



MUNICIPAL BOND CREDIT REPORT

Fourth Quarter 2012

RESEARCH REPORT



MUNICIPAL BOND SCHOOL 2013

Material and program presented by

The Municipal Bond Club of New York in conjunction with SIFMA

DATE	TOPIC	SPEAKER	FIRM
2/12 Tuesday	Introduction to Municipal Bonds	Jim Lebenthal	<i>Lebenthal</i>
2/19 Tuesday	Financial Advisors	Noah Nadelson	<i>Munistat Services</i>
2/26 Tuesday	Issuers Perspective	Pat McCoy	<i>MTA</i>
3/5 Tuesday	Rating Muni Bonds	John Sugden	<i>Standard & Poor's</i>
3/11 Monday	Public Finance - Banking	Scott Monahan & Charles Stavitski	<i>Roosevelt & Cross</i>
3/19 Tuesday	Bond Insurance	Chris Chafezedah	<i>Assured Guaranty</i>
3/25 Monday	Primary Market/Underwriting	Glen Balanoff & Brian Wynne	<i>Morgan Stanley</i>
4/1 Monday	Secondary Market /Trading	Nicolle Brescia	<i>Morgan Stanley</i>
4/9 Tuesday	Market Strategy	Tom Doe	<i>MMA</i>
4/16 Tuesday	Municipals Today	Leslie Norwood/Mike Stanton	<i>SIFMA/Bond Buyer</i>
4/18 Thursday	NETWORKING NIGHT 5:30–7:30	FREE FOOD & DRINKS Diplomas Certificates given	<i>TBA</i>

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CLASSES BEGIN PROMPTLY AT 5:45 PM, LASTING TO APPROXIMATELY 7:00 PM

CLASSES WILL BE HELD AT THE SIFMA CONFERENCE CENTER, 120 BROADWAY, NEW YORK CITY

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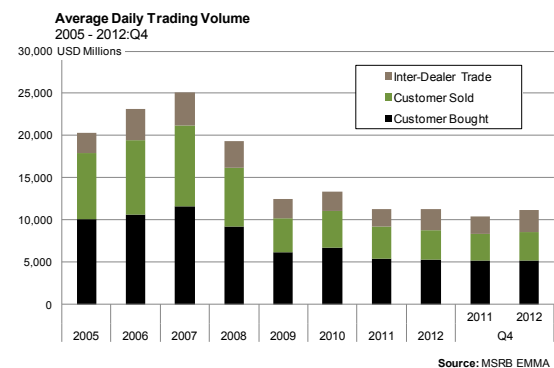
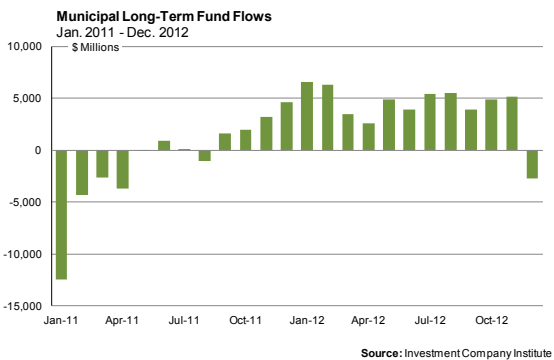
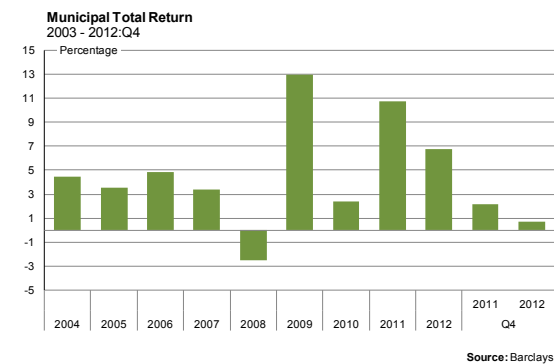
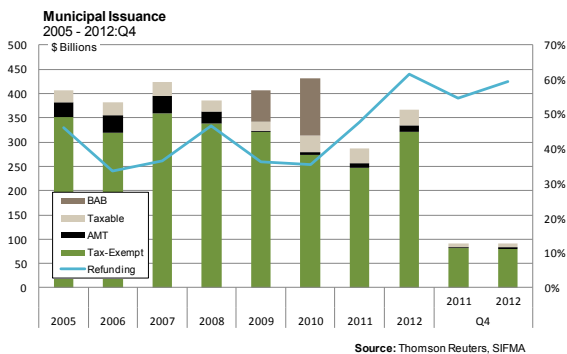
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MARKET SUMMARY



November elections and the ensuing “fiscal cliff” discussions took center stage in the fourth quarter. Following the reelection of President Barack Obama to a second term, concerns focused largely on the “fiscal cliff” slated to come into effect at the beginning of 2013. While a deal was struck shortly after the end of the year and mitigated approximately two thirds of the fiscal policy-related portions of the fiscal cliff, remnants of the fiscal cliff still remain.

Municipal Issuance Overview – Primary Market

According to Thomson Reuters, long-term municipal issuance volume, including taxable and tax-exempt issuance, totaled \$91.3 billion in the fourth quarter of 2012, an increase of 9.3 percent from the prior quarter (\$83.6 billion) but a decline of 0.6 percent year-over-year (y-o-y). For the full year 2012, municipal issuance totaled \$366.7 billion, just shy of the 10-year average (\$381.3 billion) and at levels last seen in 2003 (\$378.5 billion). Annual volume was 27.7 percent greater than 2011 (\$287.2 billion), and within the range of the volume expected from SIFMA’s 2012 Municipal Issuance Survey.¹ For 2013, respondents to SIFMA’s 2013 Municipal Issuance Survey (“SIFMA Municipal Survey”) expect issuance volumes to rise again, expecting \$393.0 billion of long-term issuance.²

Tax-exempt issuance totaled \$79.4 billion in 4Q’12, a 16.9 percent increase quarter-over-quarter (\$80.9 billion) but a decline of 1.9 percent y-o-y (\$67.9 billion). For the full year 2012, tax-exempt issuance reached \$321.9 billion, representing 87.8 percent of all issuance, similar in proportion to 2011 (86.2 percent). AMT issuance totaled \$3.6 billion in 4Q’12, a decline of 26.9 percent q-o-q but an increase of 54.4 percent y-o-y. For the full year 2012, AMT issuance was \$13.0 billion, an increase of 61.1 percent from 2011. Taxable issuance was \$8.7 billion in 4Q’12, a decline of 19.5 percent q-o-q but unchanged y-o-y. For the full year 2012, taxable issuance was \$31.8 billion, also similarly unchanged from the full year 2011. For 2013, respondents to the SIFMA Municipal Survey expected tax-exempt issuance to reach \$345.0 billion, AMT issuance to reach \$13.0 billion, and taxable issuance to reach \$35.0 billion.

By use of proceeds, general purpose led issuance totals in 4Q’12 (\$24.2 billion), followed by primary & secondary education (\$13.6 billion), and water & sewer facilities (\$7.3 billion). For the full year 2012, general purpose also led totals (\$99.3 billion), followed by primary & secondary education (\$58.3 billion) and water & sewer facilities (\$39.2 billion). Respondents to the SIFMA Municipal Survey expect general purpose to remain the leading issuing sector in 2013.

Refundings remained elevated in the fourth quarter, but declined slightly as a percentage of issuance (57.3 percent) compared to 3Q’12 (59.5 percent), but still above 4Q’11 (47.8 percent).³ For the full year, refundings represented 61.5 percent by dollar amount, a new high. Respondents to SIFMA’s Municipal Issuance Survey expect refundings to remain elevated in 2013.

