

**Summary:**

# Merrill Lynch Puttable FLOATs/RITES Trust Series PT-1000 Puerto Rico Municipal Finance Agency; Joint Criteria

**Primary Credit Analyst:**

Jeffrey Previdi, New York (1) 212-438-1796; jeff\_previdi@standardandpoors.com

**Secondary Contact:**

Ryan Butler, New York (1) 212-438-2122; ryan\_butler@standardandpoors.com

## Table Of Contents

---

Rationale

Related Criteria And Research

**Summary:**

# Merrill Lynch Puttable FLOATs/RITES Trust Series PT-1000 Puerto Rico Municipal Finance Agency; Joint Criteria

Credit Profile		
US\$5.375 mil put float opt tax-ex rcpts ser PT-3326 re PR Muni Fin Agy 2005 Ser C Rfdg Bnds		
<i>Long Term Rating</i>	AA/A-1	New
US\$.005 mil resid int tax-ex sec rcpts ser PT-3326 re PR Muni Fin Agy 2005 Ser A-B Rfdg Bnds		
<i>Long Term Rating</i>	AA	New

## Rationale

Standard & Poor's Ratings Services assigned its 'AA/A-1' rating to Merrill Lynch Puttable FLOATs/RITES Trust, series PT-3326, relating to Puerto Rico Municipal Finance Agency's 2005 series A-C refunding bonds. The 'AA' long-term rating is based jointly (assuming low correlation) on a custody receipt supported by the underlying bonds (BBB-) and credit enhancement in the form of a letter of credit (LOC) agreement provided by Dexia Credit Local (A).

The Dexia LOC functions as a standby facility and the custodian is instructed to notify Dexia if the underlying bonds fail to pay when due (or for any mandatory tender events under the custodial receipt documents). The custodian is further instructed to notify the guarantor should the swap counterparty fail to pay when due. The 'A-1' short-term rating on the floater certificates is based on a liquidity facility also provided by Dexia Credit Local, which is scheduled to expire Oct. 1, 2011.

The tender option termination events for the floater certificates take into account the joint support rating on the trust assets. The following events constitute tender option termination events:

- Act of bankruptcy by the principal credit source (Dexia Credit Local) and the underlying obligor,
- Failure to pay principal and interest on the custody receipts by both the principal credit source and the underlying obligor,
- Event of taxability with respect to the underlying bonds, or
- The rating on the P-Floats is lowered below 'BBB-'.

Standard & Poor's rating does not address the likelihood that certificate holders will receive full and timely payment of bond premiums or gain share payments, nor does it address the likelihood that such payments will be subject to the bankruptcy filing of the entity funding such payments.

## **Related Criteria And Research**

USPF Criteria: Secondary Market Derivative Products, June 27, 2007

Complete ratings information is available to subscribers of RatingsDirect on the Global Credit Portal at [www.globalcreditportal.com](http://www.globalcreditportal.com). All ratings affected by this rating action can be found on Standard & Poor's public Web site at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.

Copyright © 2012 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, [www.standardandpoors.com](http://www.standardandpoors.com) (free of charge), and [www.ratingsdirect.com](http://www.ratingsdirect.com) and [www.globalcreditportal.com](http://www.globalcreditportal.com) (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at [www.standardandpoors.com/usratingsfees](http://www.standardandpoors.com/usratingsfees).