

Exhibit R

Moody's Article

Rating Action: MOODY'S DOWNGRADES DETROIT (MI)'s GENERAL OBLIGATION UNLIMITED TAX AND CERTIFICATE OF PARTICIPATION DEBT TO B2 AND GOLT DEBT TO B3

Global Credit Research - 20 Mar 2012

RATINGS REMAIN ON REVIEW FOR POSSIBLE DOWNGRADE

New York, March 20, 2012 -- Moody's Investors Service has downgraded to B2 from Ba3 the City of Detroit's (MI) \$553.1 million of outstanding general obligation unlimited tax (GOULT) debt, and has also downgraded to B3 from B1 the city's \$486.4 million of outstanding general obligation limited tax (GOLT) debt. Moody's also downgraded to B2 from Ba3 the Detroit Retirement Systems Funding Trust 2005's \$520.2 million of outstanding Taxable Certificates of Participation (COPs), Series 2005A; and the Detroit Retirement Systems Funding Trust 2006's \$948.5 million of outstanding Taxable COPs, Series 2006A and Series 2006B. The COPs are secured by the city's unconditional contractual obligation to pay debt service, which is not subject to annual appropriation. The ratings remain under review for possible downgrade.

SUMMARY RATINGS RATIONALE

The downgrades are based on the city's weakened financial position, as evidenced by its narrow cash position, reliance on debt financing to stabilize operations and ongoing labor concession negotiations, both of which are yet to be secured and will aid in maintaining a positive cash position. Although efforts to stabilize the city's finances and improve liquidity are ongoing and could be resolved over the very near term, protracted discussions continue and this uncertainty increases bondholder risks. The state continues its in-depth review of the city's finances, which could result in bringing the city one step closer to bankruptcy filing. Finally, recently filed audited financial results for fiscal 2011 confirm our expectation of continued financial strain, with a sizable operating deficit and a large negative General Fund balance.

Maintenance of the rating on review for downgrade is based on two remaining challenges facing the city's path to fiscal stability over the near term that may more likely than not put additional stress on the credit. First, the ongoing effort to repeal the current state oversight law may result in either diminished state authority or result in an absence of a state oversight framework until a vote on the repeal is held. However, it should be noted that signatures for the repeal effort have yet to be certified and there is the possibility of replacement legislation if the current law were suspended. Additionally, the downgrade of the rating of the COPs to below Ba3 constitutes a termination event under revised swap terms that became effective June 2009. Under such a termination event, the counterparties could trigger a termination payment, payable over seven years, which would further complicate the city's ability to manage its cashflow over the medium to longer term.

STRENGTHS

- Diverse revenue base for the General Fund
- Strong state oversight provided by Michigan Public Act 4
- Recent resurgence of domestic automakers, resulting in hiring across the metro Detroit region

CHALLENGES

- Weak liquidity profile, requiring active cash flow management techniques including debt refinancing to meet operating needs
- Ongoing inability to achieve structural balance in the General Fund
- Significant, ongoing General Fund support for the Transportation Fund
- Potential termination payment due for swap agreements issued in conjunction with Series 2005 and 2006 Certificates of Participation

-Declining population base and resulting service delivery issues for a smaller population spread across a wide base

-Ongoing state review of the city's finances, which may result in appointment of an emergency manager which is the first requisite step to filing for bankruptcy

Outlook

Maintenance of the rating on review for downgrade is based on two remaining challenges facing the city's path to fiscal stability over the near term that may more likely than not put additional stress on the credit. First, the ongoing effort to repeal the current state oversight law may result in either diminished state authority or result in an absence of a state oversight framework until a vote on the repeal is held. Additionally, the downgrade of the rating of the COPs to below Ba3 constitutes a termination event under revised swap terms that became effective June 2009. Under such a termination event, the counterparties could trigger a termination payment, payable over seven years, which would further complicate the city's ability to manage its cashflow over the medium to longer term.

