# Municipal Finance Rating Exemption Application Flowchart

Michigan Department of Treasury

Last Updated December 12, 2025

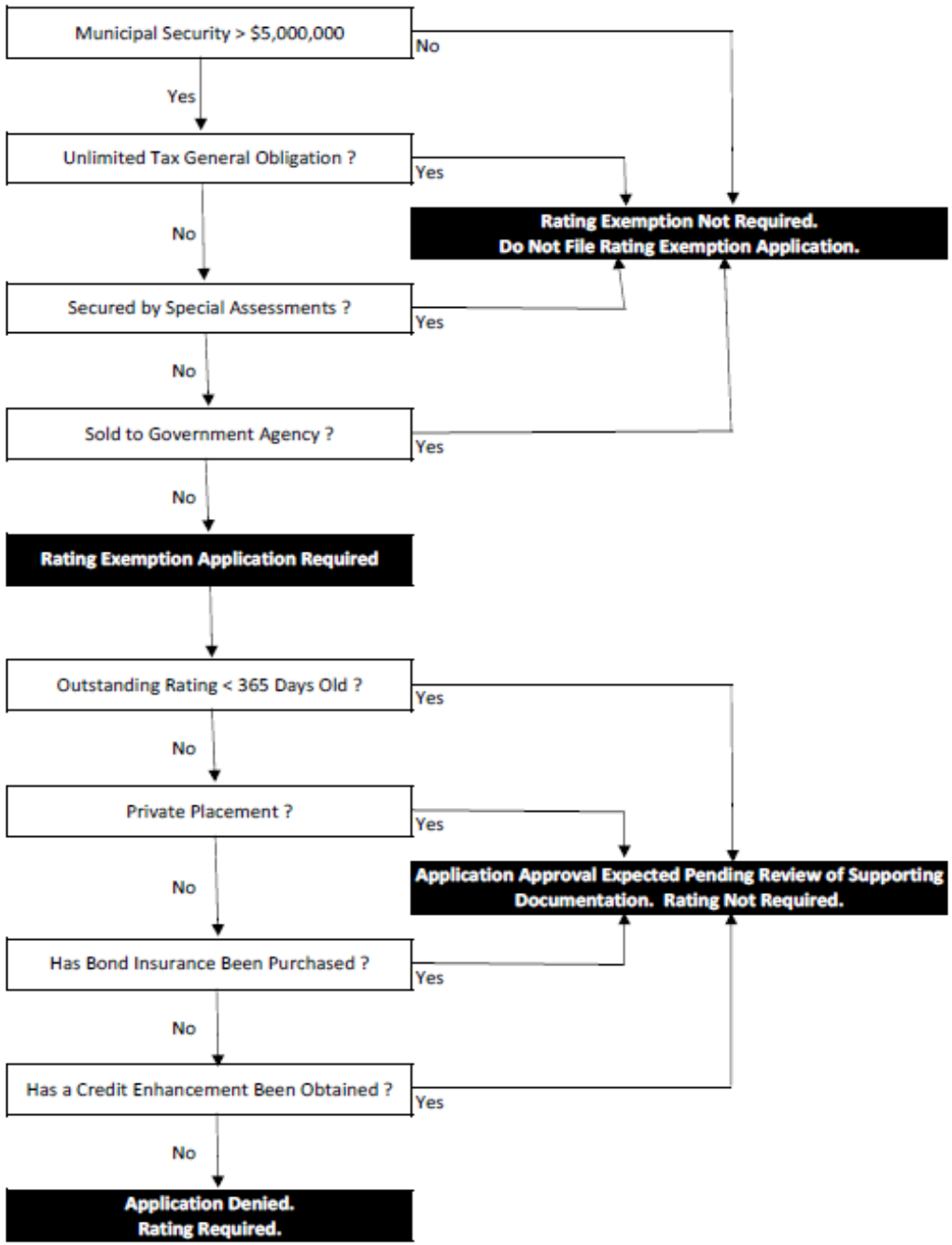
The flowchart outlines the decision-making process for determining whether a Rating Exemption Application is required when issuing municipal securities such as bonds or notes. It is based on Michigan Compiled Laws MCL 141.2303(7)(d) and MCL 141.2323 and Numbered Letter 2025-2.

The process begins with a series of Yes/No questions that guide the user through various criteria:

1. Private Placement?
2. Outstanding Rating less than 365 days old?
3. Municipal Security greater than $5,000,000?
4. Unlimited Tax General Obligation?
5. Secured by Special Assessments?
6. Sold to Government Agency?
7. Has Bond Insurance Been Purchased?
8. Has Credit Enhancement Been Obtained?

Depending on the answers, the flowchart leads to one of three outcomes:

- Rating Exemption Not Required. Do Not File Rating Exemption Application.
- Rating Exemption Application Required. Application Denied. Rating Required.
- Rating Exemption Application Required. Application Approval Expected Pending Review of Supporting Documentation. Rating Not Required


Municipal Security > $5,000,000
No
Yes
Unlimited Tax General Obligation ?
Yes
No
Rating Exemption Not Required.
Do Not File Rating Exemption Application.
Secured by Special Assessments ?
Yes
No
Sold to Government Agency ?
Yes
No
Rating Exemption Application Required
Outstanding Rating < 365 Days Old ?
Yes
No
Private Placement ?
Yes
No
Application Approval Expected Pending Review of Supporting Documentation. Rating Not Required.
Has Bond Insurance Been Purchased ?
Yes
No
Has a Credit Enhancement Been Obtained ?
Yes
No
Application Denied.
Rating Required.