



WISCONSIN HOUSING AND
ECONOMIC DEVELOPMENT AUTHORITY
MEDIA RELEASE

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**WHEDA receives 'AA' issuer credit rating, an increase from 'AA-'
*Standard & Poor's Global Ratings***

(MADISON) - Standard and Poor's Global Ratings (S&P) has raised its issuer credit rating (ICR) on the Wisconsin Housing & Economic Development (WHEDA) to 'AA' from 'AA-' rating saying WHEDA's outlook is stable.

In its review S&P stated the upgrade reflects its view of WHEDA's:

- Strong leverage ratios and strengthening equity compared with 'AA' rated peers;
- Strong asset management practices that have contributed to a positive trend of asset quality;
- Improved financial capacity, demonstrated by increased unrestricted equity levels;
- Experienced executive management team that is dedicated to proactive and strategic planning; and
- Success in meeting its legislative mandate, with strong support and a positive relationship with the state government for its operations and mission.

"We're delighted and extremely proud of this increase in our credit rating and S&P's recognition of WHEDA's financial performance," said WHEDA Executive Director Wyman Winston. "The 'AA' rating will enhance the dedicated work WHEDA performs on a daily basis to improve the quality of life for residents throughout Wisconsin."

The following are highlights from S&P's credit report of WHEDA:

- WHEDA's improving equity levels compared with those of 'AA' rated housing finance authorities (HFAs) corroborates its financial strength and comfortable leverage.
- Net income continued to increase in fiscal 2017, fueled by improved investment earnings and cost controls on bond issuance.

(more)



WHEDA

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- WHEDA's total equity grew 3.3% to \$723 million in fiscal 2017, from \$699 million in fiscal 2016 and \$661 million in fiscal 2015.
- WHEDA's equity-to-total assets were strong according to S&P at 33.2% in fiscal 2017, above the five-year average of 30%.
- WHEDA has a strong and active management team that has repeatedly proven to be proactive and successful in meeting its mission of financing affordable housing for residents of Wisconsin through the administration of various programs.
- The management team has a good and mutually beneficial working relationship with the state legislature.
- S&P believes budgetary stress at the state level no longer exists at this point.
- The stable outlook reflects S&P's view that WHEDA will likely continue to provide a high degree of security to bondholders by maintaining its current risk management approach and financial strength and its strong profitability and unrestricted equity level that provide a cushion to cover needs that may arise due to market conditions.

For over 45 years, **WHEDA**, as an independent state authority, has provided low-cost financing for housing and small business development in Wisconsin. Since 1972, WHEDA has financed more than 73,000 affordable rental units, helped more than 125,800 families purchase a home and made more than 29,000 small business and agricultural loan guarantees. For more information on WHEDA programs, visit wheda.com or call 800-334-6873.

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