

RATING ACTION COMMENTARY

Fitch Upgrades Florida Intl University's IDR to 'AA'; Rates Dormitory Rev Bonds 'A+'; Outlook Stable

Fri 27 Feb, 2026 - 5:16 PM ET

Fitch Ratings - New York - 27 Feb 2026: Fitch Ratings has assigned an 'A+' rating to \$232.5 million housing system revenue bonds, series 2026A, issued by the Board of Governors of the State of Florida (BoG) on behalf of Florida International University (FIU). Fitch has also affirmed the outstanding dormitory revenue refunding bonds, series 2015A, 2020A, and 2021A at 'A+'.

The Rating Outlook on the dormitory revenue bonds is Stable.

In addition, Fitch has upgraded FIU's Issuer Default Rating (IDR) to 'AA' from 'AA-' and the series 2019A and 2023A parking revenue bonds to 'AA-' from 'A+'. The Rating Outlook on the IDR and parking system revenue bonds is Stable.

RATING ACTIONS

ENTITY / DEBT ↕	RATING ↕		PRIOR ↕
Florida International University (FL)	LT IDR	AA Rating Outlook Stable	AA- Rating Outlook Positive
	Upgrade		
Florida International University (FL) /Dormitory Revenues/1 LT	LT	A+ Rating Outlook Stable	A+ Rating Outlook Stable
		Affirmed	

Florida International University (FL) /Issuer Default Rating/1 LT	LT	AA Rating Outlook Stable	Upgrade	AA- Rating Outlook Positive
---	----	--------------------------	---------	-----------------------------

Florida International University (FL) /Parking Revenues/1 LT	LT	AA- Rating Outlook Stable	Upgrade	A+ Rating Outlook Positive
--	----	---------------------------	---------	----------------------------

[VIEW ADDITIONAL RATING DETAILS](#)

The upgrade of FIU's IDR to 'AA' reflects successive years of strong state operating support and student generated revenues, improving adjusted cash flow and leverage metrics, including unaudited fiscal 2025, following operating and expense pressures seen in fiscal years 2020-2022. FIU's 'AA' IDR reflects the university's strong and improving financial profile in the context of strong revenue defensibility and moderate operating risk. FIU's demand characteristics remain competitive which, combined with improved cash flow, offsets fluctuations in state support for operations and capital.

The 'A+' rating and Stable Outlook on FIU's housing system revenue bonds reflect the relatively small scale of the system, which serves a narrow 11% of FIU's full time student base, combined with weaker pro forma coverage as the as the university completes the planned expansion of the housing system and fills out new housing stock over the near to intermediate term. Projected debt service (DS) coverage (excluding administrative overhead) remains stable through fiscal 2028 (increasing to 2.2x MADS in fiscal 2028) and is then projected to dip to about 1.36x in fiscal 2029. The Stable Outlook reflects expectations that economic DS coverage improves over the longer term.

FIU's parking system revenue bond ratings are upgraded to 'AA-' reflecting the broad and consistent base on which the TAF is levied, a set charge for all campus-based students, and resilient coverage. Together these reflect credit strength consistent with one notch below the parent IDR. FIU's parking system has maintained solid revenue bond coverage (MADS) over 2.20x for the last three consecutive years.

SECURITY

The dormitory revenue bonds are secured by a first lien on pledged net revenues of FIU's student housing system. Additional security provisions include a pledge of sufficiency and a

1.2x additional bonds test (ABT) measured over the two prior fiscal years.

Parking revenue bonds are secured by pledged net revenues derived from the operation of FIU's parking system, including a mandatory transportation access fee (TAF) assessed on all FIU students except distance learners.

KEY RATING DRIVERS

Revenue Defensibility - 'a'

Strong Demand and State Appropriations

FIU's 'a' revenue defensibility is characteristic of a competitive regional public institution with solid in-state and regional student draw as evidenced by increasing applications, largely stable enrollment trends and competitive demand indicators, and improving yield for incoming undergraduate students. FIU continues to focus on the academic outcomes emphasized under Florida's performance funding system. As a result, FIU's admissions rate has tightened to 35%-45% for first year freshmen in recent years, yielding a record incoming freshmen class in fall 2025.

Undergraduate headcount enrollment (including transfers) remains stable supported by very good retention. Though undergraduate enrollment improved to 46,452 in fall 2025, the cohort is down from pre-pandemic levels (over 49,000) in fall 2020.

Consistent growth in state operating support from fiscal 2020 reflects the state's willingness to keep tuition affordable as in-state tuition has remained flat during this period through fiscal 2026, though out-of-state tuition increased for the first time in over a decade. Fitch expects FIU to continue to benefit from the state's strong fiscal position with strong state support for operations. Support from the FIU Foundation remains sustainable with annual draws of 4%.

Operating Risk - 'a'

Improved Cash Flow; Manageable Capital Needs

The university's 'a' operating risk assessment (up from bbb) reflects FIU's consistently improved adjusted cash flow margins (9% in fiscal 2024 and averaging 6.6% in fiscals 2020-2024). Based on unaudited results, fiscal 2025 is expected to be near FY24 levels and remain steady through Fitch's five-year forward-looking base case scenario with steady

enrollment and revenue growth and moderate expense growth. Fitch expects some variation in capital support (PECO, CITF) over the period; however, FIU's capex requirements are manageable and non-DSO supported projects can be scaled back as needed. Current projects under consideration include a mix of residential, academic, and amenities funded by a combination of debt, internal resources and outside funding that Fitch considers manageable.

