

# Press Release



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## **Municipal Finance Survey by BNY Mellon Underscores Persistence of Uncertainty in the Tax-Exempt Markets, Popularity of Build America Bond Offerings**

NEW YORK, August 20, 2009 – BNY Mellon’s Global Corporate Trust business today released the results of a survey of participants at this year’s Government Finance Officers Association (GFOA) National Conference. The survey underscores some of the effects of the financial crisis and the impact of the Build America Bonds (BAB) program, a new financing tool created by the American Recovery & Reinvestment Act of 2009.

Attracting participation on the part of more than 200 public officials, issuers, financial intermediaries and service providers attending this year’s GFOA conference, the survey includes key findings in a number of important areas:

- Both government officials and service providers agree that in the aftermath of financial scandals and extreme levels of market volatility during the past 18 months, constituents are demanding greater scrutiny of financial matters. Many see these demands as driving requirements for higher levels of transparency in government spending.
- Fully 40 percent of survey participants said that only sophisticated issuers should be allowed to engage in derivative swap contracts, with 33 percent saying municipalities should be precluded because of too many problems with counterparties.
- More than half of the respondents see the Electronic Municipal Market Access (EMMA) Website developed by the Municipal Securities Rulemaking Board (MSRB) as a positive development that provides greater transparency on municipal securities.
- The majority of survey participants believe that ARRA transparency requirements will change how governments will provide financial information to constituents.
- Survey participants are split on whether BABs will become a key source of infrastructure finance, reflecting split opinions regarding the Federal government’s commitment to maintain interest payment subsidies.
- An overwhelming percentage of survey participants see Private-Public Partnerships (“P3s”) as an effective finance tool for state and local governments and their constituents.

More information on the survey is available at <http://www.bnycorptrust.com/data/MuniMarketStudy.pdf>.

“Keeping our clients abreast of the best thinking in municipal finance is a key element of the support we provide,” said Troy Kilpatrick, managing director and head of the Corporate and Municipal Finance Group within BNY Mellon’s Global Corporate Trust business. “Gaining insights from the members of leadership organizations like the GFOA and sharing with our clients is an important part of that process.”

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