

Aftermath of the Subprime Crisis: Reputational Damages Suffered by Major and Minor Rating Agencies

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The paper explores the reputational damages suffered by major and minor rating agencies as a consequence of the subprime crisis. The analysis is carried out through a standard event standard methodology on a sample of 1821 rating actions during the period November 2003 - November 2013. The evidence shows a lower market reaction to rating actions, especially when the evaluation is far away from the threshold between investment and speculative grade.

JEL Codes: G12, G14, G24