metro-North Commuter Railroad Co. (MNCRC), and MTA Bus Co. The pledged revenue consists of fares and other operating receipts from MTA subsidiaries (MTA Bus, LIRR, and MNCRC) and affiliates (the New York City Transit Authority and MaBSTOA). MTA nonoperating revenue, which consists of Triborough Bridge and Tunnel Authority surplus revenue, various tax revenue, subsidies, interest, and other miscellaneous MTA income, also secures the bonds. The MTA also receives a cash subsidy from the U.S. Treasury for its Build America Bonds. The subsidy payments are not part of the trust estate of the transportation resolution. The BANs are payable solely from the proceeds of other notes, the proceeds of takeout bonds, and, with respect to interest payable, amounts available for payment of subordinated debt. The BANs are not secured by any other funds, accounts, or amounts that are pledged to the payment of bonds or parity obligations issued under the resolution.

TRB provisions include a gross revenue pledge and a rate covenant that requires sufficiency, whereby pledged revenue is sufficient to cover annual operating expenses and debt service. In addition, the authority is statutorily required to achieve a balanced budget each year, although we understand this includes the use of cash balances carried over from prior years. While the bonds lack a debt service reserve fund, the MTA's liquidity, including its lines of credit, and exceptional market access offset this.

Both the TRBs and the BANs are being issued to finance existing approved transit and commuter projects. As of June 9, 2020, the MTA had a consolidated, all-inclusive debt position of $47 billion.

Credit overview

The rating actions and negative outlook reflect our view of the MTA's severely distressed financial condition largely as a result of the ongoing COVID-19 pandemic, including a sharp weakening of economic, operating, and financial metrics, as well as significant challenges amid a recessionary period to improve cash flow and restore structural budget balance. There remain many uncertainties, in our view, such as whether the MTA will be able to make enough budget adjustments to address or sufficiently mitigate its exposures; timing and amount of additional federal aid, if any; and procuring new revenue streams. These prospects will be examined against the backdrop of recessionary pressures, ridership trends, bridge and tunnel crossings and tax and subsidy performance as or if the pandemic loosens its grip. Our analysis of any corrective actions or measures put in place will focus on the sustainability of these solutions as well as their resulting impact on the MTA's future fixed obligations.

While the MTA was granted $4.0 billion in federal aid through the Coronavirus Aid, Relief, and Economic Security (CARES) Act to help offset losses related to COVID-19, these funds will likely be exhausted by August; the MTA's additional request for $3.9 billion in federal aid made almost three months ago remains unaddressed, and, in our view, prospects for it or other similarly sized stimulus measures materializing soon, if ever, are fading and uncertain. Even if the funds are received, the MTA estimates additional losses of $6.6 billion in 2021. Because of these matters, we believe the MTA's liquidity, while currently ample at $5.6 billion, will face significant pressure in the coming months as the authority likely burns cash and weighs various alternatives, some of which we view as difficult to materially adjust (like fixed personnel costs that represent three-fourths of MTA's annual budget) or politically challenging service reductions. More specifically, on June 24, the MTA provided its board with an "emergency financial update," including discussion of COVID-19 effects and an update on the status of federal aid, but also outlining various alternatives to balance its budget absent additional federal aid in 2020 and 2021. These alternatives include wage freezes, capital spending reductions, non-personnel expense cuts, layoffs, fare and toll increases above those already planned, reductions in service, and long-term deficit financing. We understand the MTA has additional cash flow generation tools potentially at its disposal totaling about $4 billion for 2020, but these measures are uncertain in terms of timing and amount, and potential cuts in the state's aid-to-localities of as much as $1.6 billion could offset these solutions. In addition, many of these solutions are nonrecurring or come with near-term repayment obligations. We believe that fare increases and capital spending reductions could have negative consequences and that long-term deficit financing could constrain future budgets.

Challenges the MTA was facing pre-pandemic--an extremely large capital plan, high fixed costs and debt burden, marginal or insufficient S&P Global Ratings-calculated all-in net revenue debt service coverage, and weak ridership trends--have only been exacerbated by the COVID-19 outbreak and associated impacts, in our opinion. The MTA's financial condition is significantly more distressed because of the effects of the pandemic. Since the mid-April 2020 lows, subway and bus ridership have gradually increased, with bridge and tunnel crossings showing relatively more resilience, but all volume levels and associated revenue remain well below both budgeted and pre-pandemic levels. MTA's tax and subsidy revenue is also significantly below budget, with expenses largely unchanged. For more information, see our article "Activity Estimates For U.S Transportation Infrastructure Show Public Transit And Airports Most Vulnerable To Near-Term Rating Pressure" (published June 4, 2020, on RatingsDirect).

