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[Wall Street Worries About Losing Texas Deals Over Ken Paxton's Green Energy Probe.](#)

- **State AG's review of bank energy policies disrupts borrowings**
- **AG 'has put a strain on municipalities,' Houston official says**

Texas Attorney General Ken Paxton is sending shock waves through the state's booming municipal-bond market, leaving borrowers and bankers alike on edge.

At least two banks, RBC Capital Markets and Wells Fargo & Co., were dropped from underwriting muni deals since Paxton said last week that he was probing the energy policies of a group of finance companies given commitments they've made to cut greenhouse gas emissions.

The review by Paxton, a rising star in the state's Republican Party, targets eight Wall Street bond underwriters, including JPMorgan Chase & Co., Morgan Stanley, RBC and Wells Fargo. The group has handled more than a quarter of the \$51 billion of muni sales from Texas cities and localities in 2023, data compiled by Bloomberg show. Those banks are now at risk of losing business in the Lone Star State.

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