

# **Bond Case Briefs**

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## **Bank of America Top U.S. Muni Underwriter So Far in 2014.**

Oct 1 (Reuters) - Bank of America Merrill Lynch remained the top senior underwriter of U.S. municipal debt in the first nine months of 2014, with 262 deals totaling \$28.77 billion, Thomson Reuters data released on Wednesday showed.

That represented more than 13 percent of sales in a year in which issuance has shrunk. Bank of America, which was also top underwriter in 2013, was followed by Citi, which had 264 deals totaling \$24.35 billion in the first nine months of 2014.

California issued the most debt in the first three quarters of the year, \$5.04 billion spread across eight deals, according to the data, followed by Puerto Rico's single March sale of junk bonds totaling \$3.5 billion. California is typically the largest borrower in the municipal market, and its sales in the first nine months of this year represented a 2.3 percent market share.

The big sales, though, were not enough to lift issuance of municipal bonds from their doldrums, as total issuance was down 9.8 percent from the same period in 2013.

Assured Guaranty insured the most municipal bonds, backing \$7.4 billion debt in the first nine months of the year, the data showed.

After the financial crisis, when many insurers lost their AAA ratings, the number of guaranteed bonds dwindled. Recently, though, interest in insurance has ticked up. Insurers backed a total of \$12.78 billion in deals, 56.3 percent more than they guaranteed in the first nine months of 2013.

Bank of China Ltd made a large entry into the business of providing letters of credit to municipal issuers, taking the top spot for the first nine months after providing no letters of credit through all of 2013. It gave the facilities to only two deals, totaling \$459 million, but that represented nearly one-fifth of the amount of debt backed by letters of credit.

Wells Fargo Bank, which had been the top provider in 2013, slipped to second, backing \$225.1 million in five deals.

Altogether, \$2.37 billion in deals carried letters of credit, a 47.5 percent increase from the same period of 2013.

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(Reporting by Lisa Lambert, editing by G Crosse and Dan Grebler)