

# **Bond Case Briefs**

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## **NABL: Treasury Issues Immediate Relief**

**The U.S. Department of the Treasury (Treasury) has issued guidance providing immediate relief to issuers in certain circumstances:**

- Provides temporary guidance regarding the public approval requirement under § 147(f) of the Internal Revenue Code (Code) for tax-exempt qualified private activity bonds, [available here](#).
- Expands the temporary rule allowing governmental issuers to purchase certain of their own tax-exempt bonds, [available here](#).

### **Temporary guidance regarding the public approval requirement:**

A hearing conducted between May 4, 2020 and December 31, 2020 that is held by teleconference accessible to the residents of the approving governmental unit by calling a toll-free telephone number will be treated as held in a location that, based on the facts and circumstances, is convenient for residents of the approving governmental unit for the purpose of § 1.147(f)-1(d)(2). Provided the requirements of the preceding sentence are satisfied, governmental units are not precluded from offering additional access to the hearing by other telephone numbers or by internet-based meeting technology. Issuers may apply this revenue procedure retroactively to public hearings held telephonically before May 4, 2020 in response to the COVID-19 pandemic.

### **Expanded temporary rule allowing governmental issuers to purchase certain of their own tax-exempt bonds:**

Solely for purposes of § 103 and §§ 141 through 150, the Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) will treat a tax-exempt qualified tender bond or tax-exempt commercial paper that is purchased by its governmental issuer on a temporary basis as continuing in effect without resulting in a reissuance or retirement of the purchased tax-exempt bond if the governmental issuer purchases the tax-exempt qualified tender bond or tax-exempt commercial paper during the permitted holding period and holds the bond or paper no later than the end of the permitted holding period.

### **NABL Letter:**

On March 25, in response to the COVID-19 pandemic, NABL sent a letter to the U.S. Treasury asking it to address certain tax issues that may affect the functioning of the tax-exempt bond markets during the current outbreak of the novel coronavirus disease.

### **In the letter, NABL asked for the following:**

- (1) Clarity that, at least for a temporary period, TEFRA hearings are not required to be held in person; and
- (2) Relief as it relates to the impact of self-liquidity on extinguishment and reissuance analysis.

**You can find NABL's letter [here](#).**

For any questions, please contact Jessica Giroux, Director of Governmental Affairs at [jgiroux@nabl.org](mailto:jgiroux@nabl.org), (518) 469-1565.

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