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Housing-Bond Sales Hit 10-Year High as Mortgage Rates Stay Lofty.

- **Michigan, Rhode Island, Colorado entities borrowed recently**
- **A 57% year-over-year jump in issuance of such bonds seen**

State and local governments borrowed nearly \$9 billion for affordable housing so far this year — the most for the period in at least a decade — as buying a home in the US remains expensive.

The Michigan State Housing Development Authority's recent \$425 million bond sale is expected to help more than 2,700 families get lower mortgages, said Chief Financial Officer Jeffrey Sykes. Rhode Island Housing sold about \$125 million of non-taxable bonds to aid first-time home buyers. Colorado ski town Telluride borrowed \$31.8 million, half of which will be used to buy and build affordable rental housing.

The 57% year-over-year jump in issuance of housing bonds coincides with a period of lower borrowing costs in the muni market. The yield on the 10-year AAA benchmark is down 1.1 percentage point since Nov. 1, the start of a prominent rally. Mortgage rates, meanwhile, continue to be twice as high as they were in 2021, before the Federal Reserve started raising interest rates.

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Bloomberg Markets

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March 27, 2024