DE LA ROSA & CO.
INVESTMENT BANKERS

April 15, 2008

Ms. Naomi Richman
Chief Credit Officer
Global Public, Project and Infrastructure Finance
Moody's Investors Services
250 Greenwich Street
New York, NY 10007

RE: Request for Comment: Assignment of Global Ratings to Tax-Exempt Municipal Obligations

Dear Ms. Richman:

We at De La Rosa & Co. appreciate that Moody's has been at the forefront of creating dialogue with market participants regarding its current rating practices of municipal securities. The underlying credit rating of municipal issues has been an ever-important focus for investors, and as a result, it is critical that the ratings *accurately* and *consistently* reflect true credit risk of each issue. The traditional municipal rating systems utilized by rating agencies currently understate the credit quality of municipal bonds relative to ratings of other types of fixed income debt. This has caused many of our municipal issuer clients to incur significantly higher borrowing costs. Additionally, some of the taxable fixed income investors we work with have been unable to purchase certain securities because the municipal rating did not meet their minimum rating requirement while the GSR equivalent rating would have.

De La Rosa is in support of greater uniformity in the way types of fixed income debt are evaluated. Moody's intention to provide municipal issuers access to global scale ratings ("GSR") on its tax-exempt financings is important to achieving this goal. We recommend that the GSR become the primary standard for both municipal and corporate credits. This rating standard would transform the municipal market in a number of ways: 1) lessen the cost burden for numerous public entities, 2) decrease the reliance on bond insurance companies, and 3) provide clarity to the investment community between municipal and corporate credits. Although the GSR has been available for municipal taxable and derivative financings for several years, the GSR has not gained much traction in the market. In order for the GSR to be more widely utilized by issuers and achieve greater acceptance in the market, we offer the following suggestions:

- Application of GSR to All New Issues: The current practice is that the GSR may be available only upon request by and at additional cost to the issuer. In order to encourage municipal issuers to utilize the GSR and familiarize market participants with the GSR, we recommend that Moody's apply a GSR to each new municipal rating request at no cost.

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- Transition to Global Rating Scale: We understand that Moody's currently assigns both a traditional municipal rating and a GSR on a financing. We believe that there needs to be a gradual transition to the GSR as the new municipal rating standard in order to avoid the confusion of the dual ratings as well as legitimize the GSR. Moody's GSR conversion table will help market participants understand the meaning of these ratings during the transition period.

- Adjustment to Global Rating Scale: Moody's has been committed to keeping the traditional municipal rating scale in place because investors have desired fine distinctions among highly rated municipal paper. To address this issue, we recommend amending the GSR to add notches (1-3 and perhaps 4) to the Aaa rating category similar to the Aa and A categories. This will help satisfy investors' need for differentiation among municipal credits. In addition, we believe that Moody's should review its rating practices of corporate credits at the same time as it updates the global rating scale. The municipal scale should not solely be converted to the corporate standard or vice-versa.

- Market Education Campaign: There is general concern in the investor community that the transition to GSR will lead to a commoditization of municipal credits. Furthermore, there is concern among municipal issuers about what the GSR means for their financings. In order to mediate these concerns, there needs to be a widespread public education process involving issuers, rating agencies, investment banks and investors regarding what the GSR means and the requirements.

- Coordination with Other Rating Agencies: In order for the GSR or single, rating scale to truly take effect in the market, we believe that all rating agencies should work together in this effort to create a consensus rating standard. We encourage Moody's to continue to take the lead in this effort to evaluate its current rating systems and reach out to its counterparts to do the same.

Thank you for the opportunity to present our comments. We look forward to participating in future discussions with you regarding this issue. If you should have any questions, please contact me at 310-207-1975.

Sincerely,

Edward J. De La Rosa

Edward J. De La Rosa
President