WHAT COULD CHANGE THE RATING - UP

- Material operating surpluses, achieved through structurally balanced financial results that will carry forward to future fiscal years

- Sustained economic improvement coupled with revenue enhancements

- A material improvement in the city's unrestricted cash and investment position such that the city continues to be less dependent on cash flow borrowing

WHAT COULD CHANGE THE RATING - DOWN

- Revenue challenges that continue to exceed expenditure (and alternate revenue) solutions

- Continued operating deficits leading to heightened cash-flow weakness

- Further increase of the city's leveraged position

- Economic performance which would be unable to sustain revenue growth or revenue stability

- Increase in likelihood of either a bankruptcy filing or plan to default on debt obligations

PRINCIPAL METHODOLOGY USED

The principal methodology used in this rating was General Obligation Bonds Issued by U.S. Local Governments published in October 2009. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

Although this credit rating has been issued in a non-EU country which has not been recognized as endorsable at this date, this credit rating is deemed "EU qualified by extension" and may still be used by financial institutions for regulatory purposes until 30 April 2012. Further information on the EU endorsement status and on the Moody's office that has issued a particular Credit Rating is available on www.moodys.com.

For ratings issued on a program, series or category/class of debt, this announcement provides relevant regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt 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 relevant regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides relevant 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 ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

Information sources used to prepare the credit rating are the following: parties involved in the ratings, parties not

involved in the ratings, and public information.

Moody's considers the quality of information available on the rated entity, obligation or credit satisfactory for the purposes of issuing a rating.

Moody's adopts all necessary measures so that the information it uses in assigning a rating is of sufficient quality and from sources Moody's considers to be reliable including, when appropriate, independent third-party sources. However, Moody's is not an auditor and cannot in every instance independently verify or validate information received in the rating process.

Please see the ratings disclosure page on www.moody's.com for general disclosure on potential conflicts of interests.

Please see the ratings disclosure page on www.moody's.com for information on (A) MCO's major shareholders (above 5%) and for (B) further information regarding certain affiliations that may exist between directors of MCO and rated entities as well as (C) the names of entities that hold ratings from MIS that have also publicly reported to the SEC an ownership interest in MCO of more than 5%. A member of the board of directors of this rated entity may also be a member of the board of directors of a shareholder of Moody's Corporation; however, Moody's has not independently verified this matter.

Please see Moody's Rating Symbols and Definitions on the Rating Process page on www.moody's.com for further information on the meaning of each rating category and the definition of default and recovery.

Please see ratings tab on the issuer/entity page on www.moody's.com for the last rating action and the rating history.

The date on which some ratings were first released goes back to a time before Moody's ratings were fully digitized and accurate data may not be available. Consequently, Moody's provides a date that it believes is the most reliable and accurate based on the information that is available to it. Please see the ratings disclosure page on our website www.moody's.com for further information.

Please see www.moody's.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Genevieve Nolan
Analyst
Public Finance Group
Moody's FIS Domestic Sales Office - Chicago IL

JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

Henrietta Chang
VP - Senior Credit Officer
Public Finance Group
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

Releasing Office:
Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A.
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

MOODY'S
INVESTORS SERVICE

© 2013 Moody's Investors Service, Inc. and/or its licensors and affiliates (collectively, "MOODY'S"). All rights

reserved.

CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. ("MIS") AND ITS AFFILIATES ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND CREDIT RATINGS AND RESEARCH PUBLICATIONS PUBLISHED BY MOODY'S ("MOODY'S PUBLICATIONS") MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources Moody's considers to be reliable, including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The ratings, financial reporting analysis, projections, and other observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. Each user of the information contained herein must make its own study and evaluation of each security it may consider purchasing, holding or selling. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

MIS, 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 MIS have, prior to assignment of any rating, agreed to pay to MIS for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS 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 "Shareholder Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

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 clients. It would be dangerous for retail clients to make any investment decision based on MOODY'S credit rating. If in doubt you should contact your financial or other professional adviser.