

SIFMA FACT SHEET

Build America Bonds

Build America Bonds (BABs) are taxable municipal bonds that were authorized under the American Recovery and Reinvestment Act of 2009 (ARRA) that President Obama signed into law on February 17, 2009. Unlike municipal bonds, most of which are tax exempt, BABs are taxable bonds, which means that the interest is subject to taxation. The ARRA allows state and local governments to issue BABs in 2009 and 2010. The first BAB was issued in April of 2009.

The two types of BABs are:

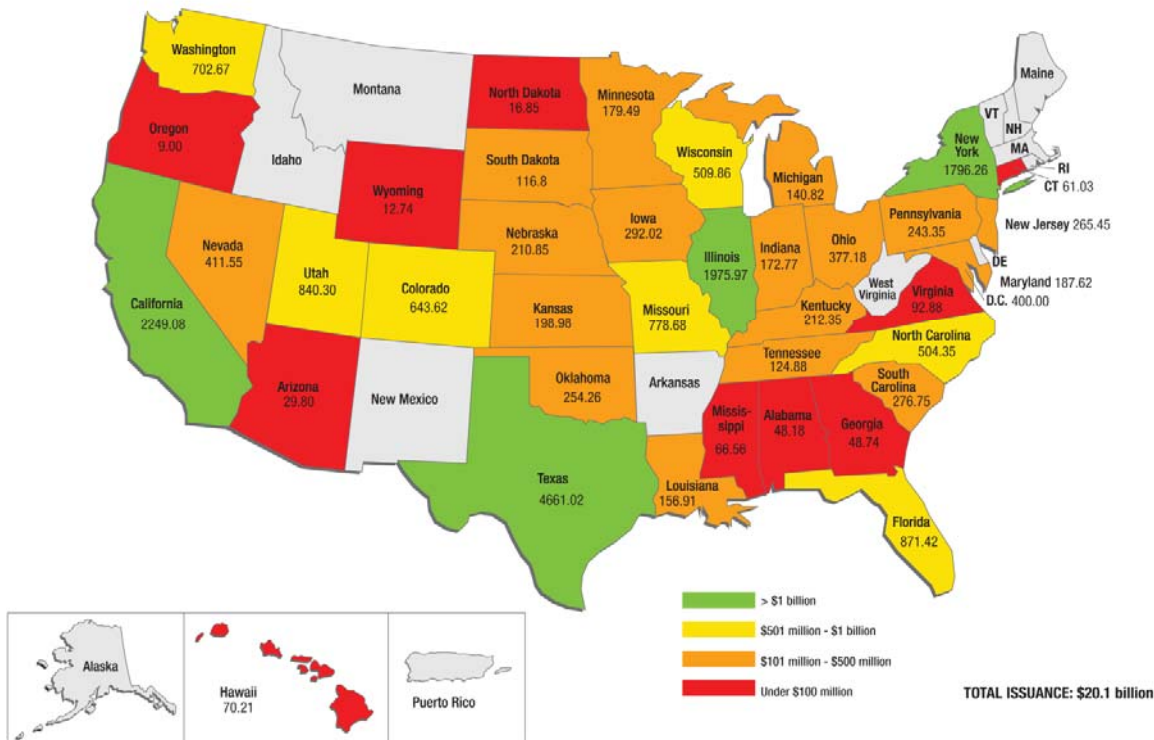
Direct Payment bonds are bonds on which the United States Treasury Department pays state or local government issuers a subsidy equal to 35 percent of the interest payments on such bonds, which is intended to lower the issuers' cost of funds. Proceeds of direct payment bonds can be used for the most of the same purposes as proceeds of regular tax exempt government bonds except for refundings, working capital or private activities and for 501(c)(3) conduit borrowers.

Tax Credit bonds are bonds on which the bond holders receive a tax credit equal to the 35 percent of interest on such bonds. The proceeds of tax credit bonds cannot be used for private activities or for 501(c)(3) conduit borrowers. It is widely believed that the tax credits issued by the federal government can be stripped from the underlying bond and traded separately, but this market has not yet developed.