Municipal supply, net of redemptions, continued to remain overall negative in the fourth quarter with refundings driving volumes. With economists expecting further reductions in state and local government spending in 2013⁴, overall net volumes are likely to remain negative.

¹ See SIFMA’s [US Municipal Issuance Survey 2012](#).

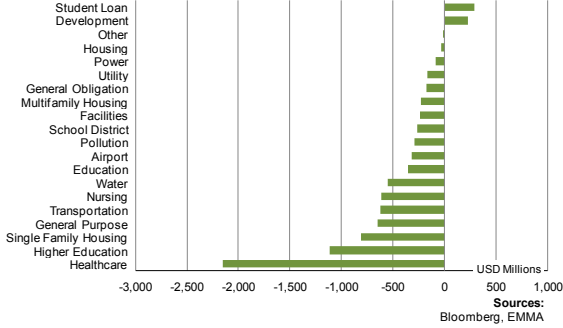
² See SIFMA’s [US Municipal Issuance Survey 2013](#).

³ Percentages represent both full refundings and the full dollar amount of deals that contain both refundings and new refinancing.

⁴ See SIFMA’s [End-Year 2012 Economic Outlook](#), January 16, 2013.

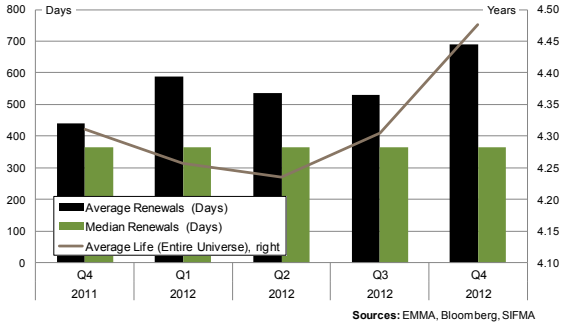
VRDO Net Issuance by Industry

Q4 2012



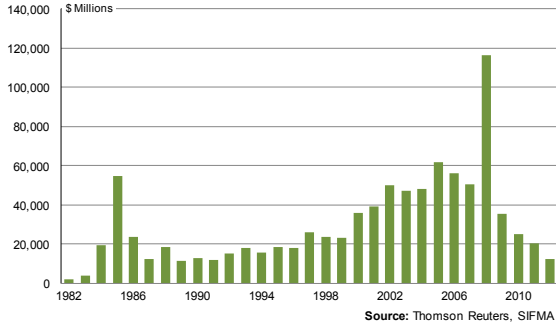
Liquidity Facility Renewals by Same Liquidity Provider

2011:Q4 - 2012:Q4



VRDO Issuance

1982 - 2012



VRDO Liquidity Support

Bank (as of December 31, 2012)	Sum (\$ millions)	% of VRDO liquidity support by dollar amount	Change from 2Q'12
JPM	39,233.2	19.7%	-1.3%
BOA	22,462.6	11.3%	-29.9%
WF	20,479.2	10.3%	-3.1%
US Bank	14,597.7	7.3%	1.7%
PNC	8,476.9	4.3%	14.7%
RBC	7,836.1	3.9%	7.4%
TD	6,968.9	3.5%	12.7%
Barclays	5,876.8	3.0%	16.6%
State Street	5,545.9	2.8%	1.8%
Landesbank Hessen-Thrhn	5,164.6	2.6%	-13.5%
Citi	4,669.8	2.3%	-44.9%
BBT	3,960.2	2.0%	-18.9%
Northern Trust	3,544.3	1.8%	3.5%
Tokyo Mitsubishi UFJ	3,484.2	1.8%	39.5%
BNY	3,246.9	1.6%	8.3%
Everyone Else	43,191.3	21.7%	

Yields, Inflows, and Total Return

Ratios of 10-year tax-exempt AAA GOs and similar-maturity Treasuries moved lower in the fourth quarter, ending at 96.4 percent. Yields on municipal bonds reached new lows in November, before rising slightly on fiscal cliff and municipal tax exemption concerns.

The municipal market returned 0.7 percent on a total return basis in 4Q'12 and 6.8 percent for the full year 2012. Although underperforming in the fourth quarter, high yield municipals (representing approximately 2.8 percent of outstanding, or 13.3 percent when including unrated deals), returned 18.1 percent for the full year, partly driven by the rally in tobacco settlement bonds (which represent approximately two thirds of rated high-yield securities).

According to the Investment Company Institute (ICI), fourth quarter inflow into long-term municipal funds was positive with \$7.4 billion of inflow, albeit down from the prior quarter (\$14.9 billion of inflow) and year-over-year (\$9.8 billion of inflow in 4Q'11).

Tax-exempt money market funds reported gains in assets in 4Q'12, reporting \$284.8 billion in assets under management, a gain of \$16.3 billion, or 6.1 percent, from 3Q'12. The expiration of the FDIC's Transaction Account Guarantee program at the end of the year may have resulted in inflows to short-term municipal money funds. For the full year, however, money funds reported a net decline of \$6.2 billion, or 2.1 percent of assets.

Trading Activity and Dealer Inventories

Trading activity increased q-o-q to \$11.2 billion daily in 4Q'12, a 1.1 percent increase from 3Q'12 (\$11.1 billion traded daily) and a 7.1 percent increase y-o-y (\$10.5 billion traded daily in 4Q'11). The average daily number of trades, however, declined slightly q-o-q (a decline of 1.0 percent) and y-o-y (a decline of 2.3 percent).

VRDO Issuance and Update

Issuance of variable-rate demand obligations (VRDOs), long-term municipal bonds with floating interest rates that reset periodically and put features, increased in the fourth quarter. According to Thomson Reuters, \$3.8 billion were issued in 4Q'12, an increase of 23.0 percent q-o-q but a decline of 18.0 percent, from 4Q'11. For 2013, respondents to the SIFMA Municipal Survey expect VRDO issuance to reach \$15.0 billion. Floating rate notes (both LIBOR- and SIFMA-indexed), which have seen a spike in issuance in 2012, were also expected to increase to \$12.0 billion in 2013.

On net, VRDO outstandings continue to decline, ending 4Q'12 at \$265.6 billion, a decline of 3.0 percent from 3Q'12 (\$272.8 billion). Declines were led by nursing (7.9 percent), single family housing (6.6 percent), and school districts (6.3 percent); on the other hand, student loans (a refunding from prior ARS deals) and development had positive net gains.

As of end-December, \$69.3 billion of VRDO liquidity facilities were scheduled to expire in 2013, with an additional \$65.0 billion in 2014, for a total of \$134.3 billion within two years. Several housing authorities with liquidity facilities from the U.S. Treasury's Temporary Credit and Liquidity Program ("TCLP"), which had been originally scheduled to expire at the end of 2012 but was extended to 2015, have renewed their facilities to the new date of expiry. While municipal entities have become less dependent on large U.S. banks for liquidity support to municipal entities, foreign banks, particularly Canadian and Japanese banks, have continued to fill the gap.

VRDO liquidity facility renewals with the same provider on approximately 1,300 unique CUSIPs averaged 690.8 days from the original expiration date, a significant jump from the 530.6 days in 3Q'12 and prior quarters. The TCLP renewals into 2015, however, played a large role in the jump in average tenor; excluding Federal National Mortgage Association (FNMA) and Federal Home Loans Mortgage Corporation (FHLMC) renewals, the average renewal period was 575.7 days. The lengthy TCLP extensions led to an overall increase in average facility tenors, from 4.31 years to 4.48 years. The median extension, however, continues to remain unchanged at 1 year (365 days). The SIFMA Municipal Swap index, a seven-day high-grade market index comprised of tax-exempt VRDOs, ended December at 0.13 percent, averaging 0.17 percent in 4Q'12, 2 basis points above 3Q'12's average.

