



MUNICIPAL BOND CREDIT REPORT

Second Quarter 2013

RESEARCH REPORT

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TABLE OF CONTENTS

Table of Contents	i
Market Summary	2
Charts & Data.....	5
Long-Term Municipal State Issuance, 2Q'13	5
Long-Term Municipal Issuance by General Use of Proceeds	7
Build America Bonds.....	8
Supply, Yield Curves, Total Return, Spreads & Ratios	8
Trading Summary	9
Municipal CDS	10
Outstanding Municipal Debt.....	11
Variable-Rate Demand Obligations	14
A Description of the Terminology in the Municipal Bond Credit Report.....	15

MARKET SUMMARY

While the second quarter held positive economic data, the quarter ended overshadowed by the Fed's report of an early taper in quantitative easing.

Municipal Issuance Overview – Primary Market

According to Thomson Reuters, long-term municipal issuance volume, including taxable and tax-exempt issuance, totaled \$88.6 billion in the second quarter of 2013, an increase of 8.9 percent from the prior quarter (\$81.4 billion) but a decline of 21.8 percent year-over-year (y-o-y). Year to date, issuance has totaled \$170.0 billion, 12.4 percent below the 10-year average of \$194.1 billion of issuance in the first six months of the year.

Tax-exempt issuance totaled \$73.8 billion in 2Q'13, an increase of 8.3 percent and a decline of 28.6 percent q-o-q and y-o-y, respectively. Year to date tax-exempt issuance has reached \$142.0 billion. Taxable issuance totaled \$12.7 billion, an increase of 19.2 percent and 93.0 percent q-o-q and y-o-y, respectively; year to date taxable issuance totaled \$23.4 billion. The large increase in taxable issuance is due to a large \$2 billion deal in April from the Florida Hurricane Catastrophe Fund to provide liquidity to the fund in the event of a hurricane, secured by reimbursement premiums and emergency assessments on almost all property & casualty policies in the state of Florida.

AMT issuance was \$2.1 billion, a decline of 18.5 percent and 39.1 percent q-o-q and y-o-y; year-to-date, AMT issuance totaled \$4.6 billion.

By use of proceeds, general purpose led issuance totals in 2Q'13 (\$20.8 billion), followed by primary & secondary education (\$16.5 billion), and water & sewer facilities (\$8.6 billion).

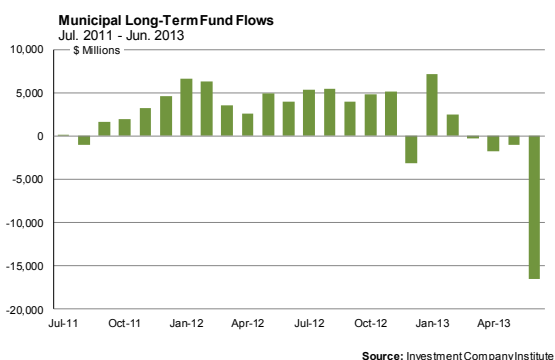
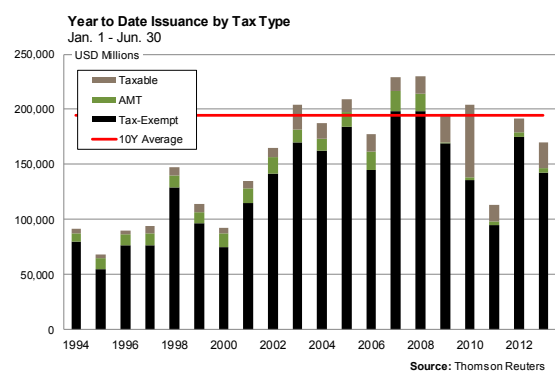
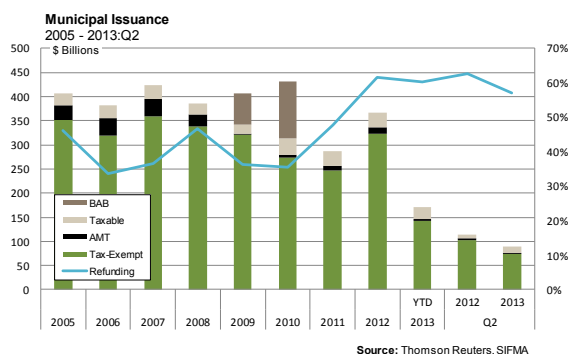
Refunding volumes stayed elevated in the second quarter but declined slightly as a percentage of issuance (57.1 percent) compared to 1Q'13 (63.4 percent) and 2Q'13 (62.7 percent).¹ With refundings still driving municipal issuance volume, municipal supply, net of redemptions, continues to remain overall negative in the first quarter. Given the spike in interest rates at the end of the second quarter, some slowdown in refunding is expected in the following quarters.

Yields, Inflows, and Total Return

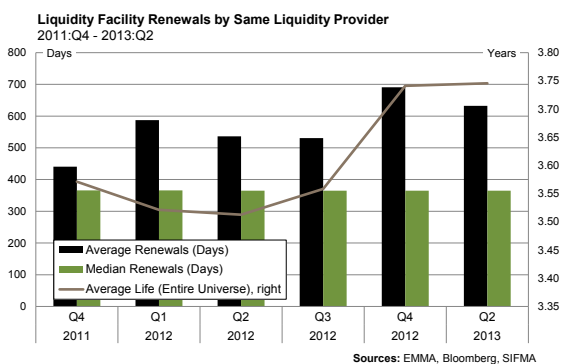
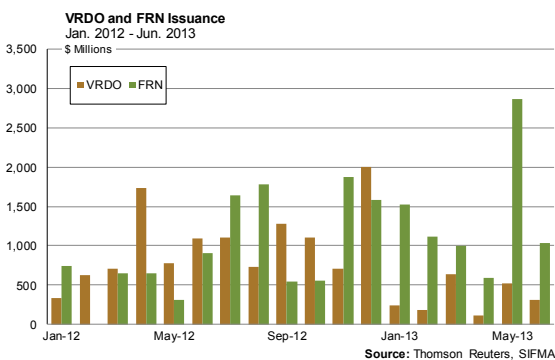
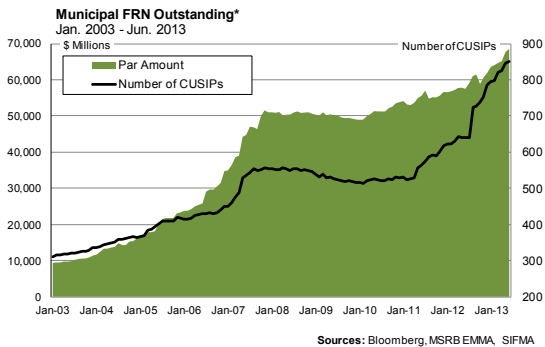
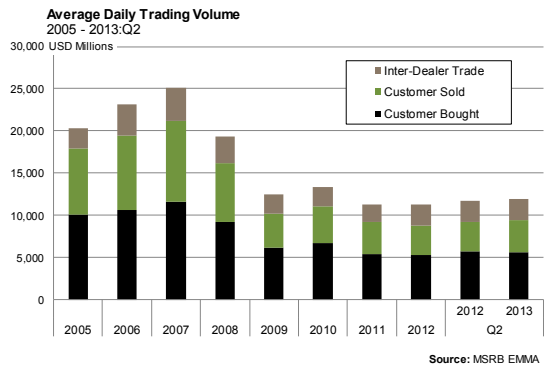
Ratios of 10-year tax-exempt AAA GOs and similar-maturity Treasuries moved slightly higher in the second quarter, ending at 107.8 percent. According to Bank of America-Merrill Lynch indices, the municipal market lost 3.3 percent on a total return basis in 2Q'13, compared to a gain of 0.5 percent in 1Q'13 and 2.0 percent in 2Q'12, and the steepest drop since 2010. The decline stemmed in part from speculation over an early taper to the Federal Reserve's quantitative easing, confirmed in part by Ben Bernanke's semiannual monetary policy report to Congress; nearly all U.S. fixed income classes reported negative total returns in the second quarter.

According to the Investment Company Institute (ICI), second quarter net flow into long-term municipal funds was negative, with \$19.3 billion of outflow, down from the prior quarter (\$9.3 billion of inflow) and y-o-y (\$11.4 billion of inflow).

Tax-exempt money market funds continued to report a decline in assets in 2Q'13, reporting \$261.7 billion in assets under management at the end of June, a drop of \$12.8 billion, or 4.6 percent of assets, from 1Q'13.



¹ Percentages represent both full refundings and the full dollar amount of deals that contain both refundings and new financing.



Trading Activity Increases

Trading activity increased q-o-q to \$11.96 billion in 2Q'13, an 8.2 percent increase from 1Q'13 (\$11.05 billion) and an increase of 1.7 percent increase from 2Q'12 (\$11.76 billion). By number of trades, trading activity also picked up by 6.0 percent and 6.2 percent q-o-q and y-o-y, respectively.

Broker-dealer inventories inched upwards in the first quarter. According to the Federal Reserve Flow of Funds, \$31.0 billion of municipal debt was held in broker-dealer inventories in the first quarter, compared to \$26.6 billion in 4Q'12 and \$34.7 billion in 2Q'12.

CDS Update

According to DTCC, \$1.8 billion of credit default swap contracts on municipal names were executed in the second quarter, an increase of 43.5 percent and 80.1 percent, respectively, q-o-q and y-o-y. More notably, contracts were executed for the state of Michigan for the first time, most likely relating to fiscal woes in Detroit, which filed for bankruptcy on July 18. At the end of the second quarter, \$2.7 billion net notional of municipal CDS contracts were outstanding.

VRDO Issuance Remains At All Time Lows, and Floating Rate Notes Continue to Increase

Issuance of variable-rate demand obligations (VRDOs), puttable long-term municipal bonds with interest rates that reset periodically, continued to decline in the second quarter. According to Thomson Reuters, \$947 million were issued in 2Q'13, a decline of 10.3 percent and 74.7 percent, respectively, q-o-q and y-o-y.

On net, VRDO outstandings continue to decline, ending 2Q'13 at \$246.8 billion, a decline of 3.7 percent from 1Q'13 (\$256.4 billion). Declines were led by education (14.7 percent), school district (13.3 percent), and student loans (8.2 percent). Student loan deals in particular have been refinanced into the long-term student municipal and corporate ABS market market instead.

VRDO liquidity facility renewals with the same provider in the first half of 2013 on approximately 1,600 unique CUSIPs averaged 632.5 days from the original expiration date, a decline from 690.8 days 4Q'12 but elevated from the 2012 average of 586.3 days. Overall, average facility tenor was 3.7 years, unchanged from the end of 2012. The median extension, however, continues to remain unchanged at 1 year (365 days). The SIFMA Municipal Swap index, a seven-day high-grade market index comprised of tax-exempt VRDOs, ended June at 0.06 percent, averaging 0.14 percent in 2Q'13, 4 basis points above 1Q'13's average (0.10 percent).

