



**National Rural Utilities
Cooperative Finance Corporation**

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A Touchstone Energy® Cooperative 

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S&P Changes NRUCFC Long-Term Debt Outlook to ‘Positive’

HERNDON, Va.—On Dec. 13, 2007, [Standard & Poor’s Ratings Services \(S&P\)](#) revised its outlook on National Rural Utilities Cooperative Finance Corporation’s (National Rural) long-term debt obligations to “positive” from “stable.” At the same time, the service affirmed its “A/A-1” counterparty credit ratings.

S&P cited improvements in National Rural’s risk-management policies as the key driver behind the upgrade. The ratings service also commented on the successful resolution of two troubled credit exposures and the likelihood that a third will be settled in 2008.

“During the past five years, (NRU)CFC has reduced single-obligor exposure, established a syndications effort, and focused on lending to the electric distribution sector. As demand for energy increases, utilities will look to (NRU)CFC for additional funding,” S&P said in its release. “The outlook revision takes into account our expectation that (NRU)CFC’s financial performance will continue to be solid and aligned with its strategy to provide members with access to funding at the lowest possible loan and guarantee rates.”

National Rural CFO Steven Lilly said, “We are pleased that S&P has recognized the solid financial and operational performance of the rural electric cooperative sector, which results in the strong quality of the National Rural loan portfolio, and the sound practices we have implemented to mitigate risk to our investors and member-owners. We are well positioned to meet the growing capital needs of our members through traditional financial instruments as well as our expanded array of other capital market products and services, such as syndications and loan sales.”

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S&P is a Nationally Recognized Statistical Rating Organization as determined by the U.S. Securities and Exchange Commission. The ratings listed above have the meanings assigned to them by the rating agency and are not recommendations to buy, sell or hold securities and are subject to revision or withdrawal at any time.

National Rural Utilities Cooperative Finance Corporation is a not-for-profit finance cooperative that serves the nation's rural utility systems, the majority of which are electric cooperatives and their subsidiaries. With more than \$18 billion in assets, National Rural provides its member-owners with an assured source of low-cost capital and state-of-the-art financial products and services.

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