

**Rating Action: Moody's assigns MIG 1 to Framingham, MA's \$17.3M GO BANs**

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Global Credit Research - 17 Jun 2015

**Affirms Aa2 on \$109M in outstanding long-term GO debt**

New York, June 17, 2015 --

Moody's Rating

Issue: General Obligation Bond Anticipation Notes; Rating: MIG 1; Sale Amount: \$17,281,057; Expected Sale Date: 06-17-2015; Rating Description: Note: Bond Anticipation

Opinion

Moody's Investors Service has assigned a MIG 1 short-term rating to the Town of Framingham's (MA) \$17.3 million General Obligation Bond Anticipation Notes (dated June 26, 2015 and payable December 11, 2015). Concurrently, we have affirmed the Aa2 rating on \$109 million of the town's outstanding general obligation long-term debt.

**SUMMARY RATING RATIONALE**

The MIG 1 rating reflects the town's strong fundamental credit characteristics, as mirrored in its long-term rating, ample projected liquidity at time of takeout, and demonstrated history of market access.

The Aa2 underlying rating reflects the town's satisfactory financial position with improving cash balances, sizeable tax base with above average wealth indicators, and elevated debt profile.

**OUTLOOK**

Outlooks are usually not assigned to local government credits with this amount of debt outstanding.

**WHAT COULD MAKE THE RATING GO UP**

- Maintenance of structurally balanced operations and increased reserve levels

**WHAT COULD MAKE THE RATING GO DOWN**

- Reduction of General Fund Balance and free cash

- Significant growth in debt burden

**OBLIGOR PROFILE**

The town of Framingham is located in Middlesex County, approximately 20 miles west of Boston. As of the 2010 census, the town had an estimated population of 68,318.

**LEGAL SECURITY**

The current issue is secured by the town's limited general obligation tax pledge, as debt service has not been voted exempt from the levy limitations of Proposition 2 ½.

**USE OF PROCEEDS**

Proceeds will provide new money funding for various capital improvements focused primarily on water, sewer, and roadway improvements.

**PRINCIPAL METHODOLOGY**

The principal methodology used in the short term rating was US Bond Anticipation Notes published in April

2014. The principal methodology used in the long term rating was US Local Government General Obligation Debt published in January 2014. Please see the Credit Policy page on [www.moodys.com](http://www.moodys.com) for a copy of these methodologies.

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Michael Gusta  
Associate Analyst  
Public Finance Group  
Moody's Investors Service, Inc.  
250 Greenwich Street  
New York, NY 10007  
U.S.A.  
JOURNALISTS: 212-553-0376  
SUBSCRIBERS: 212-553-1653

Thomas Compton  
Analyst  
Public Finance Group  
JOURNALISTS: 212-553-0376  
SUBSCRIBERS: 212-553-1653

Releasing Office:  
Moody's Investors Service, Inc.  
250 Greenwich Street  
New York, NY 10007  
U.S.A.  
JOURNALISTS: 212-553-0376  
SUBSCRIBERS: 212-553-1653

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