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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.

Continue reading.

Bloomberg Markets

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October 27, 2023

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