Basel III liquidity coverage requirements, which had originally required banks to hold liquid assets equal to 100 percent of liquidity commitments, were revised in early 2013.⁵ Among changes were: expanding the definition of liquid assets; reducing the percentage of liquid assets required for liquidity commitments (revised downward from 100 percent to 30 percent); and lengthening the timeline to meet the liquidity coverage ratio, allowing for a gradual phase in by 2019.

Government Update

In its December 12, 2012 release the Federal Open Market Committee (FOMC) maintained its position that economic conditions continue to warrant exceptionally low levels for the federal funds rate through mid-2015, but added new guidance that such rates would be maintained at least as long as: 1) the unemployment rate remains above 6.5 percent; 2) inflation over a 1-2 year time horizon is projected to be no more than 2.5 percent; and 3) long-term inflation expectations remain 'well anchored'. The FOMC also announced additional Treasury purchases of \$45 billion per month upon the expiration of 'Operation Twist' at end-2012, but altered purchase trends in order to maintain the same duration impact as it had with Operation Twist.

The "fiscal cliff," comprised of three major policy areas: (1) expiring tax cuts; (2) the debt ceiling; and (3) sequestration, was mitigated partly through the American Taxpayer Relief Act of 2012 (H.R. 8), which among several items, permanently extended and modified Bush tax cuts from 2001 and 2003, extended some of the tax provisions from the American Recovery and Reinvestment Act (ARRA), and permanently raised and indexed the AMT patch. While the act eliminated approximately two-thirds of the policy-related fiscal cliff, several issues still remain for Congress to face in the first half of 2013. Congressional action in January forestalled a showdown over the debt ceiling until this summer. Shortly after the end of 2012, the U.S. Treasury suspended issuance of State and Local Government Securities (SLGS), used in refundings. While the tax exemption on municipals has remained intact, the exemption continues to remain a subject of contention while federal deficit issues continue to be hashed out.

Aside from the rise in capital gains and dividend taxes to 20 percent (from 15 percent) for individuals earning more than \$400,000 (couples \$450,000), certain other provisions affecting tax rates (which, in turn, affect tax equivalent yields) also came into effect in 2013. In particular, an additional 3.8 percent tax surcharge on net investment income for singles earning more than \$200,000 (couples \$250,000), which was the result of the Health Care and Reconciliation Act of 2010, also came into effect at the beginning of January. The surcharge does not apply to tax-exempt municipal bond interest.

According to Nelson A. Rockefeller Institute of Government, states reported growth in overall state tax collections for the third quarter of 2012, increasing by 2.1 percent in nominal terms y-o-y.⁶ On a local government level, the continued recovery of property values since January 2012 in nearly all city regions in the Case-Shiller index bode well for property tax collections, albeit on a heavy lag.

⁵ Bank for International Settlements, [Basel Committee releases revised version of Basel III's Liquidity Coverage Ratio](#), January 7, 2013.

⁶ Nelson A. Rockefeller Institute of Government, ["State Tax Revenues Showed Continued Yet Slow Growth in the Third Quarter of 2012,"](#) December 13, 2012.

CHARTS & DATA

LONG-TERM MUNICIPAL STATE ISSUANCE, 4Q'12⁷\$ Millions⁸

State	Total	G.O.		Tax			Coupon Type						
		Revenue	AMT	Tax-Exempt	Taxable	Convertible	Fixed Rate	Linked Rate	Variable Rate Long	Variable Rate Short (VRDO)	Zero		
Alabama	1,242.3	237.1	1,005.2	-	1,119.8	122.5	-	1,242.3	-	-	-	-	-
Alaska	200.2	175.1	25.1	-	200.1	-	-	200.1	-	-	-	-	-
Arizona	945.8	23.4	922.4	125.0	687.4	133.4	-	820.8	-	-	125.0	-	-
Arkansas	594.0	185.8	408.2	-	549.3	44.7	-	433.3	160.7	-	-	-	-
California	8,139.1	2,063.7	6,075.4	678.3	7,219.8	240.9	0.0	7,572.5	351.5	-	133.9	81.3	-
Colorado	3,058.2	1,071.3	1,986.9	315.8	2,617.6	124.9	-	3,058.2	-	-	-	-	-
Connecticut	1,545.9	533.0	1,012.9	48.3	1,269.1	228.5	-	1,509.9	-	-	36.0	-	-
District of Columbia	859.6	-	859.6	-	859.6	-	-	851.1	-	-	8.5	-	-
Delaware	96.7	-	96.7	-	96.7	-	-	96.7	-	-	-	-	-
Florida	4,780.9	272.4	4,508.5	703.4	3,890.7	186.8	-	4,540.2	-	-	240.6	-	-
Georgia	1,788.1	832.6	955.5	50.0	1,633.1	104.9	-	1,717.6	10.5	-	60.0	-	-
Guam	340.6	-	340.6	-	340.6	-	-	340.6	-	-	-	-	-
Hawaii	1,875.5	1,849.7	25.8	-	1,515.0	360.6	-	1,875.5	-	-	-	-	-
Idaho	248.1	118.7	129.4	-	244.1	4.0	-	203.1	-	-	45.0	-	-
Illinois	2,123.7	1,424.5	699.2	-	1,900.3	223.5	-	2,100.6	10.4	11.3	-	1.4	-
Indiana	2,048.3	542.3	1,506.0	25.0	1,822.6	200.7	-	1,991.3	-	-	57.0	-	-
Iowa	564.7	174.0	390.7	-	525.8	38.9	-	417.7	-	-	147.0	-	-
Kansas	1,108.0	511.9	596.1	-	1,091.2	16.8	-	1,108.0	-	-	-	-	-
Kentucky	423.5	41.7	381.8	6.8	391.9	24.8	-	423.4	-	-	-	-	-
Louisiana	923.0	130.3	792.7	9.2	717.4	196.4	-	923.0	-	-	-	-	-
Maine	76.7	6.1	70.6	-	62.0	14.6	-	76.7	-	-	-	-	-
Maryland	2,117.5	1,256.0	861.5	135.5	1,514.6	467.4	-	2,043.0	31.1	-	43.4	-	-
Massachusetts	2,376.7	773.4	1,603.3	102.4	2,250.6	23.8	-	1,961.4	415.3	-	-	-	-
Michigan	1,155.7	575.3	580.4	-	1,059.8	95.9	-	707.4	289.9	-	158.4	-	-
Minnesota	2,118.2	1,085.1	1,033.1	51.0	1,866.3	200.9	-	2,118.2	-	-	-	-	-
Mississippi	490.8	232.0	258.8	13.0	432.3	45.5	-	477.8	-	-	13.0	-	-
Missouri	1,283.2	271.8	1,011.4	-	1,219.0	64.2	-	1,283.2	-	-	-	0.0	-
Montana	106.1	48.1	58.0	-	77.7	28.4	-	106.0	-	-	-	-	-
Nebraska	704.4	172.9	531.5	-	704.3	-	-	704.3	-	-	-	-	-
Nevada	54.0	54.0	-	-	54.0	-	-	54.0	-	-	-	-	-
New Hampshire	402.6	98.2	304.4	-	163.1	239.5	-	163.1	239.5	-	-	-	-
New Jersey	2,522.5	760.4	1,762.1	22.5	2,407.3	92.8	-	2,522.6	-	-	-	-	-
New Mexico	315.9	30.3	285.6	-	315.9	-	-	315.9	-	-	-	-	-
New York	11,146.0	3,302.7	7,843.3	136.7	10,188.9	820.5	-	9,691.6	359.5	-	1,095.1	0.0	-
North Carolina	1,343.4	145.8	1,197.6	-	1,234.8	108.5	-	1,284.3	59.1	-	-	-	-
North Dakota	125.6	98.5	27.1	-	125.6	-	-	125.6	-	-	-	-	-
Ohio	1,939.1	887.6	1,051.5	27.8	1,813.8	97.5	-	1,851.5	50.0	-	-	37.6	-
Oklahoma	534.5	125.4	409.1	-	486.3	48.2	-	534.5	-	-	-	-	-
Oregon	732.6	371.7	360.9	60.4	627.2	45.0	-	732.5	-	-	-	-	-
Pennsylvania	6,434.6	1,128.2	5,306.4	441.6	5,346.6	646.3	-	6,064.5	70.1	-	300.0	-	-
Puerto Rico	23.3	-	23.3	-	23.3	-	-	23.3	-	-	-	-	-
Rhode Island	531.8	81.4	450.4	16.3	245.8	269.7	-	271.8	260.0	-	-	-	-
South Carolina	1,015.6	239.4	776.2	-	995.8	19.8	-	1,008.6	-	7.0	-	-	-
South Dakota	258.4	21.9	236.5	41.1	203.6	13.7	-	258.3	-	-	-	-	-
Tennessee	1,043.6	512.2	531.4	14.4	998.7	30.5	-	1,043.6	-	-	-	-	-
Texas	11,517.7	4,563.8	6,953.9	480.0	9,924.6	1,113.1	-	10,516.5	-	101.8	822.8	76.6	-
Utah	1,501.0	179.3	1,321.7	-	925.7	575.3	-	982.3	518.7	-	-	-	-
Vermont	956.6	-	956.6	18.3	178.1	760.2	-	66.5	890.1	-	-	-	-
Virgin Islands	0.0	-	-	-	-	-	-	-	-	-	-	-	-
Virginia	2,705.5	62.7	2,642.8	51.7	2,573.1	80.7	150.7	1,945.5	-	-	560.0	49.3	-
Washington	1,781.3	999.5	781.8	-	1,608.2	173.1	-	1,777.9	-	-	3.4	-	-
West Virginia	169.2	25.6	143.6	25.8	118.3	25.1	-	169.2	-	-	-	-	-
Wisconsin	1,281.3	817.1	464.2	2.7	959.7	319.0	-	1,281.3	-	-	-	-	-
Wyoming	16.9	-	16.9	-	15.5	1.4	-	16.9	-	-	-	-	-
ALL	91,688.5	29,113.9	62,574.6	3,603.0	79,412.6	8,672.9	150.7	83,605.7	3,705.9	130.6	3,849.1	246.2	-
QoQ	9.7%	4.7%	12.1%	-26.9%	16.9%	-19.5%	N/A	9.8%	-6.4%	-48.9%	23.0%	88.8%	-
YoY	-0.3%	-2.2%	0.7%	54.4%	-1.9%	0.0%	N/A	-1.6%	138.6%	-73.8%	-18.0%	46.9%	-

