MOODY'S
INVESTORS SERVICE

Rating Action: Moody's assigns (P)Aa1 rating to proposed CRRH West Africa Impact Affordable Housing Trust 2022 Notes; outlook stable

23 Jun 2022

London, June 23, 2022 -- Moody's Investors Service (Moody's) has today assigned a provisional (P)Aa1 rating to the proposed [€205 million] senior secured guaranteed Notes due [2039] (the Notes) to be issued by CRRH West Africa Impact Affordable Housing Trust 2022 (the Issuer) and guaranteed by the U.S. International Development Finance Corporation, an agency of the United States Government (United States of America, Government of, Aaa stable). The outlook is stable.

The proceeds of the issuance of the Notes will be used by the Issuer to advance a loan (the CRRH Loan) to La Caisse Régionale de Refinancement Hypothécaire de l'UEMOA (CRRH-UEMOA, Ba2 negative) pursuant to a loan agreement (the CRRH Loan Agreement) to enable CRRH-UEMOA to provide secured credit facilities to its member banks to permit them to finance newly originated or refinanced single family asset backed mortgage loans on residential properties located in the West African Economic and Monetary Union. In addition, the proceeds of the CRRH Loan will be used to fund certain reserves and transaction fees and expenses in relation to the Notes.

The Issuer is a special purpose, Delaware statutory trust. The Notes covenants restrict the Issuer's business solely to (i) issuing the Notes and funding the CRRH Loan; (ii) entering into and performing its obligations under the Transaction Documents; or (iii) that which is necessary and appropriate to accomplish the foregoing.

RATINGS RATIONALE

The (P)Aa1 rating is based solely upon the credit strengths of the unconditional, irrevocable guaranty (the DFC Guaranty) provided by U.S. International Development Finance Corporation (DFC), an agency of the Government of the United States, and which benefits from its full faith and credit.

The credit strengths of the DFC Guaranty include, amongst others: (1) payment under the DFC Guaranty is triggered by a payment request from the Indenture Trustee, and the administrative process set out in the Notes and DFC Guaranty documentation is designed to ensure the Noteholders receive timely payment under the DFC Guaranty in accordance with the scheduled payment dates under the Notes; (2) DFC's obligations under the Guaranty continue irrespective of the validity or enforceability of the Issuer's obligation to pay principal and interest; (3) the Noteholders and Indenture Trustee do not need to take any action to enforce the Issuer's obligations; (4) DFC explicitly waives the following defenses, among others: (i) any defense based on the failure of the Issuer to pay under the Indenture, or CRRH-UEMOA to pay under the Loan Agreement, or any failure by the Issuer or CRRH-UEOMA to observe or perform any covenant; (ii) any defense based on failure of the Indenture Trustee to proceed against the Issuer before making a demand under the Guaranty; (iii) the defense of waiver or estoppel; (iv) any defense that may arise by reason of incapacity or lack of authority; (v) any defense based upon an election of remedies by the Indenture Trustee that impairs the subrogation rights of DFC; and (vi) any duty on the part of the Indenture Trustee to disclose to DFC any facts it may know about the Issuer or CRRH-UEOMA; and (5) the obligations of DFC shall not be affected by any waiver or amendment of any covenants, terms or agreements of the Issuer or CRRH-UEMOA set forth in the CRRH Loan Agreement or the Indenture.

The rating also reflects the following credit challenges:

(1) The Notes will be euro (EUR) denominated and claims under the DFC Guaranty will be payable in EUR, but the maximum principal amount payable under the DFC Guaranty is capped at $356 million US dollars (USD). Since the Notes are EUR denominated and the cap applicable to principal payments under the DFC Guaranty is expressed in USD, exposure to EUR appreciating against the USD is introduced; however, the cap does not apply to payments of interest and any make-whole premium which DFC elects to pay upon an acceleration. This risk is mitigated by the difference between the principal amount of the current Notes USD-equivalent (around $216 million) and the $356 million guaranty cap, a buffer of approximately $140 million. This provides sizeable room for appreciation of the EUR in Moody's view. As the Issuer repays scheduled principal on the Notes, the DFC Guaranty cap is reduced by the USD-equivalent amount on the date of payment; and (2) the

terms of the Guaranty permit DFC to avoid payment in the event of fraud or misrepresentation by the Notes Indenture Trustee or the Noteholders, albeit Moody's considers this a remote risk.

