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NEWS RELEASE

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Hurricane Sandy Recovery Bonds Would Rebuild After Devastating Storm
-- CDFA Calls on Congress to Create Special Allocation --

Columbus, OH – The Council of Development Finance Agencies (CDFA) calls on Congress to create a special allocation of federal tax-exempt bonds, tentatively named Hurricane Sandy Recovery Bonds (HSRBs), to assist states, municipalities and private businesses with the costly business of repairing the hurricane-related damage inflicted on the Eastern Seaboard this week.

Hurricane Sandy caused an estimated $50 billion in economic damage and left over 8 million households without power. In the storm's wake, private businesses, citizens, states, and municipalities are confronted with not only repairing this damage, but of creating the infrastructure and systems to handle future storms. Last August, Hurricane Irene caused billions of dollars of damage to the region.

"Tax-exempt bonds enable public infrastructure, such as transportation and energy, and private businesses to access affordable capital," said CDFA President & CEO Toby Rittner. "Bonds are particularly important to the rebuilding process after a disaster, as we saw with Gulf Opportunity Zone Bonds after Hurricane Katrina."

Hurricane Sandy Recovery Bonds (HSRBs) could be implemented quickly by Congress as additional authority for state and local issuers to issue private activity bonds. These bonds would provide lower-cost financing to replace damaged transportation infrastructure, to repair and improve energy generation, transmission and back-up facilities, and to assist businesses with construction and equipment replacement costs.

Qualified private activity bonds are issued by a municipal authority on behalf of a private enterprise. The business pays a tax-exempt interest rate for the financing, and the bonds are not a debt of the municipality. Qualified private activity bonds have been assisting state and local government with economic and recovery efforts for nearly 100 years.

The Gulf Opportunity Zone Act of 2005 created an allocation of $14.9 billion in tax-exempt private activity bond authority and an additional $7.9 billion in advance refunding bonds for Alabama, Louisiana, and Mississippi. These states issued bonds on behalf of a wide range of important infrastructure and business projects, including waste and energy facilities, housing, and manufacturing. To learn more about GO Zone Bonds, access CDFA's Online Resource Database.

Similar allocations approved by Congress include Hurricane Ike Bonds, Midwestern Disaster Area Bonds and Liberty Bonds in recent years. These special and timely bond allocation programs have been hailed as a success nationwide.

Congress will return to session on November 13, 2012 and CDFA requests immediate action to support the states, municipalities and private businesses affected by Hurricane Sandy. The creation of Hurricane Sandy Recovery Bonds will stabilize communities, assist businesses, build new infrastructure and preserve and create jobs for the region.

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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