Statistics – 3Q '09

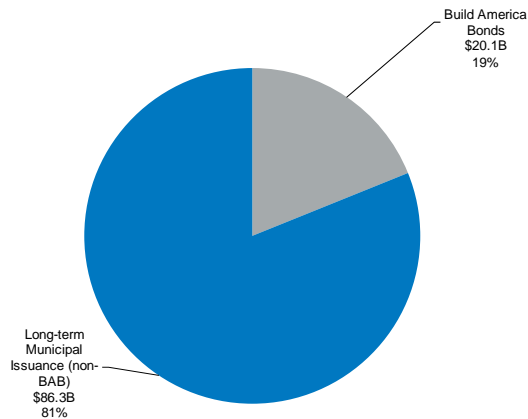
Build America Bond Issuance by State, 3Q '09

As of September 30, 2009

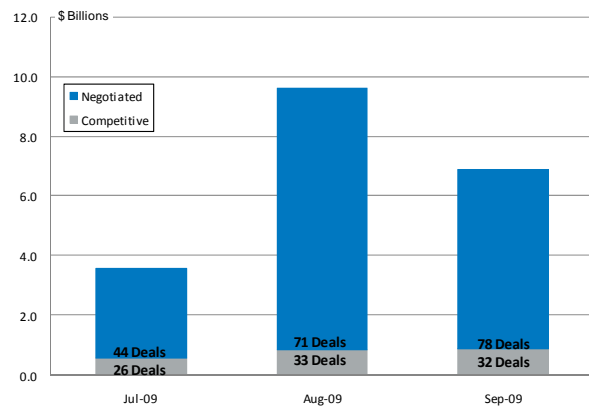


Source: Bloomberg, Thomson Reuters, SIFMA

BAB Issuance as a Percentage of Total Municipal Issuance, 3Q '09



Negotiated vs. Competitive BAB Deals 3Q '09



States by Number of BAB Deals and Deal Size 3Q '09

State	# of Deals YTD	State	Total Deal Size (\$ Millions)
IL	36	TX	4,661.0
TX	20	CA	2,249.1
CA	19	IL	1,976.0
WI	15	NY	1,796.3
MN	14	FL	871.4
KS	14	UT	840.3
MO	13	MO	778.7
KY	12	WA	702.7
OH	11	CO	643.6
IA	10	WI	509.9
OK	10	NC	504.3
UT	10	NV	411.5
WA	10	DC	400.0
FL	9	OH	377.2
MI	7	IA	292.0
TN	6	SC	276.8
CO	6	NJ	265.4
SC	6	OK	254.3
VA	5	PA	243.3
NJ	5	KY	212.4

