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News Release/News Advisory/Request for Coverage – Week of March 30

Missouri Housing Development Commission ‘AA+’ Issuer Credit Rating Affirmed

Missouri Housing Development Commission (MHDC) recently received an affirmation of its AA+ issuer credit rating from Standard & Poor’s Rating Services. A rating of AA means that MHDC has a very strong capacity to meet its financial commitments.

A Standard & Poor’s issuer credit rating is a current opinion of an obligor’s overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the obligor’s capacity and willingness to meet its financial commitments as they come due. The “+” distinction shows relative standing within the AA rating category. MHDC is one of three housing finance agencies in the United States with the AA+ rating; and one of only four housing finance agencies with this high of S&P rating.

The AA+ rating and stable outlook for MHDC was affirmed on March 23, 2009. According to Standard & Poor’s analysis, “The affirmation reflects the following credit factors:

- The high quality and very low-risk profile of its asset base;
- Very strong and stable financial performance;
- High debt ratings (around 96% of bonds rated ‘AAA’), and minimal GO debt exposure;
- No variable-rate debt exposure
- Experienced and active management team with strong legislative support; and
- The state’s generally strong economic position.”

The stable outlook reflects Standard & Poor’s expectation that the “commission will continue its conservative approach to managing risk, and demonstrate financial strength. Standard & Poor’s believes the commission’s history of stable profitability and fund equity will provide a solid cushion to cover needs that may arise from ongoing market conditions.”

“I am very pleased for the staff who has worked so hard and so long to maintain this very significant rating,” said Pete Ramsel, MHDC Executive Director. “This rating is absolutely crucial to our ability to borrow and the way that all of our partners look at us, i.e., Federal Home Loan Bank, Fannie Mae, our banks, our investors and the entire financial industry. In these very trying economic times, this is the best news imaginable. Again, I am happy for the staff, our commissioners, our financial team and partners.”

MHDC is the state’s housing finance agency, and is governed by a board of directors that includes the governor, lieutenant governor, attorney general, treasurer and six commissioners appointed by the governor. The commission makes funds available for rental housing developments, preservation of affordable rental housing, home mortgages, home improvement loans, grants to neighborhood housing groups, and other housing programs. MHDC functions as a bank, providing financing directly to borrowers or through a network of private lending institutions.

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NOTE TO EDITORS:

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