⁷ Issuance totals do not include private placements.⁸ Due to securities falling into more than one category within subcategories, state breakouts are not identical to other non-state-specific breakdowns, particularly related to coupon types (e.g., zeros are higher by dollar amount when broken out by state but would instead be assigned to the convertible or fixed rate categories when not broken out by state). This is a quirk of the SDC database.

State	Total	Refunding		
		New Financing	Refinancing & New	Refunding
Alabama	1,242.3	567.8	346.3	328.2
Alaska	200.2	162.3	21.2	16.7
Arizona	945.8	576.7	-	369.2
Arkansas	594.0	352.1	28.2	213.7
California	8,139.1	3,600.1	1,290.4	3,248.6
Colorado	3,058.2	1,472.7	1,169.5	416.0
Connecticut	1,545.9	717.2	645.5	183.3
District of Columbia	859.6	83.9	775.8	-
Delaware	96.7	-	96.7	-
Florida	4,780.9	661.9	795.4	3,323.6
Georgia	1,788.1	565.5	422.5	800.1
Guam	340.6	-	-	340.6
Hawaii	1,875.5	51.8	1,823.7	-
Idaho	248.1	189.0	-	59.1
Illinois	2,123.7	647.2	295.9	1,180.6
Indiana	2,048.3	1,097.0	623.9	327.4
Iowa	564.7	388.6	14.3	161.8
Kansas	1,108.0	475.7	127.6	504.6
Kentucky	423.5	119.1	116.0	188.3
Louisiana	923.0	356.5	-	566.5
Maine	76.7	2.8	28.6	45.3
Maryland	2,117.5	1,313.8	162.5	641.2
Massachusetts	2,376.7	966.9	280.2	1,129.7
Michigan	1,155.7	138.8	316.7	700.2
Minnesota	2,118.2	578.0	40.7	1,499.5
Mississippi	490.8	424.4	-	66.4
Missouri	1,283.2	448.8	292.8	541.6
Montana	106.1	22.4	-	83.7
Nebraska	704.4	221.5	360.4	122.5
Nevada	54.0	54.0	-	-
New Hampshire	402.6	337.7	64.9	-
New Jersey	2,522.5	1,571.4	163.6	787.6
New Mexico	315.9	66.0	18.8	231.1
New York	11,146.0	4,045.6	2,732.0	4,368.5
North Carolina	1,343.4	186.7	853.9	302.7
North Dakota	125.6	30.1	22.4	73.1
Ohio	1,939.1	833.0	537.8	568.3
Oklahoma	534.5	251.2	163.7	119.6
Oregon	732.6	153.7	157.4	421.4
Pennsylvania	6,434.6	4,408.2	635.4	1,391.0
Puerto Rico	23.3	-	23.3	-
Rhode Island	531.8	341.4	40.0	150.4
South Carolina	1,015.6	202.2	212.8	600.5
South Dakota	258.4	158.1	4.3	95.9
Tennessee	1,043.6	373.4	323.6	346.5
Texas	11,517.7	4,680.0	1,547.5	5,290.1
Utah	1,501.0	969.9	380.3	150.8
Vermont	956.6	931.8	-	24.8
Virgin Islands	0.0	-	-	-
Virginia	2,705.5	1,791.7	420.8	493.0
Washington	1,781.3	808.8	253.2	719.4
West Virginia	169.2	29.4	8.9	130.9
Wisconsin	1,281.3	755.9	14.3	511.2
Wyoming	16.9	-	-	16.9
ALL	91,688.5	39,182.7	18,653.7	33,852.1
QoQ	9.7%	15.6%	3.6%	6.7%
YoY	-0.3%	-18.4%	15.8%	21.7%