S&P Global Ratings' analysis of MTA's financial condition and projections is, in large part, informed by MTA's assumptions and estimates. These effects include significant fare, toll, and tax and subsidy revenue declines projected over 2020-2021 that could result in a two-year combined structural deficit of an estimated $14.4 billion: $7.8 billion for 2020 and $6.6 billion for 2021. While the MTA was granted $4.0 billion (24% of 2019 gross revenue) in federal aid through the CARES Act, with $2.9 billion already drawn, it is appearing less likely, in our opinion, that the MTA will receive a requested additional $3.9 billion in federal aid as part of the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act passed by the U.S. House of Representatives on May 15, 2020. The act is currently under consideration in the Senate. Even if this or other additional federal aid is received, the timeliness of such receipt is uncertain. In addition, if CARES and HEROES funding is tapped in 2020, the estimated $6.6 billion budget gap in 2021 would remain. We treat federal aid as an additional liquidity source rather than as revenue for purposes of calculating all-in debt service coverage; this is due to our view of the nonrecurring nature of federal aid.

We view the MTA's forecast assumptions as reasonable given its analysis of the COVID-19 pandemic against the backdrop of other historical economic and financial shocks, but also given the unique nature of this crisis in terms of severity. The MTA's and our own estimates, however, are based on factors subject to uncertainty given the unprecedented and unpredictable nature of the developments. The fluid nature of the situation and the heavily populated New York City area mean that the impact could be more severe than forecast. Effects could also be more modest. As of this report, more than half of U.S. states are seeing increases rather than decreases in new COVID-19 active cases, and, while the State of New York's daily new cases are well below the spikes seen in April, a surge in new cases or a second wave of cases this fall are likely, in our opinion. Contributing to the MTA's budgetary imbalance are the MTA's high fixed costs with regard to debt service but also labor, as no layoffs or furloughs have been made and none are planned on the basis of putting the system in a position to fully ramp up as stay-at-home and other social distancing requirements continue to ease. In addition, changes in rider and driver behavior could be sustained with increased telecommuting, either voluntarily or by mandate.

We view the MTA's enterprise risk profile score as strong, revised from very strong, and its financial risk profile score as adequate, resulting in an indicative SACP of 'bbb+/bbb', according to our criteria "Mass Transit Enterprise Ratings: Methodology And Assumptions," published Dec. 18, 2013. We have selected the higher of the indicative SACP outcomes of 'bbb+' given the MTA's improved liquidity sources, strong management and disclosure practices, and sophisticated financial planning. Given that we do not consider the MTA a government-related entity, our ICR on the authority is also 'BBB+', reflecting our opinion of its overall ability to pay its financial obligations. The ICR also reflects our view of the MTA's capacity and willingness to meet its financial commitments as they come due, and does not refer to any specific financial obligation. Given our analysis of the TRB bond provisions in the context of the MTA's financial metrics and industry standards, we view the provisions as credit neutral. Therefore, the issue rating on the authority's TRBs is 'BBB+'.

The 'SP-2' rating on the BANs reflects what we consider a low market risk profile, strong market access, and strong information disclosure. In addition, the 'SP-2' rating reflects our 'BBB+' long-term rating and SPUR on the MTA's TRBs and our 'BBB+' ICR on the MTA.

Key credit weaknesses, in our view, are the MTA's:

- Very weak all-in consolidated net revenue debt service coverage (DSC; per our calculations) that was slightly less than 1x in audited fiscal 2019, about 1x in audited fiscal 2018, and slightly less than 1x in audited fiscal 2017, with DSC almost certain to worsen to a level well below 1x in fiscal 2020 given the effects of the COVID-19 pandemic, triggering a rating cap of 'A-' under our mass transit criteria;
- Mounting challenges to maintain a structural balance as a result of COVID-19-related effects on the economy, ridership, traffic, subsidies, and taxes; and
- Very high debt burden (with a consolidated debt service carrying charge of approximately 18%) and significant capital needs, with a capital program of $54.8 billion for fiscal years 2020 to 2024, which is more than 65% larger than the fiscal 2015-2019 program, with as much as $35 billion, or 60%, debt financed. While we understand the capital program may be downsized and/or delayed given that many of its funding sources have deteriorated as a result of the pandemic, this could result in reduced service quality, and, in turn, reduced demand for transit.

