



CURRENT DEVELOPMENTS IN MUNI-MARKET

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MA Rules & Regulations

- **Financial Advisors (FAs) now MAs-Municipal Advisors**
- **Regulation Post Dodd-Frank; MAs are Regulated Parties**
- **MA has Fiduciary Duty to Issuer**
- **Underwriter or Financial Advisor???**
- **The MA Rule**
 - **Overly Complicated and Unnecessarily Complex**
 - **No Bright Lines**
 - **Based on Content of Communication**
- **GFOA Alerts to Educate and Create Work-Arounds**
 - **“The MA Rule & Issuers” May, 2014**
- **The MA Rule Exemptions**
 - **IRMA Exemption**
 - **RFP Exemption**
 - **Letter of Intent – Underwriter Selected**
- **GFOA Best Practice**
 - **Selecting and Managing the Engagement of MAs**

IRS

- **Post Issuance Tax Compliance**
- **IRS Audit Program - Evolution**
- **GFOA/NABL – Checklist**
- **Identifying Private Use Issues; Annual Questionnaire**
- **Post Issuance Policies and Procedures**
- **VCAP – Terms & Changes - No more Carrots, only Sticks**

Disclosure & SEC Enforcement Actions

- **38 Studio - Failed deals and due diligence**
- **City of Miami – Hiding the ball**
- **New Jersey and Illinois – Pension disclosure**
- **West Clark Schools – Continuing Disclosure Failure**
- **NABL & GFOA Disclosure Policies and Procedures**
- **NABL Publication – “Crafting Disclosure Policies”**
- **GFOA Best Practices**
 - **Understanding Continuing Disclosure Responsibilities**
 - **Primary Market Disclosure – In Progress**
- **Using Technology for Disclosure – Issuer Web-Sites**

MCDC

- **Industry-wide Initiative – a first and hopefully last**
- **Terms of Initiative**
- **GFOA Alerts**
 - **The SEC MCDC Initiative and Issuers Guidance Regarding Issuer Participation and Potential Implications, June, 2014**
 - **Deadline for Issuers Extended, Sept., 2014**
 - **The SEC MCDC Initiative – Settlement Terms for Issuers, Feb., 2016**
- **Results**
 - **72 Underwriters “Voluntary” Settlements and Fines**
 - **Settlement Agreements for Issuer that Self-Reported**
- **What it means for Muni-Business and Continuing Disclosure Going Forward**

Credit Ratings

- **Changed Landscape post Dodd Frank**
- **Objective Criteria and Transparency regarding Process/Methodologies**
- **Rating Agency Publications:**
 - **Fitch:** U.S. Tax-Supported Rating Criteria, Analytical Sensitivity Tool, April 18, 2016
 - **Moody's:** U.S. Local Government GO Debt, January, 2014
 - **S&P:** U.S. Local Government GO Ratings: Methodology and Assumptions, September, 2013
- **More Frequent Surveillance**
- **Rating Agency Contracts & Fees – Analyst v. Business People – Chinese Wall**

Public Private Partnership, P3s or PPPs

- **A Brave New Frontier or More Costly Way to Finance Infrastructure?**
- **Parsing the Deal, Complicated Documentation – Terms and Conditions Critical**
- **Cost Benefit Analysis and Evaluation of Alternatives**
- **Rating Agency Treatment – Many Cases Included in Debt Metrics**
- **The P3 Cult – Objective Professionals or Biased Participants???**
- **A New Source of Capital???**
- **Cost of Private Equity**
- **Realizing Benefits Without Giving Away the Farm**
- **GFOA Article – Government Finance Review, August 2015**
- **GFOA Best Practice**

Bank Loans or Direct Placements

- **Question – Is it a security or a loan?**
- **Why does it matter?**
- **Market Dynamics – Evolution of Bank Loans**
- **NFMA's and Investors Point of View**
- **Rating Agencies Requirements**
- **GFOA Alert – Bank Loan Disclosure**
- **Disclosure- Security, Terms of Loan, Cross–Default and Acceleration**

Market Conditions

- **Supply/Demand Dynamics- Sellers Market**
- **Fund Flows – Positive for > 53 weeks**
- **Monetary Policy and the Fed Lift Off???**
 - **Tamper Tantrum – Split of Opinion**
- **Global Economy**
 - **Weakness in China**
 - **Brexit**
 - **ECB & Sovereign Debt; Bank Bailout**
- **Extraordinary Now The Ordinary**
 - **Discount Rates**
 - **Asset Purchases**
 - **Feds Balance Sheet**
 - **Negative Rates**
 - **Unemployment & Inflation**
 - **Unrealistic Expectations**

Market Conditions

- **Money Market Regulation**
 - Floating NAV & Variable Rate Bonds
 - Higher Rates – SIFMA 5 bps – 85 bps
 - Viability of Market

- **Refundings and Negative Arbitrage**
 - Impact on Savings
 - Levels Acceptable
 - Ways to Mitigate
 - Rate Call