Source: Bloomberg, Thomson Reuters, SIFMA

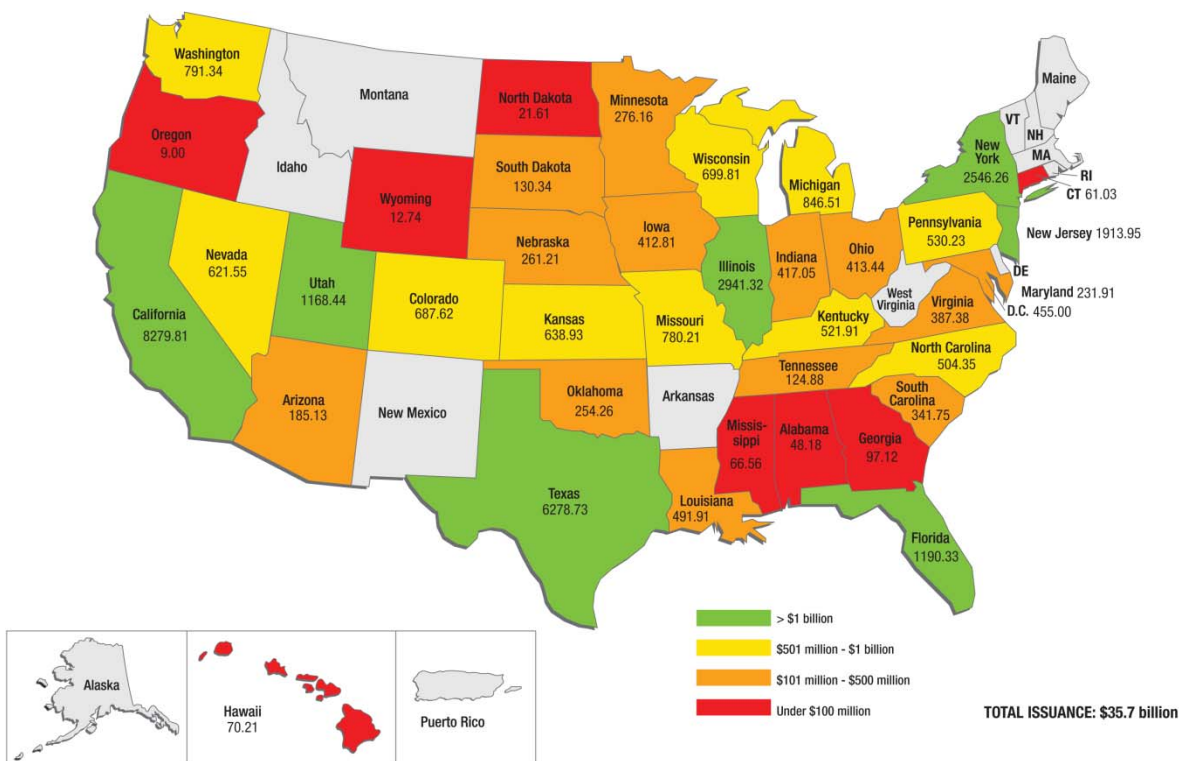
Top 15 BAB Deals by Size, 3Q '09

Deal Name	State	Size (\$ Millions)
Texas Transportation Commission, State of Texas General Obligation, Mobility Fund Bonds, Taxable Series 2009A	TX	1,208
The Regents of the University of California, General Revenue Bonds, Series R	CA	1,022
North Texas Tollway Authority, System Revenue Bonds, Series 2009, First Tier Taxable Current Interest Bonds, Series 2009B	TX	825
The City of New York, General Obligation Bonds, Fiscal 2010 Series A, Taxable Bonds, Subseries A-2	NY	800
Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, Series 2009E and 2009F	NY	756
Dallas County Hospital District, Limited Tax Bonds, Taxable Series 2009B and 2009C	TX	680
Metropolitan Water Reclamation District of Greater Chicago, Taxable General Obligation Capital Improvement Bonds, Limited Tax Series of August, 2009	IL	600
Board of Education of the City of Chicago, Unlimited Tax General Obligation Bonds, Series 2009E	IL	518
State of Utah, General Obligation Bonds, Series 2009B	UT	492
Missouri Highways and Transportation Commission, Federal Reimbursement State Road Bonds, Taxable Federal Reimbursement State Road Bonds, Series B 2009	MO	404
Metropolitan Washington Airports Authority, Dulles Toll Road Revenue Bonds, Series 2009, Second Senior Lien Revenue Bonds, Series 2009D	DC	400
Dallas Convention Center Hotel Development Corporation, Hotel Revenue Bonds Taxable Series 2009B	TX	388
The Central Puget Sound Regional Transit Authority, Series 2009P-2T and 2009S-2T	WA	377
State of Wisconsin, General Obligations Bonds of 2009, Series D	WI	226
North Carolina Turnpike Authority, Triangle Expressway System, State Annual Appropriation Revenue Bonds, Series 2009B	NC	353

Source: Bloomberg, Thomson Reuters, SIFMA

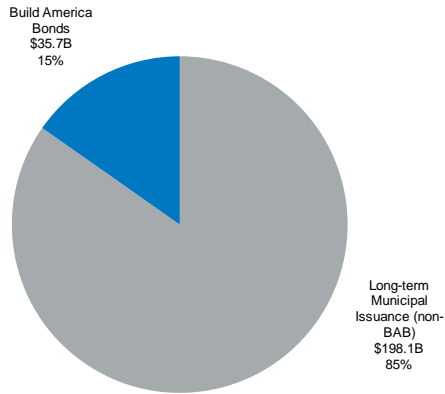
Build America Bond Issuance by State, 2009 YTD

