



(/en_US/web/guest/home) Buckeye Tobacco Settlement Financing Authority Series 2020 Bonds Assigned Ratings

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OVERVIEW

Buckeye Tobacco Settlement Financing Authority's issuance is an ABS transaction backed by state of Ohio-pledged tobacco settlement revenues resulting from the master settlement agreement payments, the fully funded debt service reserve accounts, and the interest income.

We assigned our ratings to the A-1, A-2, A-2a, A-2b, and B-1 bonds. The ratings reflect our view of the credit quality of the two largest participating tobacco manufacturers and the transaction's legal and payment structures, among other factors.

NEW YORK (S&P Global Ratings) March 4, 2020--S&P Global Ratings today assigned its ratings to Buckeye Tobacco Settlement Financing Authority's tobacco settlement bonds series 2020 (see list).

The note issuance is an ABS transaction backed by state of Ohio-pledged tobacco settlement revenues resulting from the master settlement agreement payments, the fully funded debt service reserve accounts, and the interest income.

The ratings reflect our view of:

The likelihood that timely interest and scheduled principal payments will be made by the legal maturity date under the appropriate rating stress level;

The credit quality of the two largest participating tobacco manufacturers: Altria Group Inc., parent of Philip Morris USA Inc., and British American Tobacco PLC, parent of Reynolds American Inc;

The transaction's legal and payment structures; and

The Class 1 and 2 liquidity reserve sub accounts of \$91.66 million and \$170.85 million, respectively, which will be fully funded at closing and only available to each class.

RELATED CRITERIA

Criteria | Structured Finance | Legal: U.S. Structured Finance Asset

Isolation And Special-Purpose Entity Criteria (/en_US/web/guest/article/-/view/sourceld/10950501), May 15, 2019

General Criteria: Methodology And Assumptions For Stressed Reinvestment

Rates For Fixed-Rate U.S. Debt Obligations (/en_US/web/guest/article/-/view/sourceld/9841794), Dec. 22, 2016

Criteria | Structured Finance | ABS: U.S. Tobacco Settlement

Securitization: Ratings Methodology And Assumptions (/en_US/web/guest/article/-/view/sourceld/9524223), March 24, 2016

General Criteria: Global Investment Criteria For Temporary Investments In

Transaction Accounts (/en_US/web/guest/article/-/view/sourceld/7299006), May 31, 2012

RELATED RESEARCH

Presale: Buckeye Tobacco Settlement Financing Authority Series 2020 (/en_US/web/guest/article/-/view/sourcel d/11349786), Feb.

14, 2020

U.S. Tobacco Settlement Revenue Securitizations Ratings Placed On

CreditWatch Negative (/en_US/web/guest/article/-/view/sourcel d/10982915), May 10, 2019

Combustible Cigarette Volume decline Expected to Accelerate (/en_US/web/guest/article/-/view/sourcel d/10960 042), April 22,

2019

Volume Declines: Interpreting The Smoke Signals For The U.S. Cigarette

And Tobacco Industry (/en_US/web/guest/article/-/view/sourcel d/10534255), May 7, 2018

Tobacco Securitization Criteria Will Remain Unchanged Following the FDA's

Nicotine Reduction Announcement (/en_US/web/guest/article/-/view/sourcel d/10215053), Aug. 15, 2017

Credit FAQ: The FDA's Plan To Take Aim At Combustible Cigarettes Could

Hurt Large Tobacco Companies If Regulations Follow (/en_US/web/guest/article/-/view/sourcel d/10206399), Au g. 9, 2017

Global Structured Finance Scenario And Sensitivity Analysis 2016: The

Effects Of The Top Five Macroeconomic Factors (/en_US/web/guest/article/-/view/sourcel d/9913417), Dec. 16, 2 016

Research Update: U.K.-Based British American Tobacco On CreditWatch

Negative Following Merger Proposal (/en_US/web/guest/article/-/view/sourcel d/9846412), Oct. 26, 2016

U.S. Tobacco Companies Face Persistent But Diminishing Litigation Risks (/en_US/web/guest/article/-/view/sourc eld/9742725),

Aug. 11, 2016

The U.S. Tobacco Industry is Still Standing Tall Despite Increased

Regulatory Risks (/en_US/web/guest/article/-/view/sourcel d/9742677), Aug. 11, 2016