Key credit strengths, in our opinion, are the MTA's:

- Monopolistic business position and high essentiality given its status as a critical service provider to the region, as evidenced by receiving $4 billion in federal aid (CARES funding);
- Relatively high consolidated farebox recovery ratio (including farebox and toll revenue) of 63% in 2019, although this is likely to decline in coming years;
- Good liquidity with approximately $5.6 billion as of June 25, 2020, combined with a history of very strong market access, although we expect liquidity will be spent down; and
- Experienced management team that has successfully managed historical crises, although none as acute as the COVID-19 pandemic.

Environmental, social, and governance factors

We analyzed the MTA's risks related to environmental, social, and governance factors and determined that, with the exception of social risks, all are in line with the standard for mass transit. We view management favorably given its very strong financial planning and disclosure practices, and prudent financial policies. However, the MTA is exposed to significant social risks related to COVID-19-related social distancing requirements to promote health and safety that are causing significant revenue declines and operating and financial pressures. We will continue to evaluate these risks as the situation evolves.

Negative Outlook

Downside scenario

We could lower the rating one or more notches to the extent the MTA's liquidity deteriorates significantly, financial flexibility becomes more constrained, or if we believe corrective measures to shore up the MTA's structural imbalance are insufficient. We could also lower the rating if the MTA relies heavily on deficit financing. Further downward rating pressure is likely to the extent the effects on the MTA from the current pandemic and its related economic impacts worsen or become protracted.

Return to stable scenario

We could revise the outlook to stable if the MTA resolves its 2020 budget gap of almost $4 billion and we view the prospects for material out–year budget deficit reduction or elimination as feasible. Our analysis of these items will consider the extent to which such solutions rely on recurring or non-recurring measures, and whether they constrain future budget flexibility. We will also take into account our view of the medium-to-longer-term impact of the COVID-19 pandemic to both operating and non-operating revenues due to permanent or persistent changes in passenger and commuting behavior as well as economic activity in general.

Credit Opinion

According to S&P Global Economics' latest economic forecast, published June 25, 2020, our baseline forecast now assumes U.S GDP will contract 5.0% in 2020 (revised from 5.2% in our April forecast), including a decline of almost 34% in the second quarter. We believe recovery will be gradual as fears linger and social distancing continues, and a premature opening of the economy in some states may mean slower curtailment of COVID-19. S&P Global Ratings acknowledges there still remains high uncertainty about the rate of spread and peak of the coronavirus outbreak. We believe measures to contain COVID-19 have caused significant recessionary pressures. We increasingly believe that COVID-19 will be a major headwind to U.S. growth in the near term, although the inevitable impact on the U.S. economy depends largely on how long the COVID-19-related challenges last in the U.S. For more information, see our article "The U.S. Faces A Longer And Slower Climb From The Bottom" (published June 25, 2020).

According to the latest estimates from IHS Markit, combined employment levels for the MTA's multi-jurisdictional service territory are estimated to decline 12% in 2020, and this equates to a decline of 7% versus 2015 levels. Employment is expected to increase 4% in 2021 and 6% in 2022, and projections indicate that employment levels will not return to 2019 levels until 2024. Population declined 0.4% in 2019, and projections indicate similar declines in

2020 and 2021. Per capita personal income is projected to remain very high in the region at no less than 43% above the national average through 2021. Given the employment declines in 2020, our assessment of economic fundamentals under our criteria has worsened, which weakened our enterprise risk profile assessment to strong from very strong.

On a more positive note, the New York City metro area has reopened for business in various phases over May and June, with declining new active COVID-19 cases, hospitalizations, and deaths, although the situation remains fragile. As a result, ridership and bridge and tunnel crossings have, to various degrees, rebounded. At its low point in mid-April, subway ridership was down 93% (to 365,000 weekday riders) versus the comparable weekday average in 2019, with bus ridership off 84% and bridge/tunnel traffic off 69%. Since then, subway ridership has gradually improved to 1.1 million weekday riders as of June 30, which was down 80% from weekday levels a year prior. Bus ridership was 50% of 2019 levels on that date. Compared to subway and bus ridership, bridge and tunnel crossings have improved dramatically; as of that date, traffic levels were 19% below 2019 weekday levels. With fare and toll revenue 38% and 12%, respectively, of MTA's gross revenue in fiscal 2019 we believe that, absent other measures, a continued rebound in subway and bus ridership is instrumental to the MTA's financial recovery. Given that taxes and other subsidy revenue represent the remaining 50% of MTA gross revenue, the extent to which such revenue rebounds is equally important.

