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Siebert Sees Muni Borrowers Asking More of Banks Amid Volatility.

State and local borrowers are asking more of Wall Street banks when they select underwriters for municipal-bond deals, according to Gary Hall, the head of infrastructure and public finance at Siebert Williams Shank & Co.

Issuers in the \$4 trillion muni market are increasingly querying banks during the underwriter selection process about their willingness to use their balance sheet to support transactions, Hall said in an interview on the sidelines of a Bond Buyer public finance conference in Atlanta. This comes as investors, including banks and insurance companies, are being more selective in what they buy, he said.

"Issuers are asking that question more in RFPs, 'Are you willing to use your balance sheet?' and 'How are you willing to use your balance sheet?'" Hall said, referencing the request for proposals that governments send out for underwriters. "That's one of the reasons to make a concerted effort to make sure we had sufficient resources to be that player in the marketplace."

This comes amid uncertainty across markets. Last month, municipal-bonds suffered their worst day in decades as investors sold off holdings amid the volatility caused by President Donald Trump's tariff plans. Several deals were postponed amid the rising yields and market volatility. After last month's swings, supply is picking up and investors are coming back.

Hall, who has over 25 years of experience in munis, said during a panel at the conference that he's seeing a consistent rise in unsold balances on muni transactions, adding that the trend keeps him up at night. Siebert is finding the need to tap its own balance sheet more, he said.

His firm received an undisclosed investment from Apollo in 2022 that was expected to "significantly increase" its underwriting capacity. The commitment aimed to draw larger deal flow. Last year, Siebert was ranked as the 11th-largest underwriter of long-term muni debt having managed \$16.6 billion of deals, according to data compiled by Bloomberg. That's up three slots from 2021 when the bank managed \$8.2 billion.

"We're doing larger deals now, that requires sometimes us stepping up in order to do these deals and that's something that now is more the norm than it used to be," Hall said.

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By Aashna Shah

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