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PRESS RELEASE

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CDFA Publishes Annual Volume Cap Report

—An Analysis of 2019-2020 Private Activity Bond and Volume Cap Trends—

Columbus, OH — The Council of Development Finance Agencies has published the **CDFA Annual Volume Cap Report: An Analysis of 2019-2020 Private Activity Bond and Volume Cap Trends**. The CDFA Annual Volume Cap Report provides an overview of volume cap trends and how private activity bonds (PABs) are used from state to state. The 2019-2020 Annual Volume Cap Report is the most comprehensive analysis of PAB volume cap trends and data ever undertaken by CDFA.

>>> View CDFA Annual Volume Cap Report

“CDFA is proud to issue our Annual Volume Cap Report, which this year features data from both 2019 and 2020. Total issuance in 2019 was the highest we have ever tracked at CDFA. There was a slight decline in 2020, but not as much as CDFA feared at the start of the COVID-19 pandemic,” said Toby Rittner, DFCP and President & CEO of CDFA.

Total issuance of PABs increased to an all-time high of \$30.5 billion in 2019, marking a continuation of PAB issuance steadily rising since 2009. The COVID-19 pandemic induced a period of economic uncertainty to which the bond markets were not immune. This is reflected by total PAB issuance decreasing to \$27.7 billion in 2020, though this number is still the second highest amount CDFA has recorded since tracking this data. CDFA projects that in 2021 and beyond, total PAB issuance will resume the trend of steady increases seen from 2009 – 2019.

Notably, the pandemic did not have a meaningful impact on the steady decline of states’ capacity to issue PABs. Total national bond capacity in 2019 decreased to \$89.7 billion and further declined in 2020 to \$87.9 billion. This marks a continuation of states’ bond capacity shrinking since 2016, and CDFA projects this trend to continue. Demand for volume cap is still increasing faster than the supply of volume cap, resulting in some states reaching their maximum allowable PAB issuance.

“The hard work of CDFA members and bond issuers across the country along with investments from the federal government are to be commended for leading us through an uncertain time in the bond markets. However, the extreme need for multi-family housing bonds is crowding the ability for states to allocate cap to other critical PAB categories,” continued Rittner. “CDFA is calling on Congress to institute the many reforms our members recommend to make volume cap and PABs more efficient and effective tools for investment in infrastructure and job-producing small businesses across the nation.”

This report is typically published annually. However, due to the COVID-19 pandemic, many states were unable to easily collect and report volume cap data. As such, this year’s report combines the findings for both 2019 and 2020.

CDFA serves as the principal source for PAB volume cap data, reporting, and trends. Comprehensive volume cap data can be found online in the **CDFA Volume Cap Resource Center**, where users can search, sort, and compare data from all 50 states and the District of Columbia dating back to 2005.

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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