According to the MTA's latest estimates through May 2020 (found in its BudgetWatch June 2020 Flash Report), total passenger revenue was $1.2 billion (44%) below budget, with toll revenue $231 million (28%) below budget. For May alone, passenger revenue was $486 million (89%) below budget and toll revenue $85 million (46%) below budget. State dedicated tax revenue through June was $619 million (32%) below budget, with real estate transaction tax revenue off $90 million, or 17%. Capital lockbox funding sources, including the mansion tax and internet sales tax, were $116 million (38%) below budget, through June. Offsetting these declines are savings on operating expenses of $304 million, or 5%, through May 2020.

The MTA's forecasts, which are relatively consistent with our internal analysis, and based on factors subject to moderately high uncertainty, put the fare and toll revenue losses at $4.7 billion to $5.9 billion in 2020 and $2.7 billion to $5.1 billion for 2021. The MTA additionally estimates that taxes and subsidies may decline by $1.6 billion to $1.8 billion for 2020 and by $1.8 billion to $2.0 billion in 2021 versus budgeted levels, with operating expenses largely related to system cleaning and disinfecting potentially rising $700 million to $800 million versus budget. The result is an estimated gross revenue shortfall of $7.0 billion to $8.5 billion for 2020, or $3.2 billion to $4.7 billion net of federal aid already granted, and an estimated gross revenue shortfall of $5.1 billion to $7.8 billion for 2021. While we view the recently approved $4 billion in federal aid from the CARES Act as a credit positive, significant hurdles remain, in our opinion. More specifically, we believe the MTA's credit quality in the near term will largely depend on:

- The extent to which the MTA is willing and able to reduce fixed labor costs in line with what we believe will be a material multiyear ridership dislocation, and with potentially sustained recessionary pressures on other tax and subsidy revenue;
- If and when additional federal aid is granted; and
- The pace at which ridership, traffic, taxes, and subsidies rebound, all of which depend partly on how quickly the region's employment levels rebound and the length of the current economic downturn.

We believe DSC, liquidity, financial flexibility, and debt metrics will all worsen significantly as a result of steep ridership and traffic declines, significant economic effects, and declines in subsidies and tax revenue that also support the MTA. Many of the MTA's taxes and subsidies will be negatively affected from reduced overall mobility in the region. Employment declines within MTA's service territory may have yet to peak. Previously, management reported that its Transformation Plan was on hold as it addresses the higher-priority items related to the pandemic such as employee and customer health and safety, and immediate financial challenges. We have been notified that efforts related to plan, however, have resumed with MTA officials expecting to achieve a transformation related headcount reduction of 2,700 by the end of this year.

The MTA returned to full service as of June 8 after providing only essential service for several weeks between March and June. The MTA has retained almost full staffing; while understandable given the essential nature of the transit network, these fixed costs are likely to have negative ramifications for coverage ratios. Prior to the current severe ridership, tax, and subsidy declines caused by the COVID-19 pandemic, MTA's actual and estimated DSC (S&P Global Ratings-calculated) was slightly less than 1x for the three-year average of fiscal years 2017 to 2019, and, according to the MTA's February 2020 Financial Plan, DSC was projected to remain near those levels through 2023. We now believe DSC will be significantly below 1x for 2020 and likely for 2021. While the MTA has continued to make progress on significant budget adjustments and cost savings, including with regard to its Transformation Plan, COVID-19 effects will delay, and likely nullify such progress. In addition, subsidies and taxes could take an extended period to recover, further crimping the MTA's financial operations. These factors, absent meaningful offsetting structural solutions, could strain the MTA's budget for several years on top of relatively strained conditions for three years running.