LONG-TERM MUNICIPAL STATE ISSUANCE, FULL YEAR 2012⁹\$ Millions¹⁰

State	Total	Revenue		Tax-Exempt			Variable Rate						
		G.O.	Revenue	AMT	Tax-Exempt	Taxable	Convertible	Fixed Rate	Linked Rate	Variable Rate Long	Variable Rate Short (VRDO)	Zero	
Alabama	3,312.1	967.1	2,345.0	8.7	3,109.0	194.5	-	3,152.1	-	-	-	160.0	-
Alaska	1,184.2	781.3	402.9	146.6	937.7	100.0	-	937.7	-	-	-	246.6	-
Arizona	4,921.8	1,266.1	3,655.7	144.2	4,397.9	379.7	-	4,796.8	-	-	-	125.0	0.0
Arkansas	2,645.0	1,295.9	1,349.1	-	2,487.0	157.9	-	2,484.2	160.7	-	-	-	-
California	41,130.9	14,608.8	26,522.1	1,345.1	36,780.7	3,005.2	60.8	38,431.2	920.1	235.5	693.1	790.2	-
Colorado	7,968.2	2,247.0	5,721.2	315.8	6,942.9	709.6	13.3	7,735.5	-	-	-	219.4	0.0
Connecticut	5,564.7	3,347.2	2,217.5	155.4	5,059.6	349.7	-	5,051.4	428.4	-	-	85.0	-
District of Columbia	2,054.6	42.9	2,011.7	291.0	1,763.6	-	-	1,946.2	100.0	-	-	8.5	-
Delaware	546.8	176.8	370.0	-	538.9	7.9	-	546.8	-	-	-	-	-
Florida	16,777.4	1,944.9	14,832.5	1,150.7	15,009.2	617.6	0.0	15,949.3	377.2	58.8	392.1	-	-
Georgia	6,451.1	2,784.5	3,666.6	328.4	5,731.8	390.9	-	6,107.0	-	215.3	128.8	-	-
Guam	449.3	-	449.3	-	421.9	27.4	-	449.3	-	-	-	-	-
Hawaii	2,395.8	1,884.1	511.7	8.2	2,027.0	360.6	-	2,384.0	-	-	-	11.8	-
Idaho	886.7	446.7	440.0	-	866.6	20.1	-	841.7	-	-	-	45.0	-
Illinois	15,842.8	8,816.1	7,026.7	1,099.7	12,842.2	1,900.9	-	15,261.6	10.4	100.0	459.5	11.4	-
Indiana	4,914.4	1,093.3	3,821.1	165.6	4,355.1	393.6	-	4,717.1	-	3.0	185.5	8.8	-
Iowa	3,870.3	1,397.3	2,473.0	11.0	3,087.2	772.2	-	2,834.5	531.0	-	504.8	-	-
Kansas	3,344.0	1,647.5	1,696.5	-	3,192.5	151.4	-	3,177.1	151.4	15.5	-	-	-
Kentucky	2,667.1	248.8	2,418.3	6.8	2,383.1	277.2	-	2,661.0	6.0	-	-	-	-
Louisiana	3,822.4	1,680.6	2,141.8	9.2	3,393.4	419.8	-	3,822.3	-	-	-	-	-
Maine	917.6	342.9	574.7	118.7	741.4	57.5	-	917.6	-	-	-	-	-
Maryland	6,060.3	3,503.6	2,556.7	334.2	5,024.8	701.4	-	5,762.2	200.8	9.0	88.4	-	-
Massachusetts	9,063.5	3,561.1	5,502.4	458.0	8,400.1	205.4	-	8,185.3	878.2	-	-	-	-
Michigan	9,796.5	3,584.7	6,211.8	102.4	9,018.6	675.6	-	8,898.5	306.9	-	591.1	-	-
Minnesota	6,702.6	4,283.8	2,418.8	422.6	5,706.6	573.4	-	6,307.6	-	1.0	381.2	12.8	-
Mississippi	1,607.0	1,036.3	570.7	13.0	1,238.3	355.6	-	1,414.8	179.1	-	13.0	-	-
Missouri	5,010.4	1,621.7	3,388.7	31.4	4,541.1	437.9	-	4,705.6	256.1	-	43.4	5.3	-
Montana	338.6	175.9	162.7	36.2	244.3	58.1	-	338.6	-	-	-	-	-
Nebraska	3,718.1	1,053.2	2,664.9	35.0	3,645.3	37.8	-	3,683.2	-	35.0	-	-	-
Nevada	1,368.8	1,094.3	274.5	-	1,351.5	17.3	-	1,368.8	-	-	-	-	-
New Hampshire	1,242.0	538.0	704.0	25.7	823.7	392.5	-	1,002.4	239.5	-	-	-	-
New Jersey	10,482.0	3,316.3	7,165.7	520.9	9,453.7	507.4	-	10,193.9	238.1	-	50.0	-	-
New Mexico	1,053.2	350.6	702.6	27.8	1,025.4	-	-	1,053.2	-	-	-	-	-
New York	48,425.7	11,674.2	36,751.5	708.5	43,473.0	4,244.2	-	43,979.3	866.9	3.0	3,576.5	0.0	-
North Carolina	6,462.7	1,496.9	4,965.8	-	5,370.6	1,092.1	-	5,589.8	859.0	-	13.9	-	-
North Dakota	753.0	236.0	517.0	14.5	710.1	28.5	-	753.1	-	-	-	-	-
Ohio	10,348.5	4,820.6	5,527.9	69.7	9,911.2	367.6	-	10,003.9	50.0	-	100.0	194.6	-
Oklahoma	2,250.2	693.1	1,557.1	-	2,133.2	117.0	-	2,144.0	106.2	-	-	-	-
Oregon	3,201.1	1,424.5	1,776.6	61.3	2,704.5	435.4	-	3,084.7	-	-	104.7	11.7	-
Pennsylvania	16,149.2	5,994.5	10,154.7	590.2	14,699.3	859.7	-	15,442.0	336.0	-	371.2	-	-
Puerto Rico	7,632.4	2,733.5	4,898.9	-	6,629.7	1,002.6	-	7,632.3	-	-	-	-	-
Rhode Island	1,439.7	268.4	1,171.3	132.5	847.3	460.0	-	990.7	371.0	-	78.0	-	-
South Carolina	4,171.1	1,108.3	3,062.8	-	3,807.8	363.3	-	4,164.1	-	7.0	-	-	-
South Dakota	848.2	178.8	669.4	69.4	688.4	90.5	-	846.6	-	-	1.6	-	-
Tennessee	4,596.2	2,438.0	2,158.2	62.3	4,220.6	313.3	-	4,406.1	134.0	-	56.1	-	-
Texas	36,863.7	16,624.0	20,239.7	2,398.1	30,771.9	3,693.7	-	32,121.2	1,603.2	326.4	2,464.7	348.2	-
Utah	2,812.0	590.5	2,221.5	-	2,195.5	616.5	-	2,269.3	518.7	-	24.0	-	-
Vermont	1,550.2	286.8	1,263.4	94.8	675.1	780.3	-	660.1	890.1	-	-	-	-
Virgin Islands	69.2	-	69.2	-	17.4	51.8	-	69.2	-	-	-	-	-
Virginia	10,775.3	3,215.4	7,559.9	974.5	9,028.3	772.5	150.7	9,791.6	213.9	-	569.8	49.3	-
Washington	12,583.1	6,715.9	5,867.2	271.6	10,901.2	1,410.3	-	12,282.3	-	100.0	200.8	-	-
West Virginia	688.0	100.9	587.1	25.8	637.0	25.1	-	688.0	-	-	-	-	-
Wisconsin	6,701.9	3,445.4	3,256.5	195.9	5,730.7	775.4	-	6,289.7	-	15.0	394.7	2.5	-
Wyoming	256.6	30.0	226.6	38.2	217.0	1.4	-	256.6	-	-	-	-	-
ALL	366,688.2	135,215.0	231,473.2	13,019.6	321,911.9	31,757.3	224.8	340,583.1	10,932.9	1,124.5	12,388.2	1,434.8	-

⁹ Issuance totals do not include private placements.¹⁰ Due to securities falling into more than one category within subcategories, state breakouts are not identical to other non-state-specific breakdowns, particularly related to coupon types (e.g., zeros are higher by dollar amount when broken out by state but would instead be assigned to the convertible or fixed rate categories when not broken out by state). This is a quirk of the SDC database.