Financial Profile - 'aa'

Strong Balance Sheet Ratios

FIU continues to demonstrate strong leverage metrics systemwide (119.5%) in fiscal 2024, with total available funds (AF; including foundation AF) increasing to \$720.3 million and adjusted debt decreasing to \$602.7 million (including the \$364 million Fitch-adjusted net pension liability). In fiscal 2025 (unaudited), FIU's leverage ratio improves to about 147% and is expected to weaken following the issuance of the additional housing system debt.

Fitch's five-year forward-looking scenario analysis includes the \$232.5 million of new money and assumes moderate growth (4%-5%) in both revenues and expenses, and also includes ongoing annual capex. Fitch's stress case (which incorporates a modeled market downturn) reflects resilience over a five-year forward-looking period, yielding ample AF to adjusted debt to support the 'aa' Financial Profile assessment. Liquidity remains adequate and therefore neutral to FIU's ratings; systemwide (Fitch-calculated) debt service coverage was near 4.5x for fiscal 2024 and expected to be similar for fiscal 2025.

Asymmetric Additional Risk Considerations

No asymmetric additional risk factors were factored into the rating.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

--FIU's deterioration of AF to adjusted debt to levels consistently below 100%;

--FIU's weakened demand and operating revenues with Fitch adjusted cash flow below 6% could result in negative rating action for the IDR, housing and parking revenue bonds;

--Failure to meet housing demand targets and pro forma MADS coverage of 1.2x from pledged revenues would pressure the dormitory bond rating.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

--FIU's consistent demand strength driving a sustained trend of operating revenue growth and maintenance of Fitch adjusted cash flow above 12%;

--AF to adjusted debt maintained consistently above 200%;

--Upward rating action on the housing system bonds could be prompted by sustaining MADS coverage over 2.0x beyond 2028, including this additional debt.

PROFILE

FIU, one of 12 institutions of higher education in Florida's State University System, is the largest university in South Florida and is a leading Hispanic-Serving Institution in the state. The university serves about 55,500 students on its two main campuses in southwest and northeast Miami-Dade County and satellite campuses located in Broward County, Miami Beach and downtown Miami. FIU's dormitory and parking systems are component auxiliary enterprises that finance and operate the university's housing stock and parking/transportation infrastructure, respectively.

FIU has historically experienced growing demand for housing, despite its largely commuter-based campus with only around 11% of students living on campus and history of dormitory occupancy rates consistently at or near 100%. Given the longer-term trend of increasing demand for housing, the current financing supports the university's strategic plan which contemplates as much as doubling the percentage of full-time students living on campus over the long term. Fitch believes the ABT and management's internal guidelines provide good assurance that pledged coverage will remain adequate with planned additional housing debt, though the new debt is expected to curtail future MADS coverage and sustain coverage at levels consistent with the current 'A+' rating.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed

by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit

<https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

FITCH RATINGS ANALYSTS

Nancy Moore

Director

Primary Rating Analyst

+1 212 908 0725

nancy.moore@fitchratings.com

Fitch Ratings, Inc.

Hearst Tower 300 W. 57th Street New York, NY 10019

Rebecca Moses

Director

Secondary Rating Analyst

+1 512 215 3739

rebecca.moses@fitchratings.com

Emily Wadhwani

Senior Director

Committee Chairperson

+1 312 368 3347

emily.wadhwani@fitchratings.com

MEDIA CONTACTS

Anne Wilhelm

New York

+1 212 908 0334

anne.wilhelm@thefitchgroup.com

Eleis Brennan

New York

+1 646 582 3666

eleis.brennan@thefitchgroup.com

Additional information is available on www.fitchratings.com

PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

[U.S. Public Finance College and University Rating Criteria \(pub. 19 Sep 2023\) \(including rating assumption sensitivity\)](#)

[U.S. Public Sector, Revenue-Supported Entities Rating Criteria \(pub. 10 Jan 2025\) \(including rating assumption sensitivity\)](#)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Portfolio Analysis Model (PAM), v2.0.1 (1)

ADDITIONAL DISCLOSURES

[Dodd-Frank Rating Information Disclosure Form](#)

[Solicitation Status](#)

[Endorsement Policy](#)

ENDORSEMENT STATUS

Florida International University (FL)

EU Endorsed, UK Endorsed

DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers.

Please read these limitations and disclaimers by following this link:

<https://www.fitchratings.com/understandingcreditratings>. In addition, the following <https://www.fitchratings.com/rating-definitions-document> details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. ESMA and the FCA are required to publish historical default rates in a central repository in accordance with Articles 11(2) of Regulation (EC) No 1060/2009 of the European

Parliament and of the Council of 16 September 2009 and The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 respectively.

Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at <https://www.fitchratings.com/site/regulatory>. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any

verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see [Best- and Worst-Case Measures](#) under the Rating Performance page on Fitch's website.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or

the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001. Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the “NRSRO”). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the “non-NRSROs”) and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

dv01, a Fitch Solutions company, and an affiliate of Fitch Ratings, may from time to time serve as loan data agent on certain structured finance transactions rated by Fitch Ratings.

Copyright © 2026 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.

[READ LESS](#)

SOLICITATION STATUS

The ratings above were solicited and assigned or maintained by Fitch at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

Fitch's solicitation status policy can be found at www.fitchratings.com/ethics.

ENDORSEMENT POLICY

Fitch's international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU CRA Regulation or the UK Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019, as the case may be. Fitch's approach to endorsement in the EU and the UK can be found on Fitch's [Regulatory Affairs](#) page on Fitch's website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.