Our ongoing assessment of the MTA's liquidity position relies on several factors, including whether, when, and to what extent additional federal assistance or other liquidity sources materialize, the severity and duration of the pandemic and related travel restrictions, employment resilience, the timing of capital spending (which is likely to be delayed and/or curtailed), and the impact of MTA internal structural solutions, if any. Management reported liquidity resources as of June 25 of $5.6 billion to meet its short- and intermediate-term needs, but this is likely insufficient to cover longer-term funding gaps; it also must repay or replenish these funds. The MTA increased its total lines of credit to $2.15 billion from $1 billion as of Dec. 31, 2019. While its current $5.6 billion in liquidity is significant, we estimate that absent additional liquidity, revenue enhancements, or cost reductions in 2020, the MTA could fully deplete its liquidity by the end of 2020. To avoid this, MTA officials have identified the following other sources of actual or potential cash flow and/or liquidity relief:

- Additional federal aid of $3.9 billion as requested by the MTA on April 16, although receipt of this is growing more uncertain;
- Federal Transit Administration grants totaling $655 million for capital that can be redirected to expenses related to COVID-19;
- Federal Emergency Management Agency (FEMA) reimbursements of an unknown amount for increased costs related to COVID-19;
- Use of money in the Central Business District Tolling Lockbox Fund for 2020 and 2021 to offset decreases in revenue or increases in operating costs, with $297 million available as of June 25. This money includes the recently implemented mansion tax and new statewide and city sales tax, and, when and if received, congestion pricing

revenue in the Central Business District;

- Replacement of programmed pay-as-you-go capital funds of as much as $1.64 billion with long-term debt;
- Debt refinancing or restructuring options that could generate $1.79 billion;
- Deferring $473 million of 2020 federal payroll taxes as allowed under the CARES Act with half paid by the end of 2021 and the remainder paid by the end of 2022; and
- State approval to issue as much as $10 billion in deficit financing bonds during 2020 through 2022 to offset declines in revenue or higher operating costs related to the pandemic.

Offsetting these is the potential for recurring state aid-to-localities cuts in the range of $640 million to $1.6 billion, depending on what final budget solutions the state announces later this year. The MTA also reports that it may participate in the Federal Reserve Board's Municipal Liquidity Facility program through the state; the Fed is offering as much as $500 billion in lending to states and municipalities to help offset cash flow effects from the coronavirus pandemic. Whether or how the MTA might be able to take advantage of this program is still to be determined.

When assuming all of the above positive cash flow items occur in 2020 (except deficit financing and the Fed's liquidity facility program), partly offset by possible cuts in state aid and revenue gaps, we estimate an ending liquidity position of approximately $6 billion. Whether the MTA will enact those measures is unknown, and, while this level of liquidity is, in our view, strong at about five months of operating costs, lines of credit will have to be repaid and reserves replenished. Further, an additional revenue shortfall is estimated for 2021 of $5.1 billion to $7.8 billion, such that absent additional cash flow solutions, deficit financing, or external infusions, any remaining 2020 liquidity balances could be drawn down in 2021. The MTA has drawn down $1 billion of its $2.15 billion in lines of credit, but $702 million of the amount drawn is unspent with total liquidity remaining from lines of credit of $1.85 billion. It also recently drew down its $244 million remaining on its Railroad Rehabilitation and Improvement Financing program loan.

Related Research

- Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020

Ratings Detail (As Of July 7, 2020)		
Metropolitan Transp Auth transit		
Long Term Rating	BBB+/Negative	Downgraded
Metropolitan Transp Auth transit		
Long Term Rating	BBB+/Negative	Downgraded
Unenhanced Rating	NR(SPUR)	
Metropolitan Transp Auth transit		
Long Term Rating	BBB+/Negative	Downgraded
Metropolitan Transp Auth transit		
Long Term Rating	BBB+/Negative	Downgraded

Ratings Detail (As Of July 7, 2020) (cont.)		
Metropolitan Transp Auth transit		
Long Term Rating	BBB+/Negative	Downgraded
Metropolitan Transp Auth transit		
Long Term Rating	BBB+/Negative	Downgraded
Metropolitan Transp Auth transit		
Long Term Rating	BBB+/Negative	Downgraded
Metropolitan Transp Auth transit		
Long Term Rating	BBB+/Negative	Downgraded
Metropolitan Transp Auth transit		
Long Term Rating	BBB+/Negative	Downgraded
Metropolitan Transp Auth transit		
Long Term Rating	BBB+/Negative	Downgraded
Metropolitan Transp Auth transit		
Short Term Rating	SP-2	Downgraded
Metropolitan Transp Auth transit		
Short Term Rating	SP-2	Downgraded
Metropolitan Transp Auth transit		
Long Term Rating	BBB+/Negative	Downgraded
Metropolitan Transp Auth transit		
Long Term Rating	BBB+/Negative	Downgraded
Metropolitan Transp Auth transit		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit		
Long Term Rating	BBB+/Negative	Downgraded
Metropolitan Transp Auth transit		
Long Term Rating	BBB+/Negative	Downgraded
Metropolitan Transp Auth transit		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit		
Long Term Rating	BBB+/Negative	Downgraded
Metropolitan Transp Auth transit		
Long Term Rating	BBB+/Negative	Downgraded
Metropolitan Transp Auth transit		
Long Term Rating	BBB+/Negative	Downgraded
Metropolitan Transp Auth transit		
Long Term Rating	BBB+/Negative	Downgraded
Unenhanced Rating	NR(SPUR)	
Metropolitan Transp Auth transit		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded