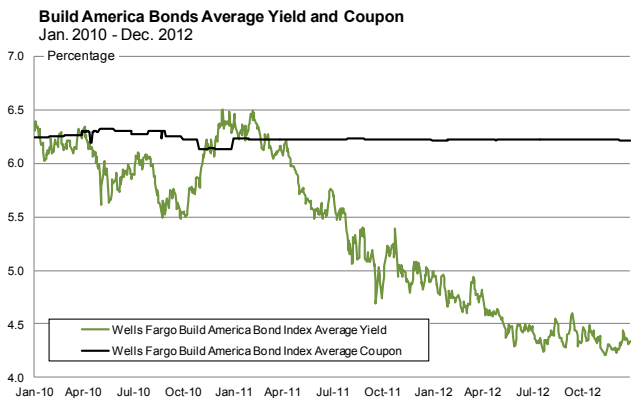
State	Total	Refunding		
		New Financing	Refinancing & New	Refunding
Alabama	3,312.1	1,047.4	1,120.0	1,144.7
Alaska	1,184.2	292.3	272.5	619.5
Arizona	4,921.8	1,511.0	658.0	2,752.8
Arkansas	2,645.0	990.8	459.8	1,194.4
California	41,130.9	12,751.1	11,840.1	16,539.8
Colorado	7,968.2	3,481.3	1,795.2	2,691.7
Connecticut	5,564.7	2,956.2	834.5	1,774.0
District of Columbia	2,054.6	260.0	1,116.4	678.3
Delaware	546.8	78.0	128.8	340.0
Florida	16,777.4	4,342.7	2,683.0	9,751.7
Georgia	6,451.1	2,943.0	1,351.1	2,157.0
Guam	449.3	108.7	-	340.6
Hawaii	2,395.8	139.3	2,089.3	167.2
Idaho	886.7	403.1	76.9	406.8
Illinois	15,842.8	6,707.8	3,476.0	5,659.0
Indiana	4,914.4	2,319.4	1,134.4	1,460.5
Iowa	3,870.3	2,725.7	156.3	988.4
Kansas	3,344.0	1,138.9	353.9	1,851.2
Kentucky	2,667.1	1,073.8	274.7	1,318.5
Louisiana	3,822.4	1,096.4	40.0	2,685.9
Maine	917.6	324.6	307.6	285.3
Maryland	6,060.3	3,715.7	773.9	1,570.7
Massachusetts	9,063.5	3,737.1	2,302.9	3,023.5
Michigan	9,796.5	1,918.7	1,777.5	6,100.4
Minnesota	6,702.6	2,471.5	792.5	3,438.6
Mississippi	1,607.0	635.5	2.5	968.9
Missouri	5,010.4	1,734.4	1,076.9	2,199.1
Montana	338.6	138.8	-	199.7
Nebraska	3,718.1	1,089.7	1,198.8	1,429.7
Nevada	1,368.8	458.9	90.0	819.9
New Hampshire	1,242.0	830.6	172.4	239.0
New Jersey	10,482.0	3,688.5	387.8	6,405.7
New Mexico	1,053.2	472.0	228.4	352.8
New York	48,425.7	19,149.8	10,464.7	18,811.1
North Carolina	6,462.7	2,239.6	2,273.1	1,950.1
North Dakota	753.0	248.4	178.6	326.1
Ohio	10,348.5	4,662.3	2,299.3	3,386.9
Oklahoma	2,250.2	1,423.5	363.8	462.9
Oregon	3,201.1	1,316.9	580.5	1,303.7
Pennsylvania	16,149.2	8,891.0	2,729.8	4,528.4
Puerto Rico	7,632.4	2,095.7	2,392.5	3,144.1
Rhode Island	1,439.7	742.7	221.3	475.7
South Carolina	4,171.1	1,308.7	294.4	2,568.0
South Dakota	848.2	417.5	218.3	212.3
Tennessee	4,596.2	1,335.1	979.3	2,281.8
Texas	36,863.7	13,620.5	6,529.4	16,713.8
Utah	2,812.0	1,544.3	593.9	673.8
Vermont	1,550.2	1,114.6	276.9	158.7
Virgin Islands	69.2	51.8	-	17.4
Virginia	10,775.3	6,097.5	1,744.4	2,933.4
Washington	12,583.1	4,468.4	1,908.0	6,206.7
West Virginia	688.0	94.0	141.1	452.9
Wisconsin	6,701.9	2,509.2	1,233.0	2,959.8
Wyoming	256.6	184.0	39.7	32.9
ALL	366,688.2	141,098.4	74,434.1	151,155.8