Payment under the DFC Guaranty is triggered by a payment request from the Indenture Trustee, delivered not later than 6 business days before the relevant Payment Date under the Notes Indenture. The terms of the Indenture set out the requirements for the Indenture Trustee to make a payment request to DFC in time for funds to be available on the Notes scheduled payment date. DFC has the right to (i) accelerate the Notes in full (and instruct the Issuer to accelerate the CRRH Loan) and pay out the accelerated amount (plus make-whole premium) or (ii) continue to pay, in each scheduled payment date of the Notes, the amounts then due and payable (without regard to the acceleration of the Loan). DFC has 5 business days to pay following receipt of a payment request.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATING

Moody's does not currently consider there is scope for an upgrade.

Moody's could downgrade the rating on the Notes if: 1) a material appreciation of the EUR against the USD results in heightened risk that the USD denominated guaranty cap would not cover 100% of the principal amount of the EUR denominated Notes, 2) the United States government bond rating were downgraded; or 3) in Moody's view, there is a material, detrimental change in the standing of DFC as a U.S. government agency, or to the full faith and credit of the United States which has been pledged to secure the full payment by DFC of its obligations under the guaranty.

The principal methodology used in this rating was Rating Transactions Based on the Credit Substitution Approach: Letter of Credit-backed, Insured and Guaranteed Debts published in May 2017 and available at https://ratings.moodys.com/api/rmc-documents/75699 . Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series, category/class of debt, security or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the issuer/deal page for the respective issuer on https://ratings.moodys.com.

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this credit rating action, and whose ratings may change as a result of this credit rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

The rating has been disclosed to the rated entity or its designated agent(s) and issued with no amendment resulting from that disclosure.

This rating is solicited. Please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website https://ratings.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://ratings.moodys.com/documents/PBC_1288235.

The Global Scale Credit Rating on this Credit Rating Announcement was issued by one of Moody's affiliates outside the EU and is endorsed by Moody's Deutschland GmbH, An der Welle 5, Frankfurt am Main 60322, Germany, in accordance with Art.4 paragraph 3 of the Regulation (EC) No 1060/2009 on Credit Rating Agencies. Further information on the EU endorsement status and on the Moody's office that issued the credit rating is available on https://ratings.moodys.com.

Please see https://ratings.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the issuer/deal page on https://ratings.moodys.com for additional regulatory disclosures for each credit rating.

Christopher Bredholt
VP - Senior Credit Officer
Infrastructure Finance Group
Moody's Investors Service Ltd.
One Canada Square
Canary Wharf
London, E14 5FA
United Kingdom
JOURNALISTS: 44 20 7772 5456
Client Service: 44 20 7772 5454

Kevin Maddick
Associate Managing Director
Infrastructure Finance Group
JOURNALISTS: 44 20 7772 5456
Client Service: 44 20 7772 5454

Releasing Office:
Moody's Investors Service Ltd.
One Canada Square
Canary Wharf
London, E14 5FA
United Kingdom
JOURNALISTS: 44 20 7772 5456
Client Service: 44 20 7772 5454

MOODY'S INVESTORS SERVICE

Moody’s Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody’s Corporation (“MCO”), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody’s Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody’s Investors Service, Inc. for credit ratings opinions and services rendered by it fees ranging from $1,000 to approximately $5,000,000. MCO and Moody’s Investors Service also maintain policies and procedures to address the independence of Moody’s Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody’s Investors Service and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodys.com under the heading “Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy.”

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY’S affiliate, Moody’s Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody’s Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to “wholesale clients” within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY’S that you are, or are accessing the document as a representative of, a “wholesale client” and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to “retail clients” within the meaning of section 761G of the Corporations Act 2001. MOODY’S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for Japan only: Moody's Japan K.K. (“MJKK”) is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody’s Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody’s SF Japan K.K. (“MSFJ”) is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization (“NRSRO”). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any credit rating, agreed to pay to MJKK or MSFJ (as applicable) for credit ratings opinions and services rendered by it fees ranging from JPY100,000 to approximately JPY550,000,000.

MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.