Ratings Detail (As Of July 7, 2020) (cont.)		
Metropolitan Transp Auth transit		
Long Term Rating	BBB+/Negative	Downgraded
Metropolitan Transp Auth transit		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (wrap of insured) (AGM) (BHAC) (SEC MKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (wrap of insured) (FGIC) (AGM) (SEC MKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (wrap of insured) (FGIC) (MBIA) (ASSURED GTY) (SEC MKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded

Ratings Detail (As Of July 7, 2020) (cont.)		
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SEC MKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SEC MKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded

Ratings Detail (As Of July 7, 2020) (cont.)		
Metropolitan Transp Auth transit (AGM) (SEC MKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SEC MKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SEC MKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SEC MKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SEC MKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SEC MKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SEC MKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SEC MKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AGM) (SEC MKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (AMBAC)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (ASSURED GTY) (SEC MKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded

Ratings Detail (As Of July 7, 2020) (cont.)		
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded

Ratings Detail (As Of July 7, 2020) (cont.)		
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SEC MKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (BAM) (SEC MKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (FGIC) (National)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (MBIA) (National)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (SECMKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transit (Wrap of Insured) (FGIC) (AGM) (BHAC) (SEC MKT)		
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth transp rev green bnds (climate bnd certified-fed taxable ser 2020C-2 due 11/15/2049		
Long Term Rating	BBB+/Negative	Downgraded
Metropolitan Transp Auth BANs		
Short Term Rating	SP-2	Downgraded
Metropolitan Transp Auth BANs		
Short Term Rating	SP-2	Downgraded
Metropolitan Transp Auth BANs		
Short Term Rating	SP-2	Downgraded
Metropolitan Transp Auth BANs		
Short Term Rating	SP-2	Downgraded
Metropolitan Transp Auth BANs		
Short Term Rating	SP-2	Downgraded
Metropolitan Transp Auth BANs		
Short Term Rating	SP-2	Downgraded
Metropolitan Transp Auth BANs		
Short Term Rating	SP-2	Downgraded
Metropolitan Transp Auth BANs		
Short Term Rating	SP-2	Downgraded
Metropolitan Transp Auth BANs		
Short Term Rating	SP-2	Downgraded

Ratings Detail (As Of July 7, 2020) (cont.)		
Metropolitan Transp Auth ICR		
Long Term Rating	BBB+/Negative	Downgraded
Metropolitan Transp Auth JOINTCRIT		
Long Term Rating	AA-/A-1	Downgraded
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth JOINTCRIT		
Long Term Rating	AA-/A-1+	Downgraded
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth JOINTCRIT		
Long Term Rating	AA-/A-1+	Downgraded
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth JOINTCRIT		
Long Term Rating	AA-/A-1+	Downgraded
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth JOINTCRIT		
Long Term Rating	AA-/A-1	Downgraded
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth JOINTCRIT		
Long Term Rating	AA-/A-1	Downgraded
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth JOINTCRIT		
Long Term Rating	AA-/A-1	Downgraded
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth JOINTCRIT		
Long Term Rating	AA-/A-1	Downgraded
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth JOINTCRIT		
Long Term Rating	AA-/A-1	Downgraded
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth JOINTCRIT		
Long Term Rating	AA-/A-1	Downgraded
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth JOINTCRIT		
Long Term Rating	AA-/A-1	Downgraded
Unenhanced Rating	BBB+(SPUR)/Negative	Downgraded
Metropolitan Transp Auth Note		
Short Term Rating	SP-2	Downgraded
Metropolitan Transp Auth Note		
Short Term Rating	SP-2	Downgraded

Many issues are enhanced by bond insurance.