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MSRB Reminds Investors, Market Professionals to Assess Terms of Build America Bonds and other Direct-Pay Bonds in Light of Federal Sequester.

The Municipal Securities Rulemaking Board (MSRB) today reminded municipal securities investors, dealers and other market professionals to review the terms of Build America Bonds and other so-called “direct-pay bonds” in order to understand how federal budget cuts to bond subsidies under sequestration could affect the bonds’ market value. In some cases, issuers of the bonds may have the right to redeem the bonds under certain extraordinary redemption provisions that should be analyzed carefully.

The notice is available at:

http://msrb.org/Rules-and-Interpretations/Regulatory-Notices/2013/2013-13.aspx

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