Issuance of floating rate bonds however, continues to increase. In the second quarter, \$4.5 billion of floating rate municipal bonds were issued, an increase of 23.6 percent and 140 percent q-o-q and y-o-y. LIBOR continues to remain the most oft-used index in the second quarter (56.5 percent), followed by SIFMA (30.4 percent). Floating rate notes have increasingly become popular with the demise of the auction rate market and the continued gradual decline

in the VRDO market, with issuance volumes picking up in late 2008.

On net, FRN outstandings continue to rise, ending 2Q'13 at approximately \$68.5 billion, up 5.9 percent by dollar amount from 1Q'13 (\$64.7 billion).

Government Update

According to Nelson A. Rockefeller Institute of Government, states reported growth in overall

state tax collections for the first quarter of 2013, increasing by 9.3 percent in nominal terms y-o-y, although a portion of the growth is due to California's 52.2 percent growth in the first quarter; excluding California, growth was 9.0 percent.²

For local governments, the continued recovery of property values since January 2012 in nearly all city regions in the Case-Shiller index bode well for property tax collections, albeit on a heavy lag. According to the Bureau of Labor Statistics on a seasonally adjusted basis, local government employment has seen a steady increase in employees since bottoming out at a post-crisis low of 14.03 million in October 2012; as of June 2013, employment reached 14.08 million, an increase of 52 thousand employees from the low. However, state governments have continued to shed employees.

² Nelson A. Rockefeller Institute of Government, "[Strong Growth in Personal Tax Collections in First Quarter of 2013 But Cloudy Fiscal Outlook](#)," June 5, 2013.

CHARTS & DATA

LONG-TERM MUNICIPAL STATE ISSUANCE, 2Q'13³\$ Millions⁴

State	Total	Revenue		Tax-Exempt			Refunding & New		
		G.O.	Revenue	AMT	Tax-Exempt	Taxable	New Financing	Refinancing	Refunding
Alabama	851.1	268.0	583.1	30.6	648.3	172.2	344.4	331.7	175.0
Alaska	173.1	36.3	136.8	-	123.0	50.0	50.0	36.3	86.8
Arizona	1,555.8	496.7	1,059.1	21.5	1,497.3	37.0	729.2	300.7	525.9
Arkansas	670.1	267.1	403.0	-	595.5	74.5	367.9	62.0	240.1
California	13,644.6	6,745.1	6,899.5	-	13,106.6	538.0	5,850.3	3,020.0	4,774.3
Colorado	1,624.7	248.8	1,375.9	-	999.3	625.3	190.6	280.1	1,153.9
Connecticut	565.5	197.6	367.9	-	548.8	16.7	235.9	14.1	315.5
District of Columbia	396.1	-	396.1	207.2	161.5	27.4	-	270.3	125.8
Delaware	95.6	-	95.6	-	95.6	-	49.9	-	45.7
Florida	3,961.3	311.8	3,649.5	32.8	1,625.4	2,303.1	2,277.8	197.1	1,486.4
Georgia	1,722.9	974.4	748.5	-	1,402.7	320.2	991.4	27.1	704.4
Guam	0.0	-	-	-	36.4	18.1	-	-	-
Hawaii	0.0	-	-	-	-	-	-	-	-
Idaho	54.5	8.5	46.0	-	-	-	11.3	20.5	22.7
Illinois	5,550.9	3,285.8	2,265.1	5.8	4,618.2	927.0	3,402.1	571.5	1,577.3
Indiana	1,361.7	403.0	958.7	70.8	733.2	557.8	318.4	20.0	1,023.4
Iowa	2,114.4	502.9	1,611.5	-	1,950.9	163.6	618.3	60.7	1,435.4
Kansas	741.2	482.0	259.2	-	726.0	15.1	222.1	239.8	279.3
Kentucky	1,078.6	103.8	974.8	2.2	914.7	161.7	232.7	292.0	553.9
Louisiana	1,541.9	574.5	967.4	-	1,272.9	269.0	848.1	-	693.7
Maine	243.8	28.3	215.5	15.0	224.5	4.3	61.2	13.3	169.3
Maryland	1,250.8	504.6	746.2	-	1,242.1	8.7	771.2	22.4	457.3
Massachusetts	2,768.9	1,098.3	1,670.6	222.0	2,516.8	30.1	1,417.4	1,201.6	149.9
Michigan	2,079.2	994.8	1,084.4	-	1,582.7	496.5	1,142.8	676.1	260.3
Minnesota	1,068.6	540.0	528.6	52.7	885.5	130.4	498.1	184.1	386.4
Mississippi	475.6	66.6	409.0	-	433.7	41.9	145.7	51.9	278.0
Missouri	2,130.2	442.3	1,687.9	-	1,067.6	1,062.6	1,394.7	346.6	389.0
Montana	291.6	48.3	243.3	53.9	237.6	0.1	22.6	42.5	226.5
Nebraska	511.1	207.3	303.8	14.5	475.2	21.5	144.7	181.3	185.1
Nevada	577.2	95.5	481.7	174.3	403.0	-	174.3	33.0	370.0
New Hampshire	155.8	93.5	62.3	-	125.7	30.1	103.9	-	51.8
New Jersey	4,355.6	1,841.8	2,513.8	201.0	3,582.5	572.1	1,085.0	790.7	2,479.9
New Mexico	859.9	369.5	490.4	-	592.0	267.9	433.1	293.4	133.4
New York	5,729.9	1,838.6	3,891.3	5.0	5,534.3	190.5	3,250.8	754.9	1,724.2
North Carolina	1,498.9	400.2	1,098.7	25.0	1,408.7	65.2	279.9	831.0	388.0
North Dakota	90.2	38.5	51.7	-	90.2	-	59.5	2.1	28.6
Ohio	2,593.9	1,109.8	1,484.1	-	2,370.8	223.1	461.6	1,054.8	1,077.6
Oklahoma	774.5	311.4	463.1	-	471.6	302.8	374.9	211.8	187.7
Oregon	995.7	292.7	703.0	29.1	766.3	200.3	370.3	426.1	199.3
Pennsylvania	2,975.9	1,928.4	1,047.5	127.9	2,738.0	110.0	1,980.5	343.3	652.1
Rhode Island	351.0	5.0	346.0	-	351.0	-	133.4	178.8	38.8
South Carolina	1,287.4	380.7	906.7	-	1,165.6	121.8	206.6	111.0	969.9
South Dakota	154.6	40.0	114.6	15.9	130.5	8.3	104.3	-	50.3
Tennessee	1,462.5	732.6	729.9	27.9	1,327.8	106.7	841.6	254.1	366.8
Texas	8,876.3	4,968.9	3,907.4	625.7	7,285.1	965.6	3,256.5	1,523.9	4,095.9
Utah	273.4	106.2	167.2	-	140.2	133.2	65.6	-	207.8
Vermont	396.0	9.0	387.0	15.6	-	380.4	396.0	-	-
Virginia	2,204.1	1,075.5	1,128.6	-	1,583.3	620.9	497.9	1,322.6	383.6
Washington	2,143.1	1,298.2	844.9	88.7	1,925.0	129.4	762.4	756.9	623.8
West Virginia	135.1	19.3	115.8	-	114.1	21.0	85.3	-	49.8
Wisconsin	2,160.8	1,211.2	949.6	2.0	1,966.8	192.0	757.2	883.2	520.4
Wyoming	36.3	-	36.3	-	36.3	-	-	-	36.3
ALL	88,611.9	37,003.3	51,608.6	2,067.1	73,830.8	12,714.1	38,019.4	18,235.3	32,357.3
QoQ	8.9%	2.7%	13.8%	-18.5%	8.3%	19.2%	27.6%	14.0%	-9.1%
YoY	-21.8%	-3.8%	-31.1%	-39.1%	-28.6%	93.0%	-10.0%	-18.5%	-33.6%

³ Issuance totals do not include private placements.⁴ Due to securities falling into more than one category within subcategories, state breakouts are not identical to other non-state-specific breakdowns, particularly related to coupon types (e.g., zeros are higher by dollar amount when broken out by state but would instead be assigned to the convertible or fixed rate categories when not broken out by state). This is a quirk of the SDC database.

