

Bond Case Briefs

Municipal Finance Law Since 1971

PFN Releases Advance Refunding Myth Buster: NABL

The Public Finance Network, a coalition of bipartisan organizations, has released a new report, the [Advance Refunding Myth Buster](#), an FAQ on advance refunding municipal bonds.

Among other things, the document says the following: “All segments of the municipal bond market in rural and urban areas, including but not limited to: school districts, nonprofits, hospitals, higher education, transportation authorities, water and electric systems, airports and other core infrastructure providers used advance refunding as a tool to reduce interest costs. Despite the limitation to only advance refund bonds one time on a tax-exempt basis, state and local governments have generated hundreds of billions of dollars of interest cost savings over time. The savings derived from the advance refunding structure have directly funded infrastructure and governmental activities by reducing the interest payments state and local government issuers make to bond owners.”

If you are having conversations with members of Congress or their staff over the holiday season, we would encourage you to discuss the merits of reinstating this very important tool as a component of any future infrastructure package when Congress convenes in 2021.