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# EXHIBIT 17

**Rating Action: Moody's Downgrades Puerto Rico GOs, COFINA and Other Debt After Hurricane Maria; Outlook Negative**

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Global Credit Research - 11 Oct 2017

New York, October 11, 2017 -- Summary Rating Rationale

Moody's Investors Service has downgraded the Commonwealth of Puerto Rico's general obligation bonds to Ca from Caa3, in view of the protracted economic and revenue disruptions caused by Hurricane Maria, which hit the US territory on September 20. Among the eight other security types affected (see below) are the senior bonds issued by the Puerto Rico Sales Tax Financing Corporation (COFINA) and the Puerto Rico Aqueduct and Sewer Authority, both of which were also downgraded to Ca from Caa3. University of Puerto Rico bonds were downgraded to C from Ca. The outlook for all affected securities, which have combined par value of about \$31 billion, remains negative.

Debt Affected by Post-Maria Action Includes GO and Senior COFINA bonds.

Debt Type - From - To - Par Amt (Billions)

General Obligation - Caa3 - Ca - \$13.3

GO-Guaranteed Bonds - Caa3 - Ca - \$4.8

COFINA Senior - Caa3 - Ca - \$7.6

Puerto Rico Aqueduct and Sewer Authority - Caa3 - Ca - \$3.3

Puerto Rico Industrial Development Co. - Ca - C -\$0.2

Municipal Finance Agency - Ca - C - \$0.6

Highways and Transportation Authority, 1968 Resolution bonds - Ca - C - \$0.8

University of Puerto Rico - System Revenue Bonds - Ca - C - \$0.4

University of Puerto Rico - Facilities Revenue Bonds - Ca - C - \$0.1

Total - \$31.0

The lower ratings are aligned with our estimates of Puerto Rico's reduced debt servicing capacity given extensive damage from Hurricane Maria. Puerto Rico faces almost total economic and revenue disruption in the near term and diminished output and revenue probably through the end of the current fiscal year and maybe well into the next. The weaker trajectory will undercut the government's ability to repay its debt, a matter now being weighed in a bankruptcy-like proceeding authorized by the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA). For the University of Puerto Rico, the downgrade factors in expected pressure on enrollment-linked revenue and on funding from the Puerto Rican government.

With 155 mile-an-hour winds and a path that cut diagonally across the island, Hurricane Maria was the most destructive storm to hit Puerto Rico in almost 90 years. It knocked out all electric power, destroyed more than 100,000 homes, and ruptured bridges and other public infrastructure. Beyond the disruption of the immediate aftermath, the potential long-term repercussions may be somewhat mixed, however. On one hand, a massive exodus of residents relocating to the mainland, rather than rebuilding on the island, could further erode Puerto Rico's economic base. On the other, an infusion of federal relief and rebuilding funds could spur the economic growth and infrastructure replacement that, under normal conditions, has eluded Puerto Rico. We nevertheless view the economic impact overall as a substantial negative that has weakened the commonwealth's ability to repay creditors.

Rating Outlook

The negative outlook is consistent with ongoing economic pressures, which will weigh on the commonwealth's capacity to meet debt and other funding obligations, potentially driving bondholder recovery rates lower as restructuring of the commonwealth's debt burden unfolds.

#### Factors that Could Lead to an Upgrade

Any action in the PROMESA debt restructuring process that points to stronger-than-anticipated bondholder recoveries

#### Factors that Could Lead to a Downgrade

Lower repayment capacity based on growth in essential service spending or reduction in revenue

#### Legal Security

Various, including the commonwealth's general obligation and pledges of specific taxes and other revenue sources

#### Use of Proceeds

Not applicable

#### Obligor Profile

Puerto Rico is a self-governing territory of the United States. It operates under a constitution approved in 1952. The island's population, now 3.4 million, has been declining as Puerto Ricans in increasing numbers have moved to the mainland US in search of work. The nature of Puerto Rico's relationship with the US - whether to retain its current status as a commonwealth or to become a state - is a central political issue on the island. The two dominant Puerto Rican political parties are defined by their views on statehood: the Partido Nuevo Progresista (PNP) advocates statehood, while the Partido Popular Democratico is in favor of continued commonwealth status. A smaller, third party favors independence. Our ratings do not contemplate a change in the island's relationship with the US.

#### Methodology

The principal methodology used in rating the Commonwealth of Puerto Rico, Puerto Rico Municipal Finance Agency, Puerto Rico Highways & Transportation Authority, Puerto Rico Aqueduct and Sewer Authority, Puerto Rico Industrial Development Company, and Puerto Rico Public Sales Tax Financing Corp. debt was US States Rating Methodology published in April 2013. The principal methodology used in rating the University of Puerto Rico was Global Higher Education published in November 2015. Please see the Rating Methodologies page on [www.moodys.com](http://www.moodys.com) for a copy of these methodologies.

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