

Moody's Releases New ESG Rating Methodology

On April 26th, Moody's Investors Service published its updated Environmental, Social and Governance ("ESG") Methodology, which includes new ESG Issuer Profile Scores and Credit Impact Scores for entities rated by that firm. In releasing the new methodology, Moody's stated that the new scores provide additional transparency to its rating process and reflect how Moody's incorporates material ESG issues into all of its ratings – not just for municipalities. This is a global, cross sector methodology that covers not only public finance credits but also all of Moody's lines of business including corporations and sovereigns.

Issuer Profile Scores assess an entity's exposure to the **E**nvironmental, **S**ocietal and **G**overnance issues that Moody's regards as the most material to an entity's credit. Its assessment of a jurisdiction's exposure to these risks is based on the general ESG principles described in the methodology and the scores provide a way to quantify this assessment. **Credit Impact Scores ("CIS")** reflect Moody's qualitative assessment of the impact of ESG considerations on the underlying credit rating of an issuer or a transaction. As such, an issuer's CIS may be lower than its ESG scores. While the Issuer Profile Scores are based on an issuer's or transaction's outright exposure to, and mitigation of, ESG risks, the Credit Impact Scores are an output of the rating process that indicates the extent, if any, to which the credit rating of an issuer is different than it would have been in the absence of exposure to the issuer's ESG factors.

Moody's has circulated draft ESC Issuer Profile Scores and ESG Credit Impact Scores to some of its highest-profile clients, including states, territories and some of the nation's largest cities and counties, for review and comment. The firm intends to release its ESG scores for these entities by the end of May, which gives those issuers little time to review and question the data used by Moody's analysts to establish the scores. It is Moody's ultimate intention to release ESG scores for all of its rated credits. The scoring system, with scores ranging from 1 to 5 with 1 being the greatest positive impact to a rating and 5 indicating that ESG attributes have a very high negative impact on the rating, are negatively skewed and will undoubtedly be controversial. A complete copy of the Moody's report is available at CMA's website at www.capmark.org under "Documents for Download". If you have questions about ESG scoring, please contact your Financial Advisor at CMA.

MMD GENERAL OBLIGATION INTEREST RATES

Term	Today - May 3, 2021					1 Month Ago - April 1, 2021					1 Year Ago - May 1, 2020				
	Aaa	Aa	Insured	A	Baa	Aaa	Aa	Insured	A	Baa	Aaa	Aa	Insured	A	Baa
1 yr.	0.09%	0.11%	0.16%	0.17%	0.38%	0.07%	0.11%	0.16%	0.17%	0.44%	0.77%	0.82%	0.85%	0.91%	1.70%
5	0.45	0.50	0.62	0.70	0.91	0.50	0.57	0.69	0.77	1.09	1.04	1.14	1.26	1.36	2.16
10	1.00	1.13	1.23	1.30	1.71	1.08	1.23	1.33	1.40	1.83	1.35	1.50	1.62	1.71	2.56
15	1.20	1.35	1.43	1.55	1.91	1.29	1.47	1.55	1.67	2.04	1.74	1.94	2.04	2.16	3.04
20	1.40	1.56	1.64	1.75	2.11	1.49	1.68	1.76	1.87	2.24	1.95	2.16	2.25	2.37	3.25

RECENT CMA CLIENT SALE RESULTS

Issuer	Issue Type	Par Amount	Sale Date	Term	Rate	Purchaser
Hingham Town	BAN	\$ 22,043,652	30-Apr	12 mos.	0.16%	TD Securities (USA) LLC
Islip Town	Ref. Bonds	\$ 4,875,000	28-Apr	4 yrs.	0.29%	UBS Financial Services, Inc.
Orchard Park CSD	Bonds	\$ 10,700,000	22-Apr	15 yrs.	1.30%	FHN Financial Capital Markets
Westchester County	BAN	\$ 30,913,299	20-Apr	8 mos.	0.12%	Bank of America Merrill Lynch
Buffalo City	Bonds	\$ 63,792,459	15-Apr	11 yrs.	0.83%	Citigroup Global Markets
Watervliet City SD	BAN	\$ 10,000,000	13-Apr	12 mos.	0.27%	BNY Mellon Capital Markets, LLC
Westbury UFSD	Bonds	\$ 52,525,000	7-Apr	19 yrs.	1.53%	Bank of America Merrill Lynch