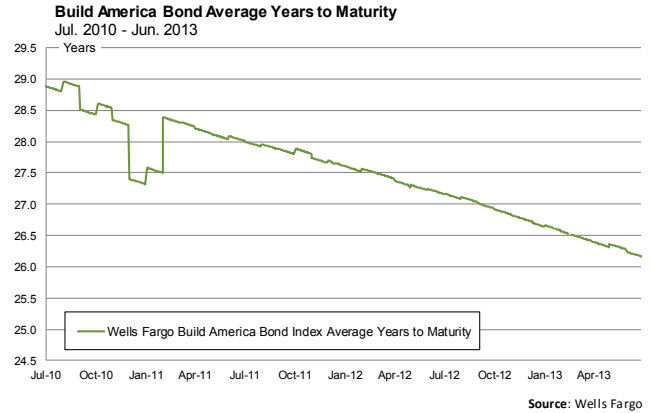
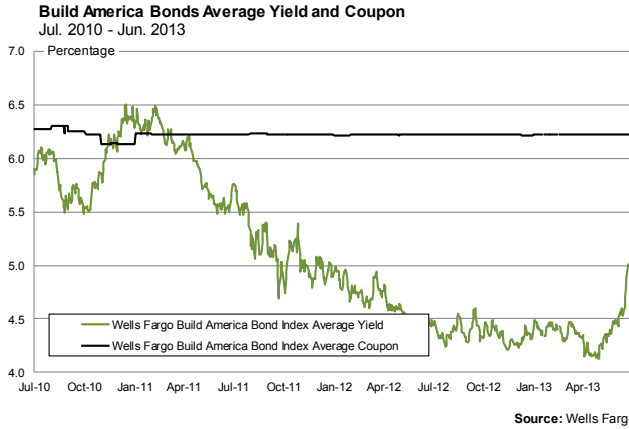
State	Total	Variable					
		Convertible	Fixed Rate	Linked Rate	Variable Rate Long	Variable Rate Short (VRDO)	Zero
Alabama	851.1	-	784.6	-	-	66.5	-
Alaska	173.1	-	123.0	50.0	-	-	-
Arizona	1,555.8	-	1,555.8	-	-	-	-
Arkansas	670.1	-	670.1	-	-	-	-
California	13,644.6	39.5	12,782.5	439.8	196.0	87.4	99.4
Colorado	1,624.7	-	1,612.0	-	-	12.6	0.0
Connecticut	565.5	-	465.5	-	100.0	-	-
District of Columbia	396.1	-	396.1	-	-	-	-
Delaware	95.6	-	95.6	-	-	-	-
Florida	3,961.3	5.7	3,955.6	-	-	-	-
Georgia	1,722.9	-	1,490.0	10.0	212.8	10.1	-
Guam	0.0	-	-	-	-	-	-
Hawaii	0.0	-	-	-	-	-	-
Idaho	54.5	-	54.5	-	-	-	-
Illinois	5,550.9	-	5,121.1	404.0	-	-	25.9
Indiana	1,361.7	-	1,361.7	-	-	-	-
Iowa	2,114.4	-	2,114.5	-	-	-	-
Kansas	741.2	-	731.6	-	-	-	9.5
Kentucky	1,078.6	-	1,078.6	-	-	-	-
Louisiana	1,541.9	-	1,146.1	395.6	-	-	0.1
Maine	243.8	-	243.8	-	-	-	-
Maryland	1,250.8	-	1,100.7	150.1	-	-	-
Massachusetts	2,768.9	-	2,750.9	-	18.0	-	-
Michigan	2,079.2	-	2,079.2	-	-	-	-
Minnesota	1,068.6	-	1,068.6	-	-	-	-
Mississippi	475.6	-	471.8	-	-	3.8	-
Missouri	2,130.2	-	1,133.8	956.2	-	25.9	14.3
Montana	291.6	-	291.6	-	-	-	-
Nebraska	511.1	-	511.1	-	-	-	-
Nevada	577.2	-	577.3	-	-	-	-
New Hampshire	155.8	-	150.3	-	-	5.5	-
New Jersey	4,355.6	-	3,709.6	646.0	-	-	-
New Mexico	859.9	-	635.7	224.2	-	-	-
New York	5,729.9	-	5,452.6	55.0	-	222.3	-
North Carolina	1,498.9	-	1,345.7	-	-	153.3	-
North Dakota	90.2	-	90.2	-	-	-	-
Ohio	2,593.9	-	2,342.9	42.8	-	201.2	7.0
Oklahoma	774.5	-	553.8	211.8	-	-	8.8
Oregon	995.7	-	995.7	-	-	-	-
Pennsylvania	2,975.9	35.0	2,879.2	40.0	-	21.7	-
Rhode Island	351.0	-	351.0	-	-	-	-
South Carolina	1,287.4	-	1,287.4	-	-	-	-
South Dakota	154.6	-	154.6	-	-	-	-
Tennessee	1,462.5	-	1,462.4	-	-	-	-
Texas	8,876.3	-	8,200.6	396.5	110.0	103.6	65.6
Utah	273.4	-	273.4	-	-	-	-
Vermont	396.0	-	24.6	371.4	-	-	-
Virginia	2,204.1	-	2,171.0	-	-	33.1	-
Washington	2,143.1	-	2,143.1	-	-	-	-
West Virginia	135.1	-	135.1	-	-	-	-
Wisconsin	2,160.8	-	1,738.9	100.0	321.9	-	-
Wyoming	36.3	-	36.3	-	-	-	-
ALL	88,611.9	80.2	81,901.8	4,493.4	958.7	947.0	230.6
QoQ	8.9%	-43.4%	8.1%	23.6%	229.6%	-10.3%	-50.0%
YoY	-21.8%	N/A	-23.1%	140.0%	83.1%	-74.7%	-65.5%

LONG-TERM MUNICIPAL ISSUANCE BY GENERAL USE OF PROCEEDS

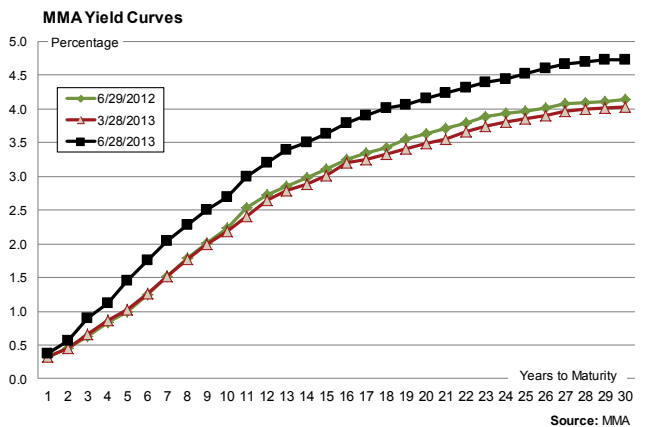
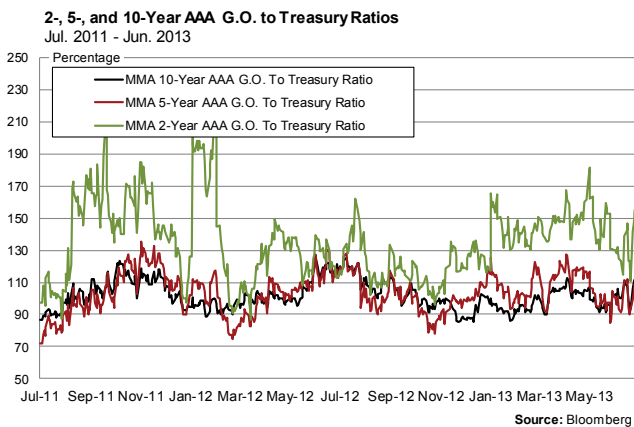
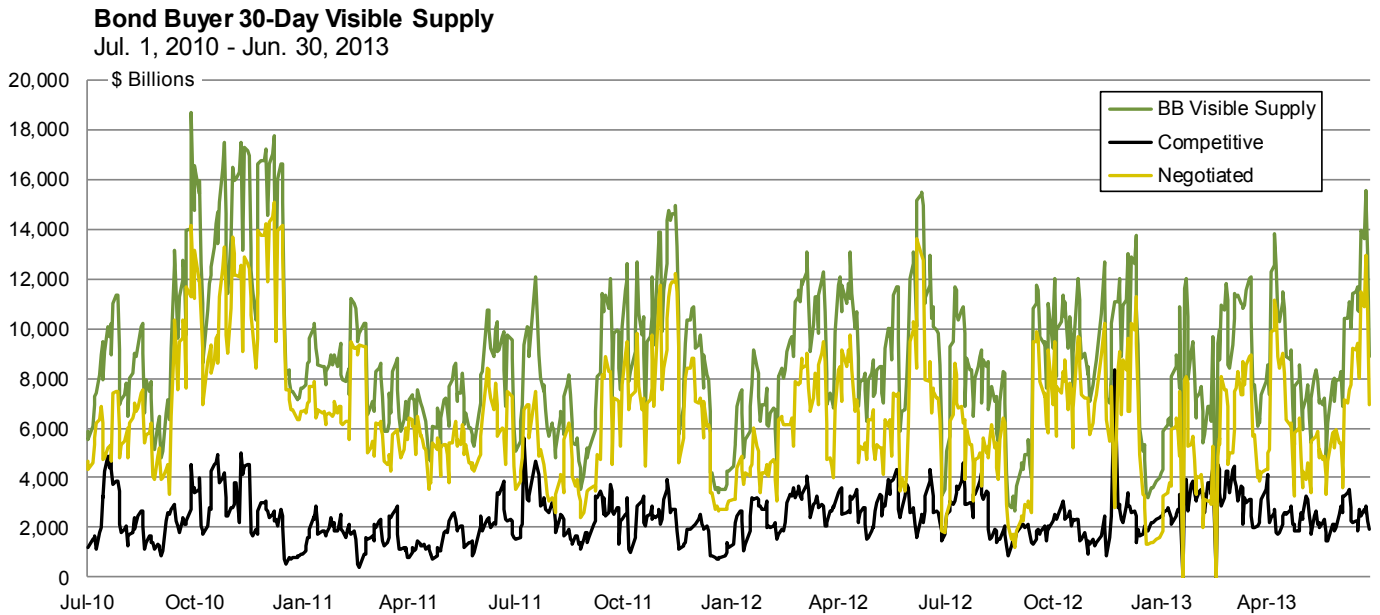
\$ Millions

Use of Proceeds	2Q'12	1Q'13	2Q'13	Q-o-Q	Y-o-Y
Agriculture	281.1				
Airports	2,176.4	954.0	1,588.6	66.5%	-27.0%
Assisted Living	23.9	75.6	164.8	118.0%	589.5%
Bridges	741.1	1,635.5	531.3	-67.5%	-28.3%
Childrens hospital	403.2	275.0			-100.0%
Civic & convention centers	1,122.5	117.1	730.3	523.7%	-34.9%
Combined utilities	428.8	70.2	1,040.5	1382.2%	142.7%
Cont Care Retirement Community	841.9	664.0	512.6	-22.8%	-39.1%
Correctional facilities	581.5	171.6	273.4	59.3%	-53.0%
Economic development	2,237.6	3,126.0	2,500.2	-20.0%	11.7%
Fire stations & equipment	54.8	56.0	100.3	79.1%	83.0%
Flood control	103.6	117.0	251.3	114.8%	142.6%
Gas	626.7	12.8	111.1	768.0%	-82.3%
General acute care hospital	10,780.8	4,028.0	4,877.8	21.1%	-54.8%
General Medical	257.2	428.7	177.4	-58.6%	-31.0%
General purpose /publicimprovement	32,118.0	18,830.2	20,836.6	10.7%	-35.1%
Government buildings	920.8	611.7	541.0	-11.6%	-41.2%
Higher education	6,902.2	7,898.9	8,330.7	5.5%	20.7%
Hospital equipment loans					
Industrial development	406.4	91.2	1,249.8	1270.4%	207.5%
Libraries & museums	219.6	418.4	220.4	-47.3%	0.4%
Mass transportation	5,613.3	3,559.4	4,290.5	20.5%	-23.6%
Multi family housing	1,420.0	1,121.7	1,182.9	5.5%	-16.7%
Nursing homes	9.7		32.2		232.0%
Office buildings	28.8	46.9	87.4	86.4%	203.5%
Other education	243.8	39.1	126.5	223.5%	-48.1%
Other recreation	195.0	311.5	154.4	-50.4%	-20.8%
Other transportation					
Parking facilities	131.8	106.0	93.0	-12.3%	-29.4%
Parks, Zoos & Beaches	303.6	182.4	124.2	-31.9%	-59.1%
Police stations & equipment	52.5	16.4	12.4	-24.4%	-76.4%
Pollution control	829.2	597.6	753.3	26.1%	-9.2%
Primary & secondary education	17,165.3	18,169.4	16,524.7	-9.1%	-3.7%
Public power	5,082.1	1,873.3	2,410.6	28.7%	-52.6%
Recycling	2.5				
Sanitation	49.5	59.7	205.1	243.6%	314.3%
Seaports /marine terminals	4.9	147.2	97.6	-33.7%	1891.8%
Single family housing	1,591.3	1,696.3	2,673.3	57.6%	68.0%
Single speciality hospital	57.3	41.6	616.2	1381.3%	975.4%
Solid waste	112.2	322.3	101.5	-68.5%	-9.5%
Stadiums & sports complexes	444.1	442.9	64.5	-85.4%	-85.5%
Student loans	717.1	1,665.2	2,404.1	44.4%	235.3%
Telecommunications	7.7	6.8	59.3	772.1%	670.1%
Theatres	5.4	45.2		-100.0%	-100.0%
Toll roads, highways & streets	5,819.3	3,700.9	3,942.5	6.5%	-32.3%
Tunnels	195.6				
Veterans (exclusing housing)	8.8				
Water & sewer facilities	12,011.9	7,643.8	8,617.0	12.7%	-28.3%
ALL	113,330.8	81,377.5	88,611.3	8.9%	-21.8%

