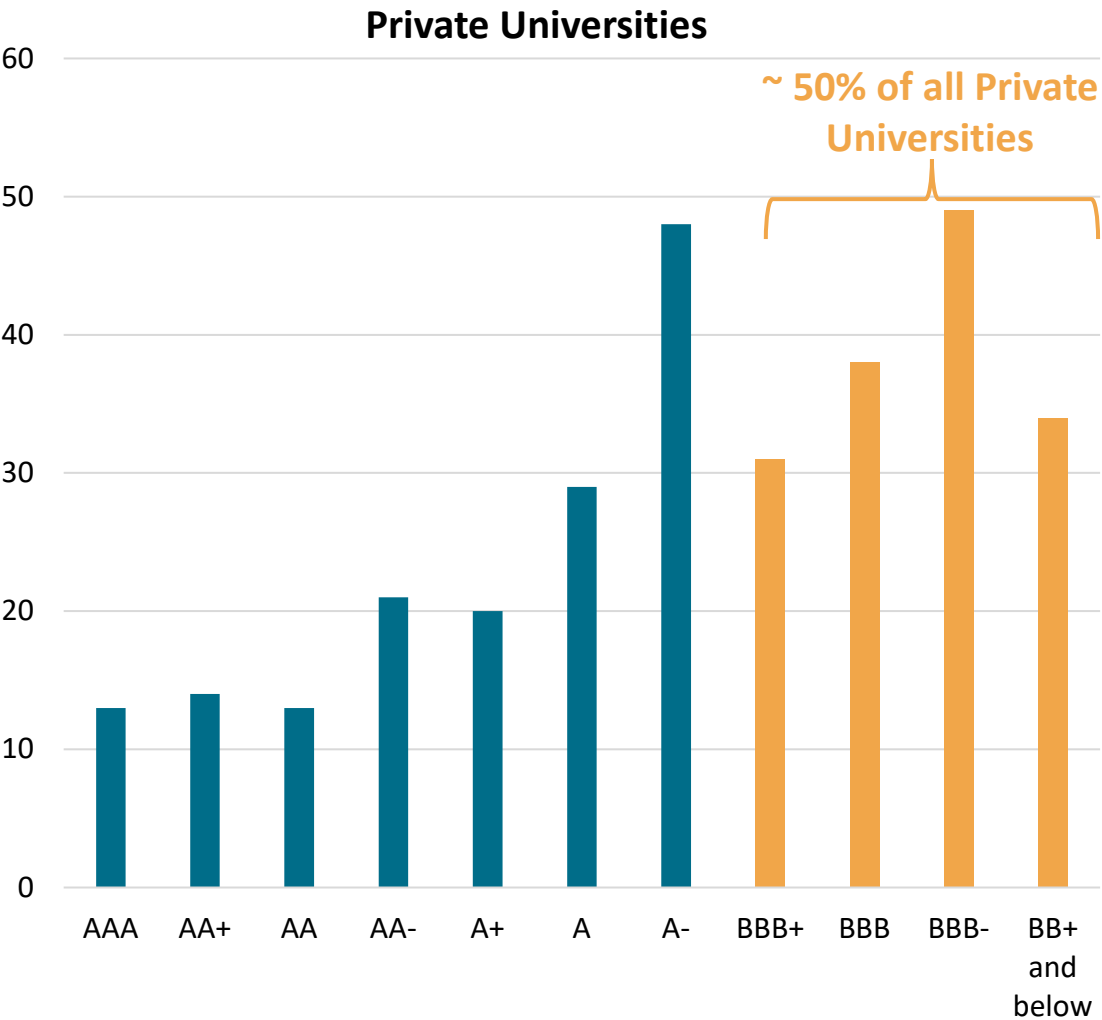
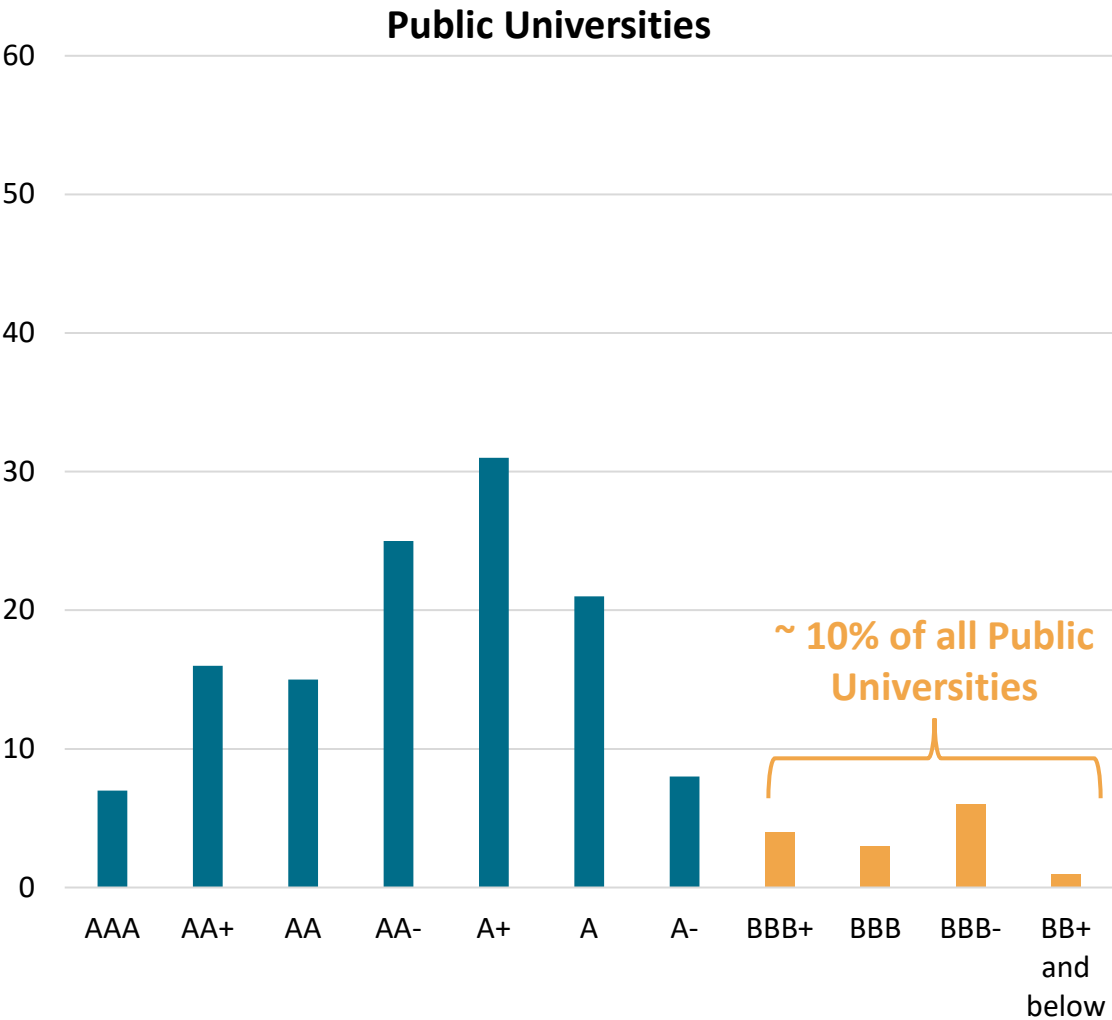