LONG-TERM MUNICIPAL ISSUANCE BY GENERAL USE OF PROCEEDS

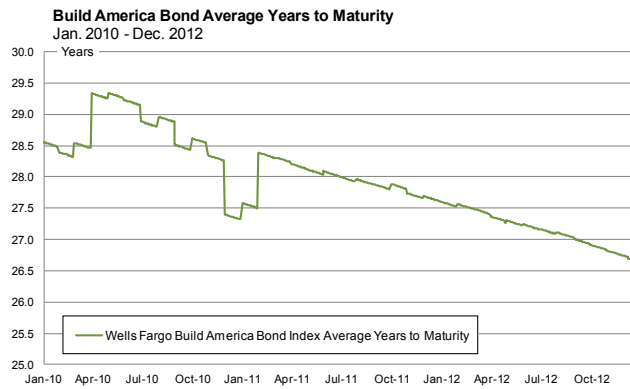
\$ Millions

Use of Proceeds	4Q'11	3Q'12	4Q'12	Q-o-Q	Y-o-Y	2012
Agriculture		2.5		-100.0%		283.6
Airports	2,111.8	4,404.5	3,330.5	-24.4%	57.7%	12,088.6
Assisted Living	1.5	189.4	200.5	5.9%	13266.7%	478.4
Bridges	1,160.6	2,157.9	502.0	-76.7%	-56.7%	3,401.0
Childrens hospital	467.5	647.0		-100.0%	-100.0%	1,301.3
Civic & convention centers	156.2	278.2	891.2	220.3%	470.6%	2,525.8
Combined utilities	313.9	552.8	845.0	52.9%	169.2%	2,043.7
Cont Care Retirement Community	538.4	790.8	1,095.6	38.5%	103.5%	2,953.3
Correctional facilities	106.0	75.4	245.0	224.9%	131.1%	1,955.8
Economic development	2,948.0	2,274.2	504.8	-77.8%	-82.9%	5,658.7
Fire stations & equipment	90.0	72.4	88.2	21.8%	-2.0%	248.6
Flood control	171.7	39.5	108.1	173.7%	-37.0%	314.4
Gas	4.7	64.0	1,476.4	2206.9%	31312.8%	2,201.4
General acute care hospital	7,223.2	5,869.8	6,233.7	6.2%	-13.7%	24,522.6
General Medical	838.1	43.7	21.8	-50.1%	-97.4%	628.2
General purpose /public improvement	28,338.1	20,165.9	24,178.7	19.9%	-14.7%	99,288.0
Government buildings	849.2	195.8	213.4	9.0%	-74.9%	1,621.3
Higher education	5,459.5	5,968.3	5,282.7	-11.5%	-3.2%	27,696.4
Hospital equipment loans	2.4				-100.0%	
Industrial development	975.4	957.0	876.0	-8.5%	-10.2%	2,482.2
Libraries & museums	502.6	231.7	295.6	27.6%	-41.2%	1,082.1
Mass transportation	4,311.1	3,822.6	6,278.1	64.2%	45.6%	18,241.4
Multi family housing	1,915.3	744.8	1,762.4	136.6%	-8.0%	4,266.3
Nursing homes	41.2	70.1	40.0	-42.9%	-2.9%	233.2
Office buildings	3,241.5				-100.0%	479.1
Other education	97.3	157.6	148.8	-5.6%	52.9%	624.5
Other recreation	128.1	116.1	67.1	-42.2%	-47.6%	566.3
Other transportation						15.9
Parking facilities	29.6	15.9	138.1	768.6%	366.6%	468.2
Parks, Zoos & Beaches	195.3	87.0	158.2	81.8%	-19.0%	740.9
Police stations & equipment		109.7	25.2	-77.0%		162.1
Pollution control	314.3	9.4	639.0	6697.9%	103.3%	1,997.6
Primary & secondary education	11,875.2	264.8	13,551.6	5017.7%	14.1%	58,339.6
Public power	2,034.3	12,437.8	3,840.3	-69.1%	88.8%	14,554.0
Recycling	7.3	3,119.3		-100.0%	-100.0%	2.5
Sanitation	58.5	72.2	107.3	48.6%	83.4%	275.4
Seaports /marine terminals	334.9	217.8	73.6	-66.2%	-78.0%	422.3
Single family housing	1,941.8	1,547.6	2,256.7	45.8%	16.2%	6,034.7
Single speciality hospital	36.7	136.4	64.6	-52.6%	76.0%	610.1
Solid waste	855.6	1.6	338.3	21043.8%	-60.5%	457.6
Stadiums & sports complexes	111.0	415.9	26.5	-93.6%	-76.1%	931.5
Student loans	771.5	2,390.4	2,069.0	-13.4%	168.2%	5,483.5
Telecommunications	18.0	15.4	43.1	179.9%	139.4%	76.3
Theatres		29.3	22.4	-23.5%		60.2
Toll roads, highways & streets	3,708.3	4,386.3	6,256.3	42.6%	68.7%	19,376.8
Tunnels			44.7			240.3
Veterans (excluding housing)		9.0		-100.0%		17.8
Water & sewer facilities	7,635.0	8,453.8	7,347.5	-13.1%	-3.8%	39,234.7
ALL	91,920.4	83,611.5	91,688.1	9.7%	-0.3%	366,687.6

BUILD AMERICA BONDS



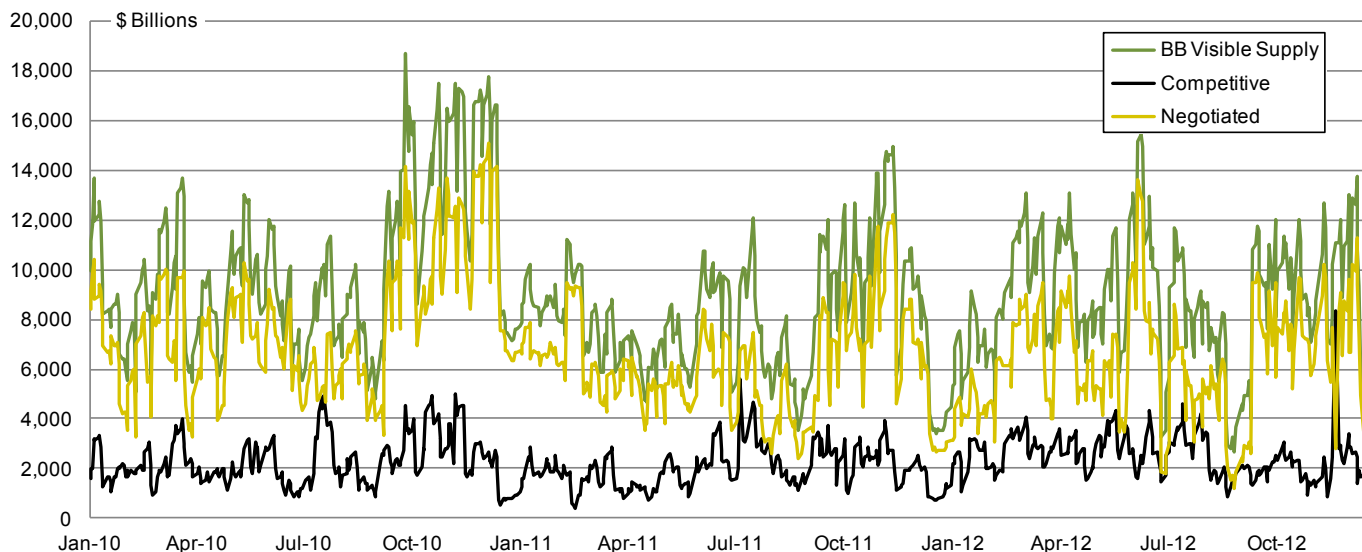
Source: Wells Fargo



Source: Wells Fargo

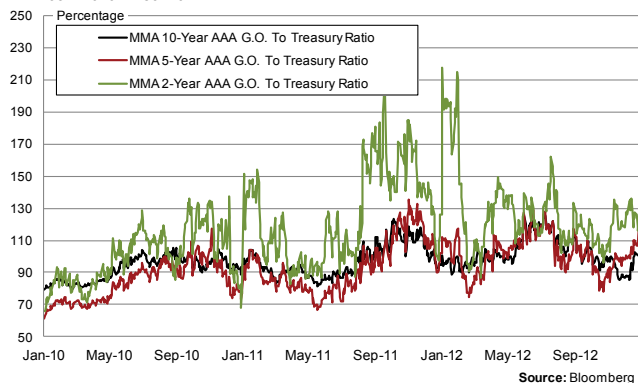
SUPPLY, YIELD CURVES, TOTAL RETURN, SPREADS & RATIOS

