



Private Ratings

DEFINITION

A private rating is prepared for a restricted audience, where the rating, any supporting report, and knowledge of the rating, is limited in accordance with the terms of the arrangement with the issuer or third party who requested the rating. Private ratings are not disseminated to the public.

INITIATION

Private ratings may be requested for a variety of reasons including, but not limited to, the following:

1. an issuer requests a private rating for the purposes of issuing debt to a small number of investors and intends to use the rating as an independent credit assessment; and
2. an independent rating assessment is requested by an investor, regulator, government, or other third party.

The terms of the arrangement tend to be dictated by the requirements of the issuer or third party who requested the rating. For example, the issuer or third party will determine whether a one-time credit opinion is required, with no role for DBRS to monitor the rated entity going forward, or whether the rating relationship will be ongoing, where DBRS will maintain the rating through regular and timely private reviews.

DBRS generally discourages the use of a private rating when a public rating is warranted, such as when a private rating is intended to be widely used.

RATING METHODOLOGIES AND PROCESS

The rating methodologies and process used to determine a private rating including the analysis, review and rating committee are the same as that used with public ratings. Where a private rating is based on public information, the disclosure "Note: This rating is based on public information" is used.