

Bond Case Briefs

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NABL: Tribal Economic Development Bonds, New CREBs.

On December 4, 2015, the IRS published Notice 2015-83 on Tribal Economic Development (TED) Bonds issued under a draw-down loan structure. Notice 2015-83 adds a new Section 10 to Notice 2012-48. Notice 2012-48 provided that any allocated bond volume unused after 180 days from the date of the allocation letter would be forfeit. Under Notice 2015-83, if a tribal government received a TED bond allocation and issues at least 10 percent of the allocation within 180 days, then the tribal government will have two years, or in some cases three years, to issue the remaining amount. The application for the allocation of volume cap must include a commitment letter from a financial institution stating that the institution reasonably expects to advance the total principal amount of the draw-down bonds no later than three years after the date of the allocation letter.

Notice 2015-83 also requests comments on whether similar rules should be provided for New CREBs.

The rule is effective for applications for TED bond volume cap submitted on or after December 4, 2015.

Allocations that did not expire before December 4, 2015 may also be able to rely on Notice 2015-83.

To read Notice 2015-83, please [click here](#).

Notice 2012-48 is available [here](#).