U.S. Tobacco Settlement Securitization: Ratings Methodology And

Assumptions (/en_US/web/guest/article/-/view/sourcel d/9524223), March 24, 2016

In addition to the criteria specific to this type of security (listed above), the following criteria articles, which are generally applicable to all ratings, may have affected this rating action: "Counterparty Risk Framework: Methodology And Assumptions (/en_US/web/guest/article/-/view/sourceId/10861340)," March 8, 2019; "Post-Default Ratings Methodology: When Does Standard & Poor's Raise A Rating From 'D' Or 'SD'? (/en_US/web/guest/article/-/view/sourceId/9092521)," March 23, 2015; "Global Framework For Assessing Operational Risk In Structured Finance Transactions (/en_US/web/guest/article/-/view/sourceId/8737366)," Oct. 9, 2014; "Methodology: Timeliness of Payments: Grace Periods, Guarantees, And Use of 'D' And 'SD' Ratings (/en_US/web/guest/article/-/view/sourceId/8097062)," Oct. 24, 2013; "Criteria For Assigning 'CCC+', 'CCC', 'CCC-', And 'CC' Ratings (/en_US/web/guest/article/-/view/sourceId/7554329)," Oct. 1, 2012; "Methodology: Credit Stability Criteria (/en_US/web/guest/article/-/view/sourceId/5961504)," May 3, 2010; and "Use of CreditWatch And Outlooks (/en_US/web/guest/article/-/view/sourceId/5612636)," Sept. 14, 2009.

RATINGS ASSIGNED

Buckeye Tobacco Settlement Financing Authority
Series 2020

Name	Class	Maturity date	Rating	Amount (\$)
A-1	1	June 1, 2020	A (sf)	52,945,000.00
A-1	1	June 1, 2021	A (sf)	40,045,000.00
A-1	1	June 1, 2022	A (sf)	40,690,000.00
A-1	1	June 1, 2023	A (sf)	41,365,000.00
A-1	1	June 1, 2024	A (sf)	42,065,000.00
A-1	1	June 1, 2025	A (sf)	42,810,000.00
A-1	1	June 1, 2026	A (sf)	43,625,000.00
A-1	1	June 1, 2027	A (sf)	24,855,000.00
A-2	1	June 1, 2027	A (sf)	19,940,000.00
A-2	1	June 1, 2028	A (sf)	46,705,000.00
A-2	1	June 1, 2029	A (sf)	49,100,000.00
A-2	1	June 1, 2030	A- (sf)	35,130,000.00
A-2	1	June 1, 2031	A- (sf)	36,930,000.00
A-2	1	June 1, 2032	A- (sf)	38,825,000.00
A-2	1	June 1, 2033	A- (sf)	40,815,000.00
A-2	1	June 1, 2034	A- (sf)	42,910,000.00
A-2	1	June 1, 2035	A- (sf)	45,110,000.00
A-2	1	June 1, 2036	A- (sf)	47,420,000.00
A-2	1	June 1, 2037	A- (sf)	49,600,000.00
A-2	1	June 1, 2038	A- (sf)	51,625,000.00
A-2	1	June 1, 2039	A- (sf)	53,730,000.00
A-2a	1	June 1, 2048	BBB+ (sf)	250,000,000.00
A-2b	1	June 1, 2048	BBB+ (sf)	331,670,000.00
B-1	2	June 1, 2029	BBB+ (sf)	100,000,000.00

B-2	2	June 1, 2055	NR	3,380,000,000.00
B-3	2	June 1, 2057	NR	404,286,396.50

NR--Not rated.

Primary Credit Analyst: Christine Dalton, New York (1) 212-438-1136;
christine.dalton@spglobal.com (mailto:christine.dalton@spglobal.com)

Secondary Contact: Jie Liang, CFA, New York (1) 212-438-8654;
jie.liang@spglobal.com (mailto:jie.liang@spglobal.com)

Research Assistant: Mariana Gurevich, New York

Analytical Manager: Ildiko Szilank, New York (1) 212-438-2614;
ildiko.szilank@spglobal.com (mailto:ildiko.szilank@spglobal.com)

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