

# Bond Case Briefs

*Municipal Finance Law Since 1971*

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## US Banks Cut Back Muni Exposure to Lowest Since Financial Crisis.

### **Takeaways by Bloomberg AI**

- US banks hold nearly \$295 billion of municipal securities and around \$190 billion in direct loans from municipalities, making up about 1.18% of total bank assets.
- Banks remain “highly diffident” buyers of municipals, according to MMA strategists led by Matt Fabian, despite attractive valuations and a low default rate.
- Banks and insurance companies have scaled back municipal-bond purchases, says Shannon Rinehart, co-head of municipal investments at Columbia Threadneedle, and Eric Kazatsky, a client portfolio manager at MacKay Municipal Managers, attributes their absence to uncertainty around federal tax policy.

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### **Bloomberg Markets**

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