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City Announces First Minibond Issuance, Invites Residents to Directly Invest in Cambridge.

The City of Cambridge is pleased to announce that it intends to offer Cambridge residents the chance to invest directly in Cambridge infrastructure by purchasing minibonds. Minibonds enable residents to earn tax-exempt interest and invest for the future while supporting the Cambridge capital budget.

A minibond is similar to a traditional municipal bond in which investors loan money to a city or public agency for an agreed period of time, receive interest on the investment, and get their loan paid back when the bond matures. The City will use minibond proceeds to support capital projects such as school building renovations, municipal facility upgrades, and implementation of the Complete Streets plan.

All municipal bonds previously sold by the City were sold in denominations of $5,000 or more. Minibonds are different because residents can purchase them for as little as $1,000, making them more accessible than traditional municipal bonds for potential investors.

The City is working with Neighborly Securities* to issue the minibonds. Neighborly is not affiliated with the City of Cambridge in any way, other than as the broker-dealer for this sale of minibonds.

The City expects to sell up to $2 million of minibonds in its first minibond sale, which will take place from February 17-23, 2017. Each Cambridge resident may purchase up to 20 minibonds for a total possible investment of $20,000 (20 x $1,000/minibond). The interest rate on the 2017 minibonds will be determined on February 17, 2017 and interest will be paid semiannually. Principal on the 2017 minibonds will be paid in five years in 2022.

Minibonds will only be offered to investors following release of a Preliminary Official Statement of the City that will describe the terms of the minibonds and provide other financial information concerning the City. The City expects to issue a Preliminary Official Statement by February 13, 2017.

Residents who are interested in buying Cambridge minibonds will need to create an account through Neighborly.com before the order period ends or purchase minibonds through their own broker. Once a minibond order is submitted through Neighborly, Neighborly’s investment team reviews it for approval and allocation. If the order is approved, minibonds will then be allotted and filled on a first-come, first-serve basis. Neighborly representatives will be at Cambridge City Hall on Wednesday, February 15 from 6-8pm and Tuesday, February 21 from 6-8pm to provide assistance and discuss the minibond process.

For questions about setting up an account with Neighborly to purchase minibonds, please contact Neighborly at (866) 432-1170, support@neighborly.com, or www.neighborly.com/cambridge.

For general questions about Cambridge minibonds, please visit minibonds.cambridgema.gov or contact the City’s Budget Office at minibonds@cambridgema.gov or (617) 349-4270.

Sign up today.

**Minibonds will only be ordered through Neighborly Securities, member FINRA, SIPC & registered with MSRB, pursuant to a preliminary and final official statement to be made available during the ordering period. This information does not constitute an order to sell or the solicitation of an order to buy any securities. You will be responsible for making your own independent investigation and appraisal of the risks, benefits, and suitability of any securities to be ordered and neither the City of Cambridge nor Neighborly Securities is making any recommendation or giving any investment advice.*

1/23/2017

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