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NEWS RELEASE

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Council Releases 2010 National Volume Cap Report

Private Activity Bond Issuance Up 16% in 2010 -- IDB Issuance Down, Returns to Early-2000s Levels --

Columbus, OH – National private-activity bond issuance increased by approximately 16% in 2010, according to the 2010 National Volume Cap Report released by the Council of Development Finance Agencies (CDFA). The 2010 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 with CDFA's interactive and searchable [National Volume Cap Map](#). To download the full report now, [click here](#).

The private-activity bond market saw increased activity in 2010. At the same time, states reported carrying \$43.5 billion of volume cap into 2011. This level of carryforward is available due to the existence of alternative bond financing vehicles during 2009 and 2010. Recovery Zone Bonds and additional housing cap enabled projects to go forward with bond financing without counting against the states' traditional volume caps.

Of particular relevance to CDFA constituents, the issuance of industrial development bonds (IDBs) totaled approximately \$665.9 million in 2010. While the total change in IDB issuance in 2010 marks a substantial decrease from the levels of issuance seen in the last few years (\$946.5 million in 2009), the total is in line with IDB issuance seen earlier in the decade (\$663 million in 2003). Further, declines in issuance from two states alone can account for the entire national decrease from 2009's issuance.

"Once again, issuers throughout the country have proven the importance of tax-exempt bonds for supporting local economic development. While fewer industrial development bonds were issued in 2010, the availability of alternative bond tools such as BABs and Recovery Zone Bonds provided more diversity for issuers nationwide thus allowing for more affordable financings for manufacturers and greater returns for investors," said CDFA President & CEO Toby Rittner.

Tax-exempt bonds are a bedrock economic development finance tool with a 30 year track record of success, but these bonds are nonetheless threatened by Congressional legislation in favor of relatively untested alternatives. CDFA advocates for the preservation of this critical, catalytic financing tool and encourages interested parties to learn more about the Council's efforts at www.cdfa.net

Industrial development bonds 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 non-profit entities alike. For more information about CDFA, visit www.cdfa.net.

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