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ROGER L. ANDERSON  
*Executive Director*

April 14, 2008

Moody's Investors Service  
250 Greenwich Street  
New York, New York 10007

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

Ladies and Gentlemen:

I applaud Moody's efforts to harmonize the global and municipal ratings scales. As your request states, "Historically, defaults of rated US municipal bonds have been much rarer than defaults of rated corporate debt." The request also sets forth quite clearly how the disparity between the two scales arose and why it is such a problem in today's turbulent market.

Further, while the risk of default is lower on municipal bonds, your studies show that the risk of loss is also lower. Holders of those few municipal bonds that do default eventually recover a higher percentage of their investments than do holders of defaulted corporate bonds.

You have said that you expect to issue global ratings in addition to municipal ratings. I encourage Moody's to move to a truly single scale. The municipal bond market has changed over the last several years, as the growth of derivatives has allowed taxable investors to cross over into the municipal market. A single scale will serve the broader market's needs better. It will also eliminate the confusion of having two different ratings on a single bond issue, as well as uncertainty as to which rating matters for Rule 2a-7 purposes.

I recognize that the current municipal rating scale provides investors with finer distinctions of credit quality than is true with the global scale. I suggest the same distinctions could be communicated by having more gradations within each rating category: for example, by having subcategories within the Aa or A ratings that range from 1 to 7, instead of just the current 1 to 3.

I commend Moody's for recognizing the problems inherent in the different rating scales and taking the lead on trying to correct the problems. Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Roger L. Anderson". The signature is written in a cursive, flowing style.

Roger L. Anderson  
Executive Director