As of September 30, 2009

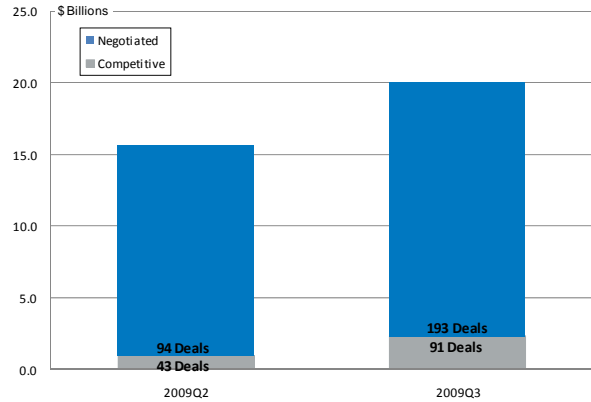


Source: Bloomberg, Thomson Reuters, SIFMA

BAB Issuance as a Percentage of Total Municipal Issuance, 2009 YTD



Negotiated vs. Competitive BAB Deals 2009 YTD



States by Number of BAB Deals and Deal Size, 2009 YTD

State	# of Deals YTD	State	Total Deal Size (\$ Millions)
IL	51	CA	8,279.8
CA	33	TX	6,278.7
WI	30	IL	2,941.3
TX	24	NY	2,546.3
MN	23	NJ	1,913.9
KS	21	FL	1,190.3
MI	20	UT	1,168.4
IA	20	MI	846.5
KY	18	WA	791.3
MO	14	MO	780.2
UT	13	WI	699.8
OH	13	CO	687.6
WA	12	KS	638.9
FL	11	NV	621.5
OK	10	PA	530.2
SC	8	KY	521.9
VA	7	NC	504.3
AZ	7	LA	491.9
CO	7	DC	455.0
NJ	7	IN	417.0

Source: Bloomberg, Thomson Reuters, SIFMA

Top 15 BAB Deals by Size, 2009 YTD

Deal Name	State	Size (\$ Millions)
California Various Purpose General Obligation Bonds	CA	5,000
NJ Turnpike Authority: Turnpike Revenue Bonds Series 2009 F	NJ	1,375
Texas Transportation Commission, State of Texas General Obligation, Mobility Fund Bonds, Taxable Series 2009A	TX	1,208
The Regents of the University of California, General Revenue Bonds, Series R	CA	1,022
Dallas Area Rapid Transit Senior Lien Sales Tax Revenue Bonds, Taxable Series 2009B	TX	830
North Texas Tollway Authority, System Revenue Bonds, Series 2009, First Tier Taxable Current Interest Bonds, Series 2009B	TX	825
The City of New York, General Obligation Bonds, Fiscal 2010 Series A, Taxable Bonds, Subseries A-2	NY	800
Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, Series 2009E and 2009F	NY	756
Metropolitan Transportation Authority: Dedicated Tax Fund Bonds 2009C	NY	750
Dallas County Hospital District, Limited Tax Bonds, Taxable Series 2009B and 2009C	TX	680
Metropolitan Water Reclamation District of Greater Chicago, Taxable General Obligation Capital Improvement Bonds, Limited Tax Series of August, 2009	IL	600
Board of Education of the City of Chicago, Unlimited Tax General Obligation Bonds, Series 2009E	IL	518
Illinois State Toll Highway Authority Toll Highway Senior Priority Revenue Bonds Taxable 2009 Series A	IL	500
State of Utah, General Obligation Bonds, Series 2009B	UT	492
Missouri Highways and Transportation Commission, Federal Reimbursement State Road Bonds, Taxable Federal Reimbursement State Road Bonds, Series B 2009	MO	404

Source: Bloomberg, Thomson Reuters, SIFMA

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