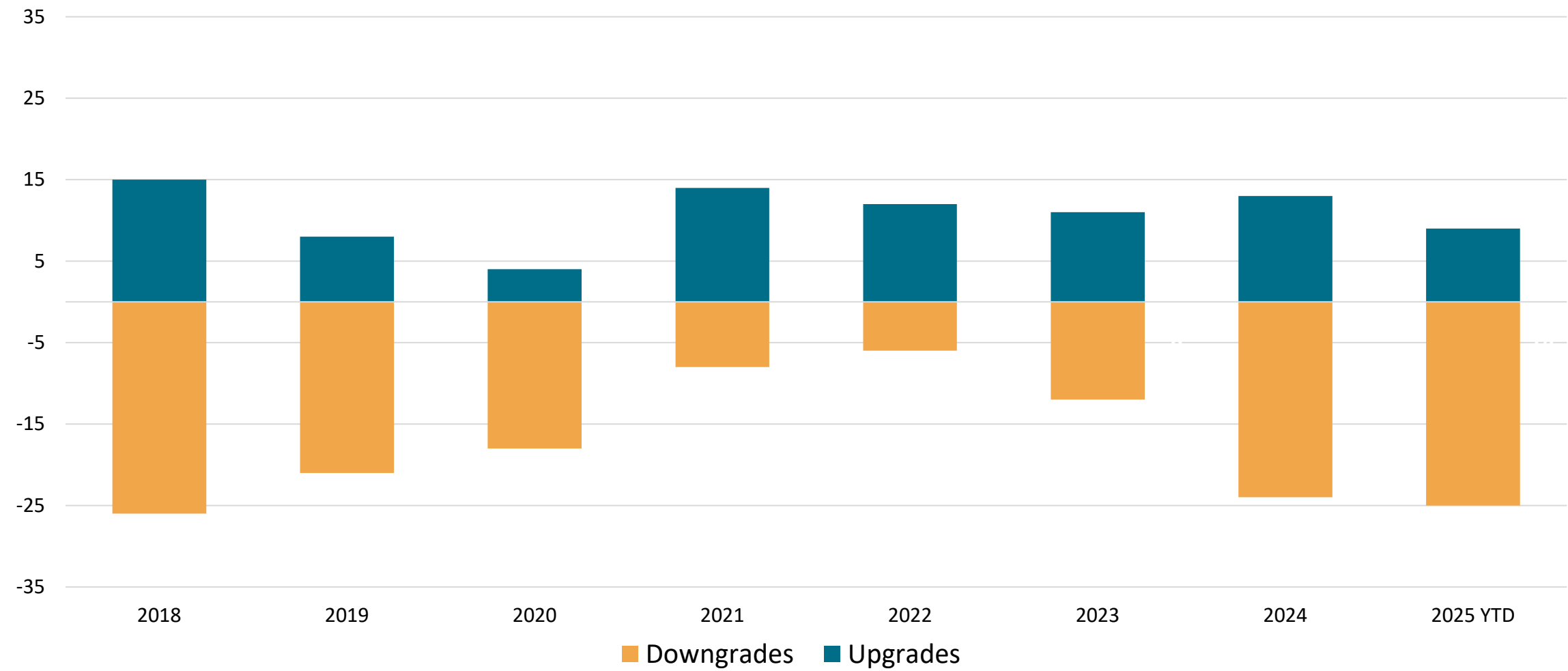


