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NEWS RELEASE

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**CDFA Announces the American Manufacturing Bond Finance Act
-- Measure Would Reform Industrial Development Bonds & Create American Jobs --**

Columbus, OH – In a bold and innovative move, the national Council of Development Finance Agencies has announced the release of the American Manufacturing Bond Finance Act. This comprehensive reform package would modernize and revolutionize Qualified Small Issue Manufacturing Bonds, more commonly known as Industrial Development Bonds (IDBs) and manufacturing bonds. The seven suggested reforms would expand the capacity and usability of manufacturing bonds to help create American jobs immediately.

“Today is an important moment for CDFA. We are proud to send the American Manufacturing Bond Finance Act to Congress for their support and passage,” said Toby Rittner, CDFA President & CEO. “These common sense and efficient reforms will allow state and local leaders to support access to capital for American manufacturers and create jobs in our nation’s most important industry. Passage of this act will indicate that Congress is taking an aggressive and serious approach towards supporting American manufacturers and the thousands of communities that rely on these important economic contributors.”

Perhaps nothing is more pressing than the plight of American manufacturers over the past decade. Since 2001, nearly 5.7M manufacturing jobs have disappeared due to overseas competition, industry contraction, poor public policy, lack of capital, and the general downturn in the nation’s economy.

Qualified Small Issue Manufacturing Bonds are a type of Private Activity Bond (PAB) that allows the public sector to pass considerable interest rate reductions on to private companies through the issuance of tax-exempt bonds in the capital markets. This bedrock tool is the single most actively used bond tool for financing the small- to mid-sized manufacturing sector and are a key economic development tool for many state and local economic development agencies.

The changing manufacturing landscape has prompted a renewed effort to provide expanded support for American manufacturers. At the forefront of this movement is an effort to unlock access to capital. Low-cost, affordable, flexible, and efficient capital access is the number one concern for the manufacturing sector. For small- to mid-sized manufacturers, access to capital remains elusive and problematic.

Qualified Small Issue Manufacturing Bonds have not been reformed in nearly thirty years, and this lack of reform has caused stagnation and decline in the bond finance industry. Over \$3.1B in manufacturing bonds were issued nationwide in 2007. In 2010, just \$666M in manufacturing bonds were issued. The drop in manufacturing bond issuance is not only connected to the national economy, but also to the outdated rules and regulations that govern the use of these bonds. Improved tax policy and regulations could enable the manufacturing sector to rebound considerably over the next decade.

To support this resurgence, CDFA is proposing a set of efficient and effective reforms to the laws governing Qualified Small Issue Manufacturing Bonds. These seven simple fixes would expand access to capital for manufacturers throughout the country and support America’s most productive industry. These reforms would revolutionize manufacturing finance and create more jobs immediately.

Over the coming weeks and months, CDFA will be lobbying Congress and state/local leaders in support of the American Manufacturing Bond Finance Act. The Council is actively seeking supporters, co-sponsors and contributors to this campaign. Contact Erin Tehan (etehan@cdfa.net) to support this effort.

The **Council of Development Finance Agencies** is a national association dedicated to the advancement of development finance concerns and interests. CDFA is comprised of the nation’s leading and most knowledgeable members of the development finance community representing public, private and non-profit entities alike. For more information about CDFA, visit www.cdfa.net.

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