

## ***Moody's Continues Rollout of Credit Impact Scores (CIS) for New York Credits***

In April 2021, Moody's Investors Service outlined its new methodology affecting all sectors and countries to assess the impact of environmental (E), social (S) and governance (G) risks, otherwise referred to as "ESG", in credit analysis. The ESG credit impact score (CIS) is not a rating but is intended to communicate the impact of ESG factors on the credit rating of an Issuer. Over the past few months, Moody's has been working on application of CIS/ESG scores for all New York credits and alerting issuers to the posting of their scores.

Environmental, Social and Governance factors are each assessed on a 5-point scale from positive to negative influence on a jurisdiction's long-term, underlying credit rating. For instance, an E-1 score for a jurisdiction would indicate that environmental factors carry material credit benefits for that issuer. At the other end of the spectrum, an E-5 score would indicate that environmental factors carry substantial risk and exposure to that issuer's credit. Credit Impact Scores (CIS) are intended to reflect the impact and influence of all ESG factors on a credit rating with CIS scores also ranging from 1 (Positive) to 5 (Very Highly Negative). To date, most New York credits CMA has seen have been assigned CIS-2 (Neutral-to-Low) impact wherein ESG factors in totality are considered to have a neutral to low impact on the credit and are not material to the current rating. The most recent data provided by Moody's indicates that of the 1,227 Regional and Local Governments currently assigned CIS scores, 8% have received scores of CIS-1, 82% have received scores of CIS-2, and 9% have received scores of CIS-3 (Moderately Negative). No Regional /Local Government has yet to receive a CIS score of CIS-4 (Highly Negative) or CIS-5 (Very Highly Negative).

Moody's assignment of CIS and ESG scores is not considered a rating change and does not result in a press release or credit opinion being issued. Assigned scoring is referenced on an Issuer's home page on the Moody's website where a box with ESG and CIS scores is added. A further breakdown of an Issuer's E, S and G risk category scoring with brief analyst commentary is available online to Moody's subscribers, though again, no separate report is published or disseminated. Please contact CMA if you should receive a draft report from Moody's of your jurisdiction's ESG and CIS scores and need additional explanation.

### **RECENT CMA CLIENT SALE RESULTS**

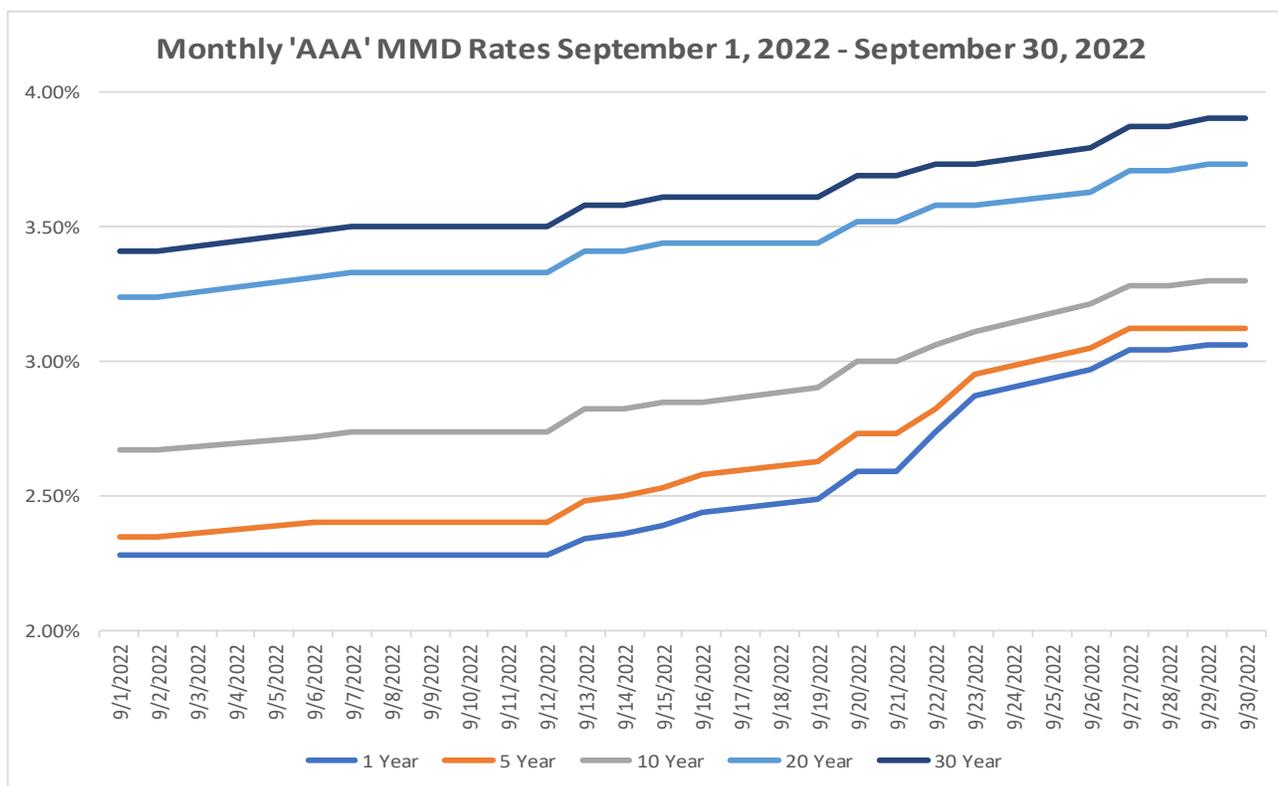
<b><u>Issuer</u></b>	<b><u>Issue Type</u></b>	<b><u>Par Amount</u></b>	<b><u>Sale Date</u></b>	<b><u>Term</u></b>	<b><u>Rate</u></b>	<b><u>Purchaser</u></b>
Campbell-Savona CSD (A+)	TAN	\$11,755,000	28-Sep.	9 mos.	3.83%	Fidelity Capital Markets
Islip UFSD (Aa3)	TAN	\$20,000,000	27-Sep.	8 mos.	3.47%	Jefferies LLC
Smithtown CSD (Aa2)	Bonds	\$34,310,000	22-Sep.	15 yrs.	3.49%	BNY Mellon
Longwood CSD (AA+)	TAN	\$43,000,000	21-Sep.	9 mos.	3.33%	BNY Mellon
Sachem CSD (AA)	TAN	\$50,000,000	20-Sep.	6 mos.	2.89%	Jefferies LLC
Grand Island Town (Aa1)	BAN	\$23,934,800	13-Sep.	1 yr.	2.88%	JP Morgan Securities LLC
Bayshore UFSD (Aa3)	TAN	\$36,500,000	8-Sep.	9 mos.	2.86%	Jefferies LLC
Greenburgh-North Castle UFSD	RAN	\$2,100,000	7-Sep.	1 yr.	3.44%	Greene County Commercial Bank

