



**THE OFFICE OF
STATE TREASURER
DENISE L. NAPIER**

NEWS

PRESS RELEASE

FOR IMMEDIATE RELEASE

March 29, 2012

CONNECTICUT HIRES NEWEST CREDIT RATING AGENCY
Gives Connecticut "AA" Rating on General Obligation Bonds

HARTFORD, CT -- State Treasurer Denise L. Nappier announced today that her office is the first public sector debt issuer to receive a credit rating from Kroll Bond Ratings, the newest among a handful of credit rating agencies. Kroll issued a "AA" credit rating on the State's \$14 billion of outstanding General Obligation bonds, as well as bonds scheduled for sale in April 2012.

"As a new rating agency, Kroll Bond Ratings brings a fresh perspective to public sector credit ratings," Treasurer Nappier said. "Competition spurs innovation, and Kroll's entry into this market can only enhance the evaluation of Connecticut's credit by encouraging these agencies to be more accountable to issuers and investors alike."

During the 1990s, while Treasurer of Hartford, Nappier was one of the first public sector debt issuers to employ Fitch Ratings. Now, Fitch is considered one of the big three credit rating agencies on Wall Street, along with Moody's Investor Services and Standard & Poor's Rating Services.

In 2003, Nappier was the first public sector debt issuer to sign up for the Moody's "global scale rating," a precursor to the recalibration of all municipal ratings. In 2008, in comments to the Securities and Exchange Commission, Treasurer Nappier said that market participants could benefit from more options for obtaining credit assessments which can improve the integrity of ratings and reduce the influence of a rating action by any one firm.

"Our research indicates investors would welcome new credit rating options following the collapse of the housing market that was caused, in part, by flawed AAA rated mortgage-backed securities," Treasurer Nappier said.

[Continued]

In 2010, Treasurer Nappier led a coalition of seven state treasurers calling on the United States Senate to include a provision in the Dodd-Frank Wall Street Reform and Consumer Protection Act that would require the SEC to adopt a rule mandating that rating agencies rate municipal and corporate debt on the same scale. Soon after those comments were made by Treasurer Nappier, Moody's and Fitch established a new municipal credit rating system.

Kroll Bond Ratings was established in 2010 by its founder Jules Kroll, the Chairman and CEO. The firm's President is Jim Nadler, who was previously the Vice President for Corporate Development at General Re in the New England Asset Management Division, and he was also part of the start-up management team at Fitch in the early 1990s. Kroll is a Nationally Recognized Statistical Rating Organization and is registered with the SEC.

The State requested the credit rating in anticipation of the issuance of \$555 million of new general obligation bonds in April, the proceeds of which will be used for housing, school construction, clean water fund grants, loans to businesses, and other projects including Bioscience Connecticut.

With Kroll's AA bond rating, Connecticut's General Obligation bonds now have four solid high quality "AA" ratings -- three at AA (S&P, Fitch and Kroll) and Moody's at Aa3.

###