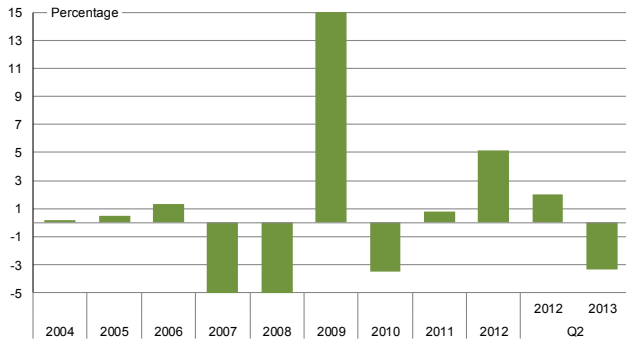
BUILD AMERICA BONDS



SUPPLY, YIELD CURVES, TOTAL RETURN, SPREADS & RATIOS

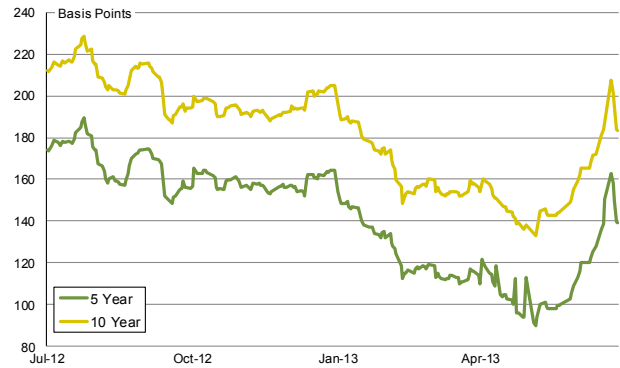


Municipal Total Return
2004 - 2013:Q2



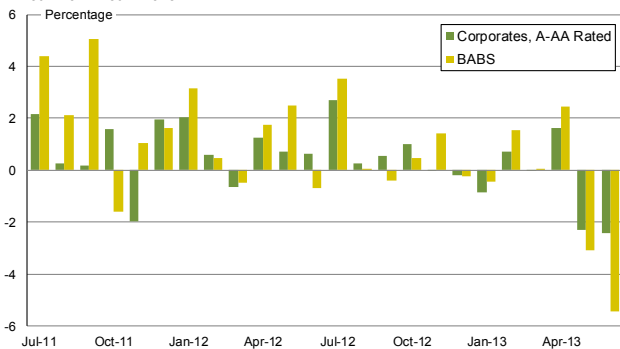
Source: Barclays

MCDX (5- and 10- Year)
Jul. 2012 - Jun. 2013



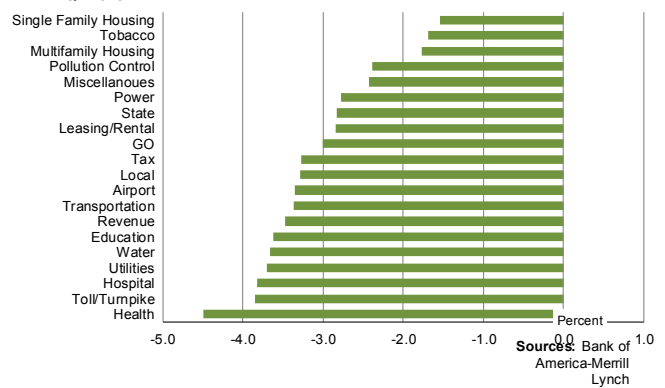
Source: Markit

Corporate versus Build America Bonds Total Return
Jul. 2011 - Jun. 2013



Source: Bank of America-Merrill Lynch

Total Return by Municipal Bond Sector
Q2 2013



Source: Bank of America-Merrill Lynch

TRADING SUMMARY

	Total Number of Trades							
	# of Trades				Par Amount (Millions)			
	Customer Bought	Customer Sold	Inter-Dealer Trade	All Trades	Customer Bought	Customer Sold	Inter-Dealer Trade	All Trades
2012:Q2	1,097,041	519,483	891,562	2,508,086	361,124	223,155	156,420	\$740,699
2013:Q2	1,096,974	633,835	976,317	2,707,126	362,503	239,096	163,611	\$765,210
%Change	0%	22%	10%	8%	0%	7%	5%	3%

	# of Trades									
	# of Trades					Par Amount (Millions)				
	0 - 100,000	100,001 - 500,000	500,001 - 1,000,000	1,000,000+	All Trades	0 - 100,000	100,001 - 500,000	500,001 - 1,000,000	1,000,000+	All Trades
2012:Q2	81%	13%	2%	4%	2,508,086	9%	11%	7%	74%	\$740,699
2013:Q2	83%	12%	2%	3%	2,707,126	9%	10%	6%	75%	\$765,210
%Change	2%	-8%	0%	-25%	8%	0%	-9%	-14%	1%	3%

	Trades by Sector							
	Education	Health	Utility	Various Purpose	Transportation	Tax-Revenue	Other	Total (Millions)
	2012:Q2	17%	12%	12%	10%	7%	9%	33%
2013:Q2	18%	12%	11%	9%	8%	8%	34%	\$765,210
%Change	6%	0%	-8%	-10%	14%	-11%	3%	3%

	Trades by Maturity					
	5+ Years to 10		10+ Years to 20		Total (Millions)	
	1 Year or Less	1+ Year to 5 Years	Years	Years		
2012:Q2	5%	10%	14%	30%	42%	\$740,699
2013:Q2	4%	9%	14%	30%	42%	\$765,210
%Change	-20%	-10%	0%	0%	0%	3%

	Trades by Source of Repayment				
	General Revenue	Obligation	Double Barrel	Not Available	Total (Millions)
	2012:Q2	72%	25%	2%	0%
2013:Q2	73%	25%	2%	0%	\$765,210
%Change	1%	0%	0%	N/A	3%

	Trades by Coupon Type				
	Fixed Rate	Variable Rate	Zero Coupon	Not Available	Total (Millions)
	2012:Q2	57%	40%	3%	0%
2013:Q2	58%	39%	3%	0%	\$765,210
%Change	2%	-3%	0%	N/A	3%

Source: MSRB EMMA

MUNICIPAL CDS

Market Risk Activity of Single-Name Municipal CDS (\$ millions) ⁵

State	California	Florida	Illinois	Michigan	New Jersey	New York	Texas	New York City	Massachusetts	TOTAL	Average Contract Size
Jul-12	54.1		48.8		5.0			10.0		117.9	2.0
Aug-12	116.4		37.0		75.0	10.0	10.0	75.0		323.4	5.4
Sep-12	474.1		125.0		56.1			5.0		660.2	2.7
Oct-12	35.7		45.0			20.0				100.7	12.6
Nov-12	64.3	68.9	31.8		62.7	18.0	33.0	12.0		290.7	5.9
Dec-12	20.0	27.0	28.2		1.0	21.5	10.0	1.4		109.1	4.7
Jan-13	200.0		21.7		5.2	5.0	0.4	13.1		245.3	9.8
Feb-13	235.0	40.0	161.0		15.0	2.2	54.9	119.1		627.2	10.5
Mar-13	85.0	25.0	105.1		10.0	25.0	40.0	60.0	10.0	360.1	7.8
Apr-13	102.5		77.0	50.0	0.4			15.0	30.0	274.9	9.2
May-13	446.6	40.0	200.0	49.0	5.2		11.8	25.0	15.0	792.6	7.8
Jun-13	243.6	30.0	354.0		19.0		30.0	10.0	15.0	701.6	15.3
1Q'13	792.7	70.0	631.0		24.6	0.0	41.8	50.0	60.0	1,769.1	9.9
Q-o-Q	52.4%	7.7%	119.3%		-18.5%	-100.0%	-56.1%	-74.0%	500.0%	43.5%	
Y-o-Y	167.1%	100.0%	14.6%		530.8%	-100.0%	20800.0%	-17.9%		80.1%	

Source: DTCC

CDS Spreads for Single Name States (5- and 10-year, bps)

5-Year	North																
	Illinois	California	Connecticut	Nevada	New Jersey	Ohio	Michigan	Pennsylvania	Florida	New York	Massachusetts	Wisconsin	Maryland	Carolina	Texas	Delaware	Minnesota
6/30/2011	201.0	141.4	122.0	128.0	138.0	101.0	130.0	90.0	91.0	99.0	92.0	78.0	69.0	73.0	60.0	46.6	67.0
9/30/2011	263.0	226.0	156.0	155.0	151.0	150.0	142.0	135.0	126.0	121.0	119.0	118.0	88.0	82.0	82.0	81.7	51.5
12/31/2011	285.0	234.1	134.0	116.0	176.0	171.0	154.0	152.0	137.0	151.0	143.0	124.0	90.0	85.0	91.0	N/A	108.0
3/30/2012	217.0	180.2	127.0	99.0	140.0	122.0	132.0	122.0	103.0	124.0	118.0	87.0	71.0	71.0	82.0	59.0	85.0
6/29/2012	221.0	189.8	135.0	117.0	148.0	130.0	138.0	133.0	106.0	110.0	129.0	95.0	111.0	83.0	78.0	68.0	91.0
9/30/2012	205.0	195.2	119.0	111.0	135.0	124.0	119.0	111.0	94.0	97.0	93.0	87.0	97.0	68.0	65.0	48.9	60.0
12/31/2012	179.0	151.5	108.0	110.0	111.0	112.0	114.0	82.0	75.0	83.0	88.0	79.0	86.0	52.0	62.0	43.3	62.0
3/31/2013	139.0	88.1	84.0	76.0	76.0	84.0	84.0	61.0	51.0	51.0	59.0	48.0	47.0	45.0	45.0	34.5	48.0
6/28/2013	165.0	110.0	82.0	71.0	67.0	73.0	71.0	52.0	47.0	43.0	50.0	44.0	38.0	36.0	42.0	36.5	42.0
Q-o-Q	18.7%	24.8%	-2.4%	-6.6%	-11.8%	-3.9%	-15.5%	-14.8%	-7.8%	-15.7%	-15.3%	-8.3%	-19.1%	-20.0%	-6.7%	5.6%	-12.5%
Y-o-Y	-25.3%	-42.0%	-39.3%	-39.3%	-54.7%	-43.8%	-48.6%	-60.9%	-55.7%	-60.9%	-61.2%	-53.7%	-65.8%	-56.6%	-46.2%	-46.4%	-53.8%