S&P Higher Education | Ratings Distribution



Source: S&P Global Ratings. Data as of August 31, 2025.

S&P Higher Education | Rating Actions



Source: S&P Global Ratings. Data as of September 7, 2025.

Evolving Federal Policies



Immigration policy,
deportations &
international student
enrollment



Federal grants & research
funding



Tax policy & endowment
impact



Reduction or elimination
of
DEI initiatives &
affirmative action



Pell grant accessibility



Student debt relief



Tax exempt bond issuance

Potential federal policy shifts and relative effects on US Higher Education

Potential federal policy shifts and relative effect on U.S. public finance higher education institutions

Scale: Negative Somewhat negative Neutral/not applicable Somewhat positive Positive

Type of Issuer	Federal research funding cuts and indirect cost recovery caps	Immigration policy*	Endowment tax§	Municipal tax exemption
'AAA' rated institutions				
Credit insights: We rate 20 schools 'AAA' (seven public, 13 private). These schools maintain strong financial flexibility and liquidity; however, credit risks are heightened for colleges and universities with significant federal research endeavors, given evolving policies that might reduce or delay federal funding, or cap indirect cost reimbursements. If endowment tax is increased, schools will face additional potential budget pressure.				
'AA' rated institutions				
Credit insights: We rate 102 schools in the 'AA' category. These schools face many of the same federal risks and challenges as 'AAA' rated institutions, given they tend to also be highly endowed and research-intensive.				
'A' rated institutions				
Credit insights: We rate 107 schools in the 'A' category. These schools tend to have more limited research funding; therefore, major federal funding cuts would be less impactful than for higher-rated institutions. If the endowment tax is expanded beyond the current \$500,000/FTE, this could affect some 'A' rated schools with smaller endowments.				
'BBB' and lower rated institutions				
Credit insights: We rate 174 schools in the 'BBB' category and lower. We think that the possible elimination of tax exempt bond issuance would limit access and increase costs for lower-rated borrowers.				

*Immigration policy: Stronger enforcement of immigration policies by the new administration will likely have an adverse impact on international enrollment levels nationally in the coming years; however, not all schools will be affected proportionately.
§Endowment tax: We anticipate that taxes imposed on highly endowed institutions may rise or expand beyond the current tax, which is 1.4% on net investment returns of private colleges and universities with endowments greater than \$500,000 per student.
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