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NEWS RELEASE

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Council Releases 2008 National Volume Cap Report

***Private Activity Bond Issuance Down 52% in 2008
– IDB Issuance Down, But Use Remains at Historic Levels –***

Cleveland, OH – National private-activity bond issuances decreased by nearly 52% in 2008 according to the 2008 National Volume Cap Report released by the Council of Development Finance Agencies (CDFA). The 2008 National Volume Cap Report provides complete data for private-activity bond usage nationwide.

CDFA gathered the information for the report from surveys and interviews with the allocating authority in each state. As a leader in the development finance industry, CDFA serves as the principal source for private-activity bond volume cap data, reporting and trends.

The full report is available online within CDFA's interactive and searchable [National Volume Cap Resource Center](#). To download the report now, [click here](#).

The national economic crisis has impacted nearly all areas of the private-activity bond market. Of particular relevance to CDFA constituents, the issuance of industrial development bonds (IDBs) totaled approximately \$1.27 billion in 2008, compared to over \$3 billion in 2007. A total of 34 states saw a decrease in IDB issuance in 2008 over the prior year.

While a large decrease, 2008 IDB issuance is still the second highest total recorded this decade. IDB totals in 2008 were more than double what they were five years previously (\$663 million in 2003).

“This shows that even in less than ideal economic conditions IDBs are a vital tool to provide low-cost financing to small and medium-sized manufacturers,” CDFA President and CEO Toby Rittner said. “Even though down from 2007, IDB usage remains popular as a key development finance tool.”

CDFA was successful in passing new legislation as part of the American Recovery and Reinvestment Act of 2009 (ARRA) that is expected to have a positive impact on IDB issuance. The legislation expands the use of IDBs for 2009 and 2010 to include production of intangible property, a change targeted at biotech and high-tech firms. In addition, the 25% limitation on directly related and subordinate facilities has been eliminated for the next two years.

“Issuance levels may not return to 2007 levels,” Rittner said. “But recent legislative changes should help IDBs remain a popular and growing financing option as we head into the second half of 2009 and into 2010.”

Industrial development bonds (IDBs), a bedrock financing tool for the economic development industry, are issued by local issuing authorities and allow small manufacturers to borrow money at lower cost for expansion and other capital expenses.

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 nonprofit entities alike. For more information about CDFA, visit www.cdfa.net.

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