Source: CMA Datavision

10-Year	North																
	Illinois	California	Connecticut	Nevada	New Jersey	Ohio	Michigan	Pennsylvania	Florida	New York	Massachusetts	Wisconsin	Maryland	Carolina	Texas	Delaware	Minnesota
6/30/2011	215.0	185.0	124.0	125.0	140.0	112.0	129.0	96.0	91.0	117.0	93.0	89.0	69.0	77.0	65.0	54.8	77.0
9/30/2011	280.0	266.7	181.0	173.0	182.0	153.0	177.0	154.0	142.0	147.0	135.0	140.0	105.0	105.0	100.0	100.0	110.0
12/31/2011	297.0	269.4	166.0	154.0	207.0	173.0	188.0	172.0	155.0	167.0	160.0	147.0	108.0	108.0	109.0	N/A	125.0
3/30/2012	240.0	206.9	155.0	135.0	160.0	133.0	154.0	135.0	130.0	137.0	129.0	124.0	88.0	90.0	93.0	75.5	99.0
6/29/2012	221.0	189.8	135.0	117.0	148.0	130.0	138.0	133.0	106.0	110.0	129.0	95.0	111.0	83.0	78.0	68.0	91.0
9/30/2012	254.0	209.4	157.0	146.0	157.0	141.0	152.0	124.0	121.0	123.0	120.0	121.0	96.0	86.0	88.0	75.6	79.0
12/31/2012	234.0	191.2	156.0	150.0	156.0	140.0	153.0	129.0	111.0	120.0	122.0	121.0	90.0	85.0	87.0	72.5	89.0
3/31/2013	191.0	130.4	124.0	111.0	117.0	100.0	124.0	99.0	87.0	87.0	96.0	79.0	71.0	67.0	68.0	60.9	68.0
6/28/2013	217.0	160.0	122.0	104.0	115.0	99.0	119.0	100.0	90.0	86.0	95.0	78.0	74.0	69.0	70.0	66.6	69.0
Q-o-Q	13.6%	22.7%	-1.6%	-6.3%	-1.7%	-1.0%	-4.0%	1.0%	3.4%	-1.1%	-1.0%	-1.3%	4.2%	3.0%	2.9%	9.3%	1.5%
Y-o-Y	-1.8%	-15.7%	-9.6%	-11.1%	-22.3%	-23.8%	-13.8%	-24.8%	-15.1%	-21.8%	-26.4%	-17.9%	-33.3%	-16.9%	-10.3%	-2.1%	-24.2%

Source: CMA Datavision

⁵ "Market risk activity" (as defined by DTCC): The gross notional and contract counts include transaction types of new trades between two parties, a termination of an existing transaction, or the new leg of an assignment representing the trade between the step-in party and the remaining party. Excludes transactions which do not result in a change in the market risk position of the market participants, and are not market activity. For example, central counterparty clearing, and portfolio compression both terminate existing transactions and re-book new transactions or amend existing transactions. These transactions still maintain the same risk profile and consequently are not included as "market risk transfer activity."

OUTSTANDING MUNICIPAL DEBT

Outstanding by Type, Maturity, and Security Type⁶

\$ Millions

State	Total Outstanding	G.O.	Revenue	Due in 13 Months	Long-Term	2013:Q1 Total Outstanding	% Change
AK Alaska	10,759.0	2,893.7	7,865.3	824.7	9,934.3	11,028.2	-2.4%
AL Alabama	31,735.2	5,923.7	25,811.5	1,019.4	30,715.9	31,648.9	0.3%
AR Arkansas	12,448.9	4,859.2	7,589.7	577.6	11,871.3	12,273.3	1.4%
AZ Arizona	53,952.9	10,169.6	43,783.3	2,263.4	51,689.5	54,877.7	-1.7%
CA California	540,678.3	198,807.7	341,870.6	22,441.6	518,236.7	551,610.6	-2.0%
CO Colorado	55,612.7	12,461.4	43,151.3	2,003.3	53,609.4	56,667.2	-1.9%
CT Connecticut	42,758.3	22,824.3	19,934.0	3,422.8	39,335.5	43,498.2	-1.7%
DC District of Columbia	29,644.6	2,616.2	27,028.4	1,229.7	28,414.9	29,475.8	0.6%
DE Delaware	7,678.4	2,488.4	5,190.0	457.4	7,221.0	7,977.8	-3.8%
FL Florida	149,884.6	16,593.1	133,291.5	5,457.8	144,426.8	153,582.4	-2.4%
GA Georgia	70,729.2	16,341.0	54,388.2	3,227.1	67,502.1	70,097.6	0.9%
GU Guam	2,216.2	412.8	1,803.4	20.8	2,195.4	2,219.7	-0.2%
HI Hawaii	15,234.7	9,203.7	6,031.0	817.2	14,417.6	15,724.6	-3.1%
IA Iowa	20,495.7	5,780.8	14,714.9	1,152.8	19,342.9	20,791.0	-1.4%
ID Idaho	9,808.3	5,368.5	4,439.7	1,112.6	8,695.7	9,997.9	-1.9%
IL Illinois	159,175.0	79,875.4	79,299.6	6,178.3	152,996.7	156,644.4	1.6%
IN Indiana	54,898.6	1,063.2	53,835.4	2,728.3	52,170.4	53,991.3	1.7%
KS Kansas	21,672.6	9,120.0	12,552.7	1,687.1	19,985.5	22,062.7	-1.8%
KY Kentucky	33,947.2	1,685.9	32,261.3	1,678.8	32,268.5	34,062.3	-0.3%
LA Louisiana	34,089.4	6,503.6	27,585.7	1,113.1	32,976.3	33,603.5	1.4%
MA Massachusetts	92,567.3	31,556.6	61,010.7	5,148.6	87,418.7	93,768.5	-1.3%
MD Maryland	47,651.4	22,963.9	24,687.5	2,628.0	45,023.4	47,918.9	-0.6%
ME Maine	8,010.3	1,684.1	6,326.2	572.3	7,438.0	8,222.1	-2.6%
MI Michigan	79,602.3	15,536.3	64,066.0	4,064.5	75,537.8	80,475.6	-1.1%
MN Minnesota	48,377.8	23,126.5	25,251.3	2,910.4	45,467.5	48,317.7	0.1%
MO Missouri	47,271.7	9,393.1	37,878.6	1,798.0	45,473.8	46,768.3	1.1%
MS Mississippi	18,333.8	6,260.8	12,073.0	676.7	17,657.1	18,375.5	-0.2%
MT Montana	11,324.7	8,347.7	2,977.1	736.4	10,588.3	11,553.1	-2.0%
NC North Carolina	54,658.2	13,280.6	41,377.6	2,597.8	52,060.4	55,282.2	-1.1%
ND North Dakota	4,002.6	1,110.3	2,892.3	213.8	3,788.7	4,114.9	-2.7%
NE Nebraska	17,455.4	4,697.6	12,757.8	990.2	16,465.2	17,488.1	-0.2%
NH New Hampshire	10,083.2	2,314.0	7,769.2	532.6	9,550.6	10,377.6	-2.8%
NJ New Jersey	117,536.4	24,455.9	93,080.4	9,485.4	108,050.9	119,267.2	-1.5%
NM New Mexico	14,404.8	3,196.1	11,208.6	863.0	13,541.8	14,452.8	-0.3%
NV Nevada	28,591.4	14,026.2	14,565.2	1,114.0	27,477.4	29,375.0	-2.7%
NY New York	366,538.9	79,267.0	287,272.0	17,910.4	348,628.6	366,380.4	0.0%
OH Ohio	104,935.9	28,924.7	76,011.2	4,974.6	99,961.3	105,365.4	-0.4%
OK Oklahoma	19,307.4	3,365.4	15,942.0	1,433.2	17,874.2	19,615.6	-1.6%
OR Oregon	34,001.0	18,075.2	15,925.8	1,492.4	32,508.5	34,790.4	-2.3%
OT Other Territories	9,046.7	27.5	9,019.1	20.9	9,025.7	9,058.0	-0.1%
PA Pennsylvania	130,855.3	43,872.4	86,982.9	6,527.0	124,328.3	130,992.1	-0.1%
PR Puerto Rico	103,505.9	10,634.9	92,871.0	1,398.9	102,107.0	105,052.9	-1.5%
RI Rhode Island	13,368.3	1,949.9	11,418.4	467.4	12,900.9	13,483.9	-0.9%
SC South Carolina	35,524.7	8,271.2	27,253.6	2,097.4	33,427.3	35,905.5	-1.1%
SD South Dakota	6,976.5	3,083.9	3,892.6	386.4	6,590.0	7,008.3	-0.5%
TN Tennessee	38,963.3	13,764.2	25,199.1	1,940.7	37,022.6	38,696.3	0.7%
TT Trust Territories	276.5	92.6	183.8		276.5	279.0	-0.9%
TX Texas	303,768.9	140,730.3	163,038.6	20,286.2	283,482.6	301,516.0	0.7%
UT Utah	20,629.2	6,514.9	14,114.3	1,048.8	19,580.3	21,518.8	-4.1%
VA Virginia	62,822.0	12,934.1	49,887.9	2,979.2	59,842.7	63,224.6	-0.6%
VI Virgin Islands	2,351.1		2,351.1	51.9	2,299.2	2,367.7	-0.7%
VT Vermont	6,419.2	646.5	5,772.7	280.4	6,138.8	6,253.2	2.7%
WA Washington	77,876.6	36,540.8	41,335.8	3,514.9	74,361.8	78,082.7	-0.3%
WI Wisconsin	44,191.8	20,883.9	23,307.9	3,045.6	41,146.1	43,135.0	2.4%
WV West Virginia	11,270.8	935.8	10,334.9	354.1	10,916.7	11,441.2	-1.5%
WY Wyoming	3,296.1	125.5	3,170.6	118.1	3,178.1	3,532.7	-6.7%
TOTAL (6/30/2013)	3,353,217.2	1,027,582.7	2,325,634.5	164,074.0	3,189,143.2	3,375,292.2	-0.7%
TOTAL (3/31/2013)	3,375,292.2	1,033,101.6	2,342,190.7	177,034.6	3,198,257.7		
TOTAL (12/31/2012)	3,378,237.7	1,032,977.4	2,345,260.3	179,369.3	3,198,868.4		
TOTAL (9/30/2012)	3,385,831.1	1,034,909.2	2,350,921.9	180,072.7	3,205,758.5		
TOTAL (6/30/2012)	3,408,920.3	1,042,157.8	2,366,762.4	182,686.3	3,226,234.0		
TOTAL (3/31/2012)	3,413,573.1	1,043,450.8	2,370,122.3	178,406.1	3,235,167.0		

⁶ Outstanding includes both short- and long-term municipal debt, including certain preferred fund shares (e.g., VRDPS). "Due in 13 months" looks at original maturity and will not include securities with short puts unless original maturity is within 13 months. Outstanding does not include refunded (inclusive of prerefunded) debt and derivatives. See additional tables for prerefunded and derivatives debt. The chart replaces "Outstanding by Insurance" from prior municipal reports. For comparability against Federal Reserve's Flow of Funds, aggregate prerefunded with outstanding but not derivatives; differences between the two aggregates afterward are due to underlying database differences (Fed: Mergent; these tables: Bloomberg).