## Interest Rates Move Dramatically Higher In September, Then Stabilize

After trading within a 25-basis point range for most of the month, tax-exempt interest rates, especially on the short end of the yield curve, rose dramatically commencing on September 12th in anticipation of the latest interest rate bump by the Fed. The Federal Reserve Bank's Open Market Committee ("FOMC") hiked the Fed Funds benchmark interest rate by 75 basis points on September 21st following a two-day meeting. In the week leading up to the Fed's move, tax exempt, municipal bond rates began a quick and steady climb of up to 75 basis points until they peaked on September 27th and then began to stabilize.

Fed officials have now raised the benchmark rate by three-quarters of a percentage point in each of its last three, consecutive meetings. In a statement after the meeting, the FOMC showed its hand for the balance of the year stating it "anticipates that ongoing increases in the target range will be appropriate". Current Fed projections call for a 4.25%-4.50% Fed Funds rate by year's end.

This latest hike by the Fed, it's fifth of 2022, brings the Fed Funds rate to heights that haven't been seen since the global financial crisis in 2008.



### MMD GENERAL OBLIGATION INTEREST RATES

	October 3, 2022					1 Month Ago - September 1, 2022					1 Year Ago - October 4, 2021				
Term	Aaa	Aa	Insured	A	Baa	Aaa	Aa	Insured	A	Baa	Aaa	Aa	Insured	A	Baa
1 yr.	3.03%	3.10%	3.20%	3.21%	3.54%	2.28%	2.33%	2.43%	2.44%	2.77%	0.13%	0.15%	0.19%	0.20%	0.35%
5	3.09	3.24	3.33	3.38	3.73	2.35	2.48	2.57	2.62	2.97	0.51	0.56	0.59	0.64	0.84
10	3.24	3.48	3.61	3.68	4.15	2.67	2.89	3.02	3.09	3.56	1.14	1.26	1.32	1.39	1.71
15	3.48	3.83	3.93	4.04	4.43	3.03	3.34	3.44	3.55	3.94	1.30	1.45	1.48	1.59	1.88
20	3.67	4.06	4.17	4.27	4.66	3.24	3.59	3.70	3.80	4.19	1.47	1.62	1.66	1.76	2.05