

Policy for Withdrawal of Credit Ratings

Issued by: MIS Compliance Department
Applicable to: All MIS employees and
Moody's Shared Services Employees
involved in the ratings process
Effective Date: February 4, 2011

DEFINED TERMS

Credit Rating

A Credit Rating is an opinion regarding the creditworthiness of an entity, a debt or financial obligation, debt security, preferred share or other financial instrument, or of an Issuer of such a debt or financial obligation, debt security, preferred share or other financial instrument, issued using an established and defined ranking system of rating categories.

Credit Rating Announcement

Those written communications that publicly announce Credit Rating Actions.

MIS

MIS refers to Moody's Investors Service, Inc. and the wholly owned subsidiaries of MCO that engage in Credit Rating Services and that also might engage in Ancillary Services or Other Permissible Services.

Rated Entity

Any entity rated by MIS or any entity that issues securities rated by MIS or any entity that is seeking a Rating from MIS.

POLICY

I. What is a Withdrawn Rating?

A withdrawn rating means that a previously issued Credit Rating on either an obligation or a Rated Entity has been withdrawn. MIS uses the symbol “WR” to indicate a withdrawn rating.

NOTE: This policy and accompanying procedure does not apply when a Credit Rating committee assigns a Credit Rating to an issuance whose sale is canceled by the Rated Entity without the Credit Rating ever having been published. Because the obligation does not exist and the Credit Rating was never published, the Credit Rating does not need to be withdrawn.

- a. Subject to internal procedural safeguards, withdrawn ratings must reflect MIS's current view of the credit at the time of withdrawal.

II. Reasons why MIS might withdraw a Credit Rating

- a. Incorrect, insufficient or otherwise inadequate information: MIS shall withdraw any Credit Rating if, in MIS's opinion, (i) the information available to support the Credit Rating – whether in terms of factual accuracy, quantity and/or quality – is insufficient to effectively assess the creditworthiness of the Rated Entity or the obligation; and (ii) such information is unlikely to be available to MIS in the future.

Example

A Rated Entity declines to provide information requested by MIS with respect to an outstanding Credit Rating, and MIS cannot otherwise obtain the requested information through public channels. A Credit Rating committee should meet to consider withdrawing the Credit Rating.

- b. Bankruptcy/Liquidation/Debt Restructuring: if a Rated Entity defaults, enters bankruptcy, is liquidated, or restructures its debt, it may no longer be useful or necessary for MIS to maintain a Credit Rating on that Rated Entity or that Rated Entity's obligations.
- c. Reorganization: if a Rated Entity becomes the subject of a corporate reorganization, including a merger or acquisition, or enters into any other form of governmental administration, it may no longer be useful or necessary for MIS to maintain a Credit Rating on that Rated Entity or that Rated Entity's obligations.
- d. Obligation is not outstanding: the Credit Rating on an obligation will be withdrawn when the obligation is not outstanding. This includes when a debt matures, when a debt is called, when a debt is repaid before the maturity date, when a Credit Rating on a debt is issued and published but the debt is ultimately not issued, and or when a debt is otherwise redeemed by the Rated Entity. A rating withdrawal may also be appropriate as a result of amendments to the transaction terms of an obligation.
- e. Business Reasons: under certain circumstances, MIS will withdraw a Credit Rating for a Rated Entity or an obligation for reasons unrelated to the situations identified in Sections II.A-D above.
 1. A WR assigned for “business reasons” refers to MIS's business reasons, not the business reasons of the Rated Entity or obligor.

2. MIS's business reasons generally do not reflect any concerns about the Rated Entity's creditworthiness or the quality of its management. MIS's decision to take a WR action under these circumstances will attempt to balance the capital markets' need for a Credit Rating against the resources required to maintain and monitor that Credit Rating or other business considerations.
- f. Conflicts of Interest: In any of the following cases, MIS may determine that it is necessary to withdraw a Credit Rating, if:
1. an MIS employee who participates in the determination, approval or monitoring of a Credit Rating and had or has direct ownership in the Rated Entity or in any Related Third Party at the time the Credit Rating was determined or their Family Member (as defined in the Moody's Securities Trading Policy);
 2. an MIS employee who either participated in the determination of the rating, the approval of the Credit Rating, or the monitoring of the Credit Rating, acted in violation of the MIS Fee Discussions Guidelines;
 3. an MIS employee who either participated in the determination of the rating, the approval of the Credit Rating, or the monitoring of the Credit Rating, has had a relationship with the Rated Entity or a Related Third Party that constitutes a prohibited conflict of interest;
 4. an MIS employee who either participated in the determination of the rating, the approval of the Credit Rating, or the monitoring of the Credit Rating, or his or her Family Member, received gifts, including entertainment, in violation of the MIS Gifts and Entertainment Policy; or
 5. either MIS or an entity associated with MIS made recommendations to the obligor or the Rated Entity, underwriter or sponsor of the security about the corporate or legal structure, assets, liabilities or activities of the obligor or Rated Entity of the security in violation of MIS policies or procedures.
- g. Regulatory Requirements: if it would constitute a violation of a law, regulation, rule or order in any jurisdiction for MIS to maintain a Credit Rating, then MIS will withdraw that Credit Rating.
- h. For Structured Finance transactions only: if the applicable Credit Rating methodology states that a Credit Rating may be withdrawn when the size of the asset pool supporting the transaction falls below a level specified in the methodology ("small pool factor"), MIS may withdraw the Credit Rating.