Outstanding and by Tax Status, Coupon, Use of Proceeds, Industry⁷

\$ Millions

State	Total Outstanding	Tax-Exempt	AMT	Taxable	Fixed	Zero	FRN	Other	Industry	Total Outstanding
AK Alaska	10,759.0	8,727.9	810.2	1,220.9	8,134.4	220.7	273.2	2,130.8	Airport	84,845.3
AL Alabama	31,735.2	24,252.2	1,369.5	6,113.5	23,095.0	481.9	293.6	7,864.7	Development	132,589.5
AR Arkansas	12,448.9	7,166.7	494.4	4,787.8	11,059.7	376.7	436.4	576.2	Education	655,911.5
AZ Arizona	53,952.9	46,151.2	2,036.2	5,765.5	46,997.8	37.1	1,260.8	5,657.2	GO	625,623.7
CA California	540,678.3	424,353.0	20,725.3	95,599.9	381,777.6	77,526.2	10,418.3	70,956.1	Healthcare	315,186.8
CO Colorado	55,612.7	40,195.8	3,438.3	11,978.6	42,874.5	3,546.0	718.4	8,473.8	Housing	147,046.1
CT Connecticut	42,758.3	31,942.9	1,772.4	9,043.0	35,757.4	487.9	1,368.1	5,144.9	Other	665,519.2
DC District of Columbia	29,644.6	22,090.7	4,449.1	3,104.8	18,590.1	5,676.5	370.3	5,007.7	Public Facilities	15,981.2
DE Delaware	7,678.4	5,657.5	539.5	1,481.4	5,801.7	87.0		1,789.7	Student Loan	46,188.1
FL Florida	149,884.6	123,665.3	12,814.7	13,404.5	122,087.1	3,517.7	2,868.9	21,410.7	Transportation	224,466.0
GA Georgia	70,729.2	56,005.1	4,108.8	10,615.3	56,149.9	147.3	214.0	14,218.1	Utilities	439,859.9
GU Guam	2,216.2	2,041.4	108.0	66.9	2,100.8	115.5		-	TOTAL (6/30/2013)	3,353,217.2
HI Hawaii	15,234.7	12,190.8	1,184.4	1,859.6	14,545.0	44.7		645.1		
IA Iowa	20,495.7	12,773.6	822.5	6,899.6	17,456.9	556.4	24.2	2,458.1		
ID Idaho	9,808.3	4,431.9	743.6	4,632.8	5,053.9	79.7		4,674.7		
IL Illinois	159,175.0	102,601.4	7,679.5	48,894.2	122,867.1	16,576.7	1,376.5	18,354.7		
IN Indiana	54,898.6	38,413.1	3,952.7	12,532.9	38,312.2	1,196.1	534.3	14,856.1		
KS Kansas	21,672.6	13,996.9	596.3	7,079.5	19,597.9	299.5	159.6	1,615.6		
KY Kentucky	33,947.2	21,324.4	2,660.6	9,962.3	25,624.1	496.0	1,175.8	6,651.4		
LA Louisiana	34,089.4	26,886.4	1,431.7	5,771.3	26,006.9	573.0	1,556.6	5,952.9		
MA Massachusetts	92,567.3	76,674.4	4,469.5	11,423.4	74,071.9	1,166.7	2,986.4	14,342.4		
MD Maryland	47,651.4	38,407.3	2,501.0	6,743.0	40,789.6	152.0	499.3	6,210.4		
ME Maine	8,010.3	5,910.7	974.4	1,125.2	6,922.5	5.4	15.0	1,067.4		
MI Michigan	79,602.3	58,787.8	4,767.7	16,046.7	56,655.2	8,131.2	1,944.6	12,871.2		
MN Minnesota	48,377.8	33,037.9	2,610.9	12,729.0	40,462.9	813.3	1,260.8	5,840.9		
MO Missouri	47,271.7	30,878.3	1,620.5	14,773.0	34,099.4	941.5	2,972.6	9,258.2		
MS Mississippi	18,333.8	11,628.4	986.6	5,718.9	12,106.1	3.0	247.3	5,977.4		
MT Montana	11,324.7	2,216.3	404.9	8,703.6	2,888.7	10.2	345.9	8,080.0		
NC North Carolina	54,658.2	47,285.7	1,808.6	5,563.9	42,078.1	256.3	2,930.9	9,392.9		
ND North Dakota	4,002.6	2,493.8	382.2	1,126.7	3,550.4			452.2		
NE Nebraska	17,455.4	12,172.2	432.4	4,850.8	15,261.6	3.4	253.2	1,937.3		
NH New Hampshire	10,083.2	6,837.5	923.2	2,322.5	6,842.6	152.7	762.2	2,325.7		
NJ New Jersey	117,536.4	85,961.6	6,825.2	24,749.6	89,356.3	15,243.9	2,213.2	10,723.0		
NM New Mexico	14,404.8	11,482.8	766.0	2,155.9	11,354.6	6.2	679.6	2,364.4		
NV Nevada	28,591.4	21,683.8	3,539.8	3,367.8	21,670.9	958.8		5,961.7		
NY New York	366,538.9	296,239.5	21,698.6	48,600.8	286,207.2	16,004.2	2,516.0	61,811.6		
OH Ohio	104,935.9	73,528.1	3,710.7	27,697.1	74,406.4	8,261.8	240.2	22,027.5		
OK Oklahoma	19,307.4	13,654.6	1,252.8	4,400.0	16,341.5	163.7	860.8	1,941.4		
OR Oregon	34,001.0	20,845.8	1,516.8	11,638.4	27,951.9	3,148.4	16.6	2,884.1		
OT Other Territories	9,046.7	2,407.7	6,115.3	523.7	856.9			8,189.7		
PA Pennsylvania	130,855.3	94,288.0	6,239.0	30,328.3	95,654.7	8,233.8	4,343.4	22,623.5		
PR Puerto Rico	103,505.9	83,415.0	496.0	19,594.9	57,694.2	37,317.9	1,686.0	6,807.8		
RI Rhode Island	13,368.3	10,400.1	1,451.8	1,516.4	8,708.9	2,859.8	351.7	1,447.9		
SC South Carolina	35,524.7	28,331.5	927.7	6,265.5	27,332.8	2,230.3	2,981.7	2,980.0		
SD South Dakota	6,976.5	2,614.0	648.0	3,714.5	3,859.4	18.5		3,098.6		
TN Tennessee	38,963.3	29,458.3	1,649.2	7,855.8	30,569.5	779.9	645.5	6,968.4		
TT Trust Territories	276.5	232.6	43.8	-	136.5			140.0		
TX Texas	303,768.9	230,770.0	17,994.3	55,004.5	236,606.6	19,052.8	10,731.3	37,378.2		
UT Utah	20,629.2	13,934.7	636.1	6,058.4	15,521.1	441.4	1,238.7	3,427.9		
VA Virginia	62,822.0	48,456.4	3,928.6	10,437.0	53,209.1	2,068.3	636.8	6,907.7		
VI Virgin Islands	2,351.1	2,210.7	18.2	122.1	2,301.5	48.1		1.4		
VT Vermont	6,419.2	2,927.7	1,725.2	1,766.4	2,804.6	2.0	1,284.0	2,328.6		
WA Washington	77,876.6	58,764.2	4,651.0	14,461.4	69,623.2	2,525.6	53.9	5,673.8		
WI Wisconsin	44,191.8	28,718.0	1,835.4	13,638.4	37,536.5	449.2	720.3	5,485.8		
WV West Virginia	11,270.8	5,810.1	960.9	4,499.8	6,317.6	2,815.4	50.0	2,087.8		
WY Wyoming	3,296.1	2,076.1	880.3	339.7	1,812.2	1.0		1,482.9		
TOTAL (6/30/2013)	3,353,217.2	2,519,409.7	183,130.0	650,677.5	2,537,452.9	246,309.4	68,516.8	500,938.2		
TOTAL (3/31/2013)	3,375,292.2	2,542,428.2	187,283.7	645,580.4	2,547,604.4	247,474.8	64,686.3	515,526.7		
TOTAL (12/31/2012)	3,378,237.7	2,553,983.5	192,376.7	631,877.5	2,540,851.4	246,906.5	61,937.3	528,542.5		
TOTAL (9/30/2012)	3,385,831.1	2,552,093.8	200,319.3	633,418.1	2,532,844.3	248,206.1	61,447.9	543,332.8		
TOTAL (6/30/2012)	3,408,920.3	2,565,411.4	207,574.0	635,934.9	2,543,043.8	246,394.6	57,498.8	561,983.1		
TOTAL (3/31/2012)	3,413,573.1	2,566,167.1	217,869.5	629,536.5	2,534,383.1	240,916.1	57,160.8	581,113.0		

⁷ Outstanding does not include refunded (inclusive of prerefunded) debt and derivatives. See additional tables for prerefunded and derivatives debt. The chart replaces "Outstanding by Insurance" from prior municipal reports. For comparability against Federal Reserve's Flow of Funds aggregate prerefunded with outstanding but not derivatives; differences between the two aggregates afterward are due to underlying database differences (Fed: Mergent; these tables: Bloomberg). Fixed rate debt does not include those multimodal bonds that are currently in long-term fixed rate mode. As of 2Q'13, "Other" no longer contains floating rate notes.

Addendum Tables –Build America Bonds, Variable Rate Debt Obligations Prerefunded, Derivatives, and Rating⁸

\$ Millions

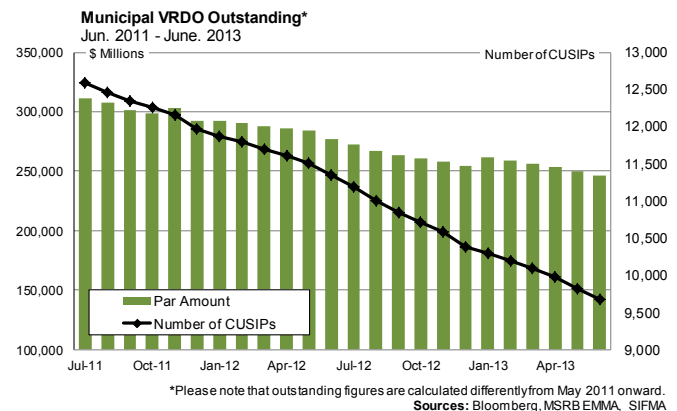
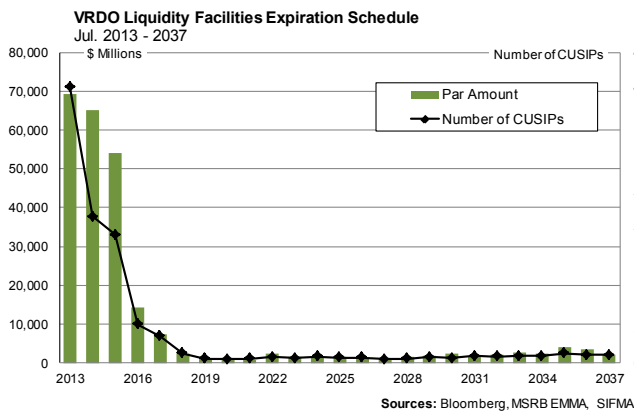
State	Total Outstanding	BAB Only	VRDO Only	Prerefunded Only	Derivatives Only	Rated	AAA	AA	A	BBB	HY	NonRated
AK Alaska	10,759.0	357.7	1,624.7	633.4	388.1	9,929.5	1,523.4	5,544.1	1,857.5	517.4	487.1	829.5
AL Alabama	31,735.2	603.9	2,830.3	2,142.5	1,053.9	28,857.6	907.6	15,101.6	7,709.9	1,778.6	3,360.1	2,877.6
AR Arkansas	12,448.9	35.0	388.1	669.6	40.9	10,346.6	455.0	7,357.7	2,070.8	428.0	35.2	2,102.3
AZ Arizona	53,952.9	1,985.6	2,489.1	3,386.6	1,979.4	49,863.0	3,872.0	27,378.9	13,284.4	4,714.4	613.3	4,089.9
CA California	540,678.3	37,676.8	30,545.4	21,760.7	23,498.0	473,066.0	6,465.9	204,630.5	189,842.0	52,117.6	20,010.0	67,612.2
CO Colorado	55,612.7	4,066.9	14,533.2	6,571.4	2,775.1	49,663.5	3,695.9	28,224.4	10,924.9	6,518.0	300.3	5,949.2
CT Connecticut	42,758.3	1,904.8	2,764.0	2,073.1	676.5	40,456.2	8,564.7	24,639.1	6,531.2	507.1	214.1	2,302.1
DC District of Columbia	29,644.6	1,921.0	1,780.5	760.1	1,659.1	26,534.1	380.2	9,826.9	10,368.8	2,588.9	3,369.3	3,110.4
DE Delaware	7,678.4	519.3	651.3	603.1	216.8	7,133.0	2,345.2	3,277.6	873.1	562.1	75.0	545.4
FL Florida	149,884.6	5,534.5	8,454.4	5,199.1	9,213.9	132,115.6	3,582.8	59,117.0	61,472.8	7,214.7	728.4	17,768.9
GA Georgia	70,729.2	3,724.7	5,830.4	4,264.6	2,103.3	62,228.7	14,657.3	18,162.3	25,503.9	3,523.4	382.0	8,500.4
GU Guam	2,216.2				6.2	2,158.1	-	-	408.5	921.6	828.0	58.2
HI Hawaii	15,234.7	1,267.6	161.8	1,762.1	956.1	14,810.5	19.8	11,531.1	2,479.2	721.6	58.8	424.2
IA Iowa	20,495.7	673.1	2,137.4	299.7	114.2	17,570.2	2,168.9	6,840.2	5,757.1	431.5	2,372.6	2,925.4
ID Idaho	9,808.3	129.1	627.4	503.5	83.1	8,853.3	4,562.2	1,694.2	2,250.2	218.0	128.7	955.0
IL Illinois	159,175.0	10,656.2	12,062.6	5,633.9	8,039.3	149,954.2	7,653.0	56,065.3	72,438.5	13,099.7	697.7	9,220.8
IN Indiana	54,898.6	1,977.0	4,809.3	3,778.6	2,015.1	46,156.6	3,049.9	22,958.1	15,523.7	4,319.5	305.4	8,742.0
KS Kansas	21,672.6	1,596.3	1,038.6	1,827.1	152.8	18,962.3	1,819.5	11,176.5	5,030.1	826.2	110.0	2,710.3
KY Kentucky	33,947.2	2,823.3	3,037.0	1,809.8	577.8	32,305.9	2,241.5	15,113.0	12,711.1	2,147.0	93.3	1,641.3
LA Louisiana	34,089.4	836.5	4,102.9	2,912.7	1,034.9	31,722.3	2,953.2	12,491.9	10,530.0	5,620.6	126.6	2,367.0
MA Massachusetts	92,567.3	4,834.4	8,076.3	8,187.3	6,142.0	87,225.3	12,223.2	59,872.8	11,472.4	3,273.3	383.6	5,342.0
MD Maryland	47,651.4	3,417.8	3,095.9	4,100.8	860.1	43,831.8	18,038.9	17,736.0	5,302.2	2,197.8	556.9	3,819.7
ME Maine	8,010.3	88.1	679.7	429.8	87.4	7,783.1	61.6	4,292.7	2,676.4	682.2	70.2	227.2
MI Michigan	79,602.3	2,551.2	5,739.4	2,917.8	3,217.1	71,894.4	7,672.4	31,735.7	16,867.9	5,845.3	9,773.1	7,707.8
MN Minnesota	48,377.8	1,383.2	3,200.4	1,470.7	710.0	43,148.0	6,640.2	28,369.8	6,891.9	984.1	262.0	5,229.8
MO Missouri	47,271.7	2,923.1	3,564.4	1,957.1	1,319.9	39,814.2	4,826.9	21,250.2	10,779.9	2,782.0	175.1	7,457.6
MS Mississippi	18,333.8	764.9	3,700.7	956.7	440.0	15,381.9	699.8	10,862.5	2,553.2	1,254.1	12.3	2,951.9
MT Montana	11,324.7	29.2	341.1	184.9	24.3	3,416.0	-	2,207.4	1,095.4	83.3	30.0	7,908.7
NC North Carolina	54,658.2	1,596.8	5,974.0	5,120.9	1,577.2	52,192.9	12,939.9	25,985.9	10,064.1	3,145.1	57.8	2,465.3
ND North Dakota	4,002.6	60.7	349.5	100.7	18.6	3,632.5	191.9	2,044.7	1,001.3	394.7	-	370.0
NE Nebraska	17,455.4	986.8	1,783.5	1,056.0	778.4	14,512.0	647.9	8,038.4	5,245.8	440.0	139.9	2,943.4
NH New Hampshire	10,083.2	354.9	1,365.5	512.1	234.0	9,352.1	257.5	5,949.2	2,268.9	736.7	139.9	731.1
NJ New Jersey	117,536.4	6,595.0	4,886.2	9,953.5	4,848.3	109,493.0	6,816.8	27,872.7	61,864.1	7,347.7	5,591.7	8,043.4
NM New Mexico	14,404.8	275.6	1,343.2	938.5	445.1	13,893.1	1,538.9	10,164.7	1,187.8	901.0	100.8	511.7
NV Nevada	28,591.4	2,536.6	2,281.1	1,780.3	1,612.5	24,552.9	223.8	13,952.7	8,764.1	1,495.3	117.0	4,038.5
NY New York	366,538.9	20,629.8	39,881.5	10,682.1	15,540.2	336,888.9	22,605.5	224,785.5	66,313.3	14,819.1	8,365.4	29,650.1
OH Ohio	104,935.9	7,838.3	8,515.5	7,648.6	3,048.2	92,071.5	8,292.2	43,252.5	22,577.8	5,433.2	12,515.8	12,864.4
OK Oklahoma	19,307.4	756.2	723.9	599.6	562.5	16,571.8	2,144.1	8,989.4	4,622.5	578.9	237.0	2,735.6
OR Oregon	34,001.0	971.0	1,862.4	2,379.0	288.2	32,918.3	942.2	24,932.9	6,186.1	807.3	49.8	1,082.7
OT Other Territories	9,046.7				19,006.2	7,787.5	912.1	6,486.4	17.9	371.0	-	1,259.2
PA Pennsylvania	130,855.3	4,979.8	11,276.1	4,809.9	5,581.1	121,756.9	2,677.0	50,751.3	54,435.9	12,172.5	1,720.2	9,098.4
PR Puerto Rico	103,505.9	1,013.0	418.8	2,575.8	3,323.7	91,066.8	184.5	22,178.2	18,370.4	38,898.2	11,435.6	12,439.1
RI Rhode Island	13,368.3		787.4	522.0	329.2	12,408.0	849.1	4,881.5	2,566.5	1,166.9	2,944.0	960.3
SC South Carolina	35,524.7	1,148.7	1,342.0	3,638.9	1,230.9	31,546.1	1,001.8	20,577.4	7,456.3	2,155.8	354.8	3,978.6
SD South Dakota	6,976.5	331.5	628.6	124.2	69.4	4,306.7	210.2	2,678.6	1,353.5	64.4	-	2,669.8
TN Tennessee	38,963.3	1,819.8	3,441.1	3,018.5	1,608.1	35,436.4	1,465.5	22,197.0	7,101.8	4,652.9	19.2	3,526.9
TT Trust Territories	276.5			36.2		44.7	-	-	-	-	44.7	231.7
TX Texas	303,768.9	16,584.2	16,192.5	18,952.7	17,183.5	270,435.4	88,511.1	107,931.4	50,647.1	20,858.1	2,487.6	33,333.5
UT Utah	20,629.2	2,891.5	1,761.4	1,035.8	836.6	18,988.7	7,663.0	8,322.0	2,625.7	291.6	86.4	1,640.5
VA Virginia	62,822.0	3,808.5	3,868.6	6,186.1	1,331.3	58,737.3	16,032.1	32,095.6	5,247.4	3,223.3	2,139.0	4,084.6
VI Virgin Islands	2,351.1	37.3		19.2	9.5	2,078.5	-	-	85.7	1,954.7	38.0	272.6
VT Vermont	6,419.2	126.3	652.8	164.5	33.4	4,889.4	421.2	2,601.5	1,159.0	672.6	35.1	1,529.8
WA Washington	77,876.6	6,095.3	3,224.6	7,748.6	3,186.9	75,066.6	1,894.8	61,963.8	9,239.2	1,893.9	74.8	2,810.1
WI Wisconsin	44,191.8	2,006.9	3,589.7	2,500.9	1,260.8	40,232.9	1,918.2	28,601.2	8,151.9	1,462.2	99.4	3,958.8
WV West Virginia	11,270.8	88.2	1,077.5	482.6	297.9	9,323.2	341.5	1,966.5	3,504.3	939.1	2,571.8	1,947.5
WY Wyoming	3,296.1	135.6	1,302.9	41.2	29.6	3,235.4	312.0	1,620.6	1,084.5	218.3	-	60.7
TOTAL (6/30/2013)	3,353,217.2	177,949.0	246,796.5	179,425.0	153,656.4	3,018,601.8	302,075.6	1,488,279.2	878,350.0	252,972.6	96,924.3	334,615.5
TOTAL (3/31/2013)	3,375,292.2	179,858.7	256,364.1	193,249.7	154,550.6	3,021,176.0	301,941.0	1,492,578.5	885,416.9	244,904.2	96,335.3	354,116.3
TOTAL (12/31/2012)	3,378,237.7	179,605.3	254,912.7	180,504.7	156,857.9	3,024,755.1	402,778.6	1,501,326.7	761,662.8	263,449.6	95,537.5	353,482.6
TOTAL (9/30/2012)	3,385,831.1	179,399.1	263,534.6	179,492.4	156,204.4	3,040,293.3	303,302.9	1,598,735.4	768,698.4	272,665.2	96,891.4	345,537.8
TOTAL (6/30/2012)	3,408,920.3	179,612.6	277,405.2	182,283.1	174,997.5	3,067,760.2	318,337.2	1,611,176.6	765,574.9	278,686.2	93,985.4	341,160.1
TOTAL (3/31/2012)	3,413,573.1	179,821.9	287,522.3	169,289.4	174,663.7	3,087,291.3	321,167.0	1,611,384.0	767,977.9	278,259.5	108,502.9	326,281.8

⁸ Rating based on the lowest long-term rating assigned to the bond by Fitch Ratings, Moody's Investor Services, or Standard and Poor's; split-rated debt are therefore included in the HY category.

VARIABLE-RATE DEMAND OBLIGATIONS

Liquidity Facility Expiration Schedule, Jul. 2013 - 2027⁹
As of June 30, 2013

	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
By Type of Provider (\$ Millions)												
Bank	2,739.0	5,401.4	5,250.1	4,948.5	5,547.5	6,922.9	3,871.7	2,236.7	6,014.0	5,349.6	5,326.5	7,878.5
Corporate/Other	3.0	251.9		68.0	58.5	82.7	11.4	75.5	16.4	7.2	16.8	21.2
US Agency	79.8	372.8	137.0	77.7	251.2	290.2	22.7	50.5	584.3	186.2	189.5	441.3
By Number of Facilities												
# CUSIPs	161	383	364	297	357	476	187	157	297	267	282	380
	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
By Type of Provider (\$ Millions)												
Bank	5,140.1	4,619.2	4,532.6	4,074.3	5,353.3	8,900.5	3,931.3	2,505.8	4,661.5	3,489.8	3,864.1	4,736.2
Corporate/Other	55.4	16.0	4.1	51.8	846.7	204.7	370.2		131.5	96.7		53.7
US Agency	138.1	13.8	80.3	67.6	134.7	81.2	57.0	7.0	147.8	152.2	107.7	248.8
By Number of Facilities												
# CUSIPs	281	181	144	150	191	294	119	76	149	114	132	157
	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
By Type of Provider (\$ Millions)												
Bank	3,165.2	3,252.3	2,227.1	5,806.3	3,535.2	4,791.0	1,079.5	1,429.2	2,668.4	1,899.4	2,890.3	2,750.8
Corporate/Other	197.6	144.6	108.9	300.0	67.4	233.8	86.9	62.9			166.3	16.0
US Agency	186.1	94.7	98.4	48.9	58.0	4,766.3	25.4	172.6	217.9	100.6	112.8	51.5
By Number of Facilities												
# CUSIPs	141	134	126	147	126	457	73	59	78	73	85	113
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
By Type of Provider (\$ Millions)												
Bank	19,246.3	15,352.6	3,426.8	342.1	225.6	278.5	1,048.9	138.9	247.2	242.4	11.7	21.8
Corporate/Other	1,060.3	301.6	277.2	45.5	400.4	317.1	591.7	715.0	792.5	811.3	539.9	511.0
US Agency	969.6	673.0	562.6	372.9	218.0	260.6	641.1	384.4	452.7	495.6	640.8	314.2
By Number of Facilities												
# CUSIPs	811	403	228	55	61	61	84	63	93	73	66	55



⁹ For more detailed breakouts of VRDO data, please refer to the Variable Rate Demand Obligations September 2012 update at sifma.org.

A DESCRIPTION OF THE TERMINOLOGY IN THE MUNICIPAL BOND CREDIT REPORT

Long-Term Municipal Issue: municipal securities with a maturity of 13 months or longer at the time the municipal security is issued.¹⁰

General Obligation (G.O.) Bonds: bonds issued by state or local units of government. The bonds are secured by the full faith, credit and taxing power of the municipal bond issuer. Such bonds constitute debts by the issuer and often require approval by election prior to issuance. In the event of default, bondholders of G.O. bonds have the right to compel a tax levy or legislative appropriation to cover debt service.

Revenue Bonds: bonds payable from a specific source of revenue and to which the full faith and credit of an issuer and its taxing power are not pledged. Revenue bonds are payable from identified sources of revenue and do not permit the bondholders to compel taxation or legislative appropriation of funds not pledged for payment of debt service. Pledged revenues may be derived from sources such as the operation of the financed project, grants or a dedicated specialized tax. Generally, no voter approval is required prior to issuance of such obligations.

Ratings: are evaluations of the credit quality of bonds and other debt financial instruments made by rating agencies. Ratings are intended to measure the probability of the timely repayment of principal and interest on municipal securities. Ratings are typically assigned upon initial bond issuance. Ratings are periodically reviewed and may be amended to reflect changes in the issue or issuer's credit position. The ratings may be affected by the credit worthiness of the issuer itself or from a credit enhancement feature of the security such as guarantor, letter of credit provider, and bond insurer. Some rating agencies provide both long-term and short-term ratings on variable rate demand obligations. The ratings described herein are "long-term" ratings – that is, ratings applied to municipal bond issues with original maturity of 13 months or longer.

State Rating: indicates the G.O. credit rating a rating agency may apply to a state. The rating on a specific municipal bond issue or issuer located with the state may differ from the state rating.

Rating Agency: is a company that provides ratings that indicate the relative credit quality or liquidity characteristics of municipal securities as well as other debt securities. Moody's Investors Service ("Moody's") and Standard and Poor's are the largest agencies in terms of municipal securities rated, followed by Fitch Ratings.

Moody's Ratings¹¹

Moody's describes its municipal credit ratings as "opinions of the investment quality of issuers and issues in the U.S. municipal and tax-exempt markets. These ratings incorporate a rating agency's assessment of the probability of default and loss severity of issuers and issues."

Moody's ratings are based upon the analysis of four primary factors relating to municipal finance: economy, debt, finances and administrative/management strategies. The rating classifications are defined as:

Aaa: obligations rated Aaa are judged to be of the highest quality, with minimal credit risk.

Aa: obligations rated Aa are judged to be of high quality and are subject to very low credit risk.

A: obligations rated A are considered upper-medium grade and are subject to low credit risk.

Baa: obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.

Ba: obligations rated Ba are judged to have speculative elements and are subject to substantial credit

¹⁰ Authors' own definition.

¹¹ Moodys.com, "Ratings Definitions."

risk.

B: obligations rated B are considered speculative and are subject to high credit risk.

Caa: obligations rated Caa are judged to be of poor standing and are subject to very high credit risk.

Ca: obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.

C: obligations rated C are the lowest rated class of bonds and are typically in default, with little prospect for recovery of principal or interest.¹²

Standard and Poor's Ratings¹³

Standard and Poor's describes a municipal issue credit rating as "a current opinion of the credit worthiness with respect to a specific financial obligation(s) or a specific program. It takes into consideration the credit worthiness of credit enhancement on the obligation."

Long-term issue credit ratings are based on:

- Likelihood of payment—capacity and willingness to meet the financial commitment in accordance with the terms of the obligation;
- Nature of and provisions of the obligation; and
- Protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights.

AAA: extremely strong capacity to meet its financial commitments – the highest rating category.

AA: very strong capacity to meet financial commitments.

A: strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in the higher rated categories.

BBB: adequate capacity to meet its financial commitments though adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to meet financial commitments.

Rating "BB", "B", "CCC", and "CC" are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'CC' the highest.

BB: less vulnerable in the near term than other lower-rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to inadequate capacity to meet its financial commitments.

B: an obligation rated 'B' is more vulnerable to nonpayment than obligations rated 'BB', but the capacity to meet its financial commitment. Adverse business, financial, or economic conditions will likely impair the capacity or willingness to meet financial obligations.

CCC: currently vulnerable, and is dependent upon favorable business, financial, and economic conditions to meet financial commitments.

CC: highly vulnerable and is dependent upon favorable business, financial and economic conditions.

Fitch Ratings

Fitch Ratings provides an opinion on the ability of an entity or a securities issue to meet financial commitments such as interest, preferred dividends, or repayment of principal, on a timely basis.

Credit ratings are used by investors as indications of the likelihood of repayment in accordance

¹²The lowest rating is a "D" at both Moody's and Standard and Poor's.

¹³Standardandpoors.com "Long-Term Issue Credit Ratings," May 17, 2002.

with the terms on which they invested. Thus, the use of credit ratings defines their function: "investment grade" ratings (long-term 'AAA' - 'BBB' categories) indicate a relatively low probability of default, while those in the "speculative" or "non-investment grade" categories (international long-term 'BB' - 'D') may signal a higher probability of default or that a default has already occurred. Entities or issues carrying the same rating are of similar but not necessarily identical credit quality since the rating categories do not fully reflect small differences in the degrees of credit risk.

The ratings are based on information obtained directly from issuers, other obligors, underwriters, their experts, and other sources Fitch believes to be reliable. Fitch does not audit or verify the truth or accuracy of such information. Ratings may be changed or withdrawn as a result of changes in, or the unavailability of, information or for any other reasons.

Credit ratings do not directly address any risk other than credit risk. In particular, these ratings do not deal with the risk of loss due to changes in interest rates and other market considerations.

Note: "Not rated" refers to municipal bonds that were not rated by one of the major rating agencies listed above.

General Use of Proceeds: Refers to the type of project the proceeds or funds received from bond issuance are used. In the Municipal Bond Credit Report, the use of proceed classifications are general government use, education, water, sewer and gas, health care and a miscellaneous category, "other."¹⁴

Municipal G.O. to Treasury Ratio: is a common measure of credit risk of municipal bonds relative to risk-free securities, Treasuries. It is a measure comparable to the "spread to Treasury" measure in the taxable markets. Typically the municipal yield is typically less than 100 percent of the Treasury yield due to the tax-free nature of municipal securities.

Credit Enhancement: is the use of the credit of an entity other than the issuer to provide additional security in a bond. The term is usually used in the context of bond insurance, bank letters of credit state school guarantees and credit programs of federal and state governments and federal agencies but also may apply more broadly to the use of any form of guaranty secondary source of payment or similar additional credit-improving instruments.

Bond Insurance: is a guaranty by a bond insurer of the payment of principal and interest on municipal bonds as they become due should the issuer fail to make required payments. Bond insurance typically is acquired in conjunction with a new issue of municipal securities, although insurance also is available for outstanding bonds traded in the secondary market.

Letter of Credit: a commitment, usually made by a commercial bank, to honor demands for payment of a debt upon compliance with conditions and/or the occurrence of certain events specified under the terms of the commitment. In municipal financings, bank letters of credit are sometimes used as additional sources of security with the bank issuing the letter of credit committing to in the event the issuer is unable to do so.

¹⁴Authors' own definition.

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