Bond Buyer 30-Day Visible Supply
Jan. 1, 2010 - Dec. 31, 2012



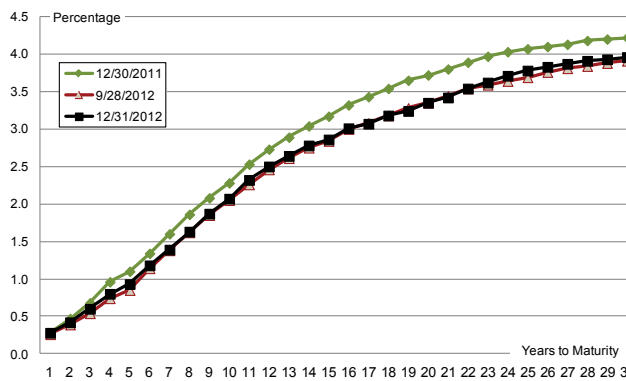
Source: Bond Buyer, Bloomberg

2-, 5-, and 10-Year AAA G.O. to Treasury Ratios
Jan. 2010 - Dec. 2012



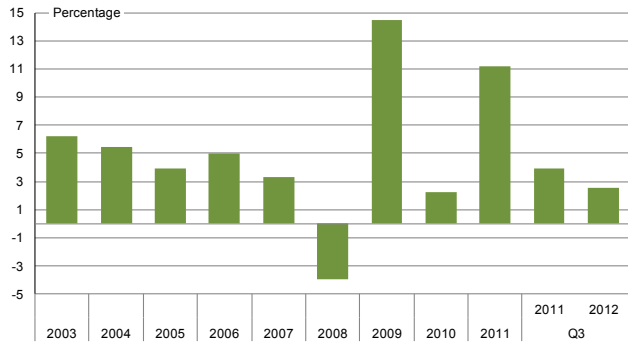
Source: Bloomberg

MMA Yield Curves



Source: MMA

Municipal Total Return
2003 - 2012:Q3



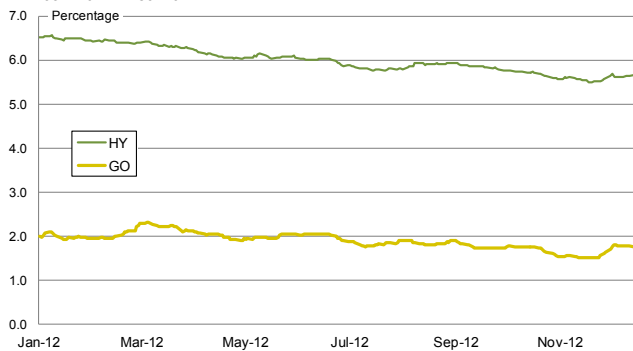
Source: Bank of America-Merrill Lynch

MCDX (5- and 10- Year)
Jan. 2012 - Dec. 2012



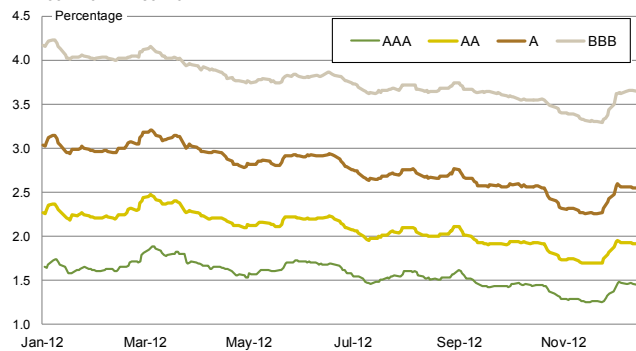
Source: Markit

Yields: GO and High Yield
Jan. 2012 - Dec. 2012



Source: Barclays

Yields: AAA, AA, A and BBB
Jan. 2012 - Dec. 2012



Source: Barclays

TRADING SUMMARY

	Total Number of Trades							
	# of Trades				Par Amount (Millions)			
	Customer Bought	Customer Sold	Inter-Dealer Trade	All Trades	Customer Bought	Customer Sold	Inter-Dealer Trade	All Trades
2011:Q4	1,179,218	461,056	750,401	2,390,675	324,295	202,545	132,589	\$659,429
2012:Q4	948,036	556,013	869,660	2,373,709	334,605	215,484	167,524	\$717,613
%Change	-20%	21%	16%	-1%	3%	6%	26%	9%

	# of Trades										
	# of Trades					Par Amount (Millions)					
	0 - 100,000	100,001 - 500,000	500,001 - 1,000,000	1,000,000+	All Trades	0 - 100,000	100,001 - 500,000	500,001 - 1,000,000	1,000,000+	All Trades	
2011:Q4	82%	12%	2%	4%	2,390,675	10%	11%	7%	72%	\$659,429	
2012:Q4	80%	13%	2%	4%	2,373,709	9%	11%	7%	73%	\$717,613	
%Change	-2%	8%	0%	0%	-1%	-10%	0%	0%	1%	9%	

	Trades by Sector							
	Education	Health	Utility	Various Purpose	Transportation	Tax-Revenue	Other	Total (Millions)
	2011:Q4	15%	10%	11%	10%	9%	9%	36%
2012:Q4	16%	12%	12%	10%	9%	9%	32%	\$717,613
%Change	7%	20%	9%	0%	0%	0%	-11%	9%

	Trades by Maturity					
	5+ Years to 10		10+ Years to 20		Total (Millions)	
	1 Year or Less	1+ Year to 5 Years	Years	Years		
2011:Q4	4%	10%	14%	31%	40%	\$659,429
2012:Q4	5%	9%	14%	29%	43%	\$717,613
%Change	25%	-10%	0%	-6%	8%	9%

	Trades by Source of Repayment				
	General Revenue	Obligation	Double Barrel	Not Available	Total (Millions)
	2011:Q4	72%	24%	3%	1%
2012:Q4	72%	24%	2%	1%	\$717,613
%Change	0%	0%	-33%	N/A	9%

	Trades by Coupon Type				
	Fixed Rate	Variable Rate	Zero Coupon	Not Available	Total (Millions)
	2011:Q4	60%	37%	3%	0%
2012:Q4	57%	39%	4%	0%	\$717,613
%Change	-5%	3%	33%	N/A	9%

Source: MSRB EMMA

MUNICIPAL CDS

Market Risk Activity of Single-Name Municipal CDS (\$ millions) ¹¹

State	California	Florida	Illinois	New Jersey	New York	Texas	New York City	Massachusetts	TOTAL	Average Contract Size
Dec-11	125.0		225.6	0.5	12.0	10.3			373.4	6.4
Jan-12	74.2		35.3	151.0			52.3		312.8	10.4
Feb-12	103.4	20.0	91.8	15.0		15.0	16.5		261.7	6.4
Mar-12	148.4	20.0	214.5			40.0	56.5		479.4	13.0
Apr-12	56.0	30.0	383.8				35.0		504.8	3.9
May-12	173.0		26.2	1.0	35.0				235.2	9.4
Jun-12	67.8	5.0	140.4	2.9		0.2	25.9		242.2	6.1
Jul-12	54.1		48.8	5.0			10.0		117.9	2.0
Aug-12	116.4		37.0	75.0	10.0	10.0	75.0		323.4	5.4
Sep-12	474.1		125.0	56.1			5.0		660.2	2.7
Oct-12	35.7		45.0		20.0				100.7	12.6
Nov-12	64.3	68.9	31.8	62.7	18.0	33.0	12.0		290.7	5.9
Dec-12	20.0	27.0	28.2	1.0	21.5	10.0	1.4		109.1	4.7
4Q'12	120.0	95.9	105.0	63.7	59.5	43.0	13.4	0.0	500.5	6.3
Q-o-Q	-81.4%		-50.2%	-53.2%	495.0%	329.7%	-85.1%		-54.6%	
Y-o-Y	-56.6%	1818.4%	-70.7%	-36.6%	58.7%	41.8%	-80.9%		-43.0%	

Source: DTCC

CDS Spreads for Single Name States (5- and 10-year, bps)

5-Year	Illinois	California	Connecticut	Nevada	New Jersey	Ohio	Michigan	Pennsylvania	Florida	New York	Massachusetts	Wisconsin	Maryland	North Carolina	Texas	Delaware	Minnesota
12/31/2010	348.0	299.2	165.0	212.0	219.0	152.0	238.0	143.0	155.0	215.0	160.0	136.0	106.0	100.0	102.0	65.1	94.0
3/31/2011	246.0	211.0	135.0	154.0	151.0	112.0	150.0	109.0	105.0	105.0	119.0	102.0	80.0	83.0	77.0	63.7	76.0
6/30/2011	201.0	141.4	122.0	128.0	138.0	101.0	130.0	90.0	91.0	99.0	92.0	78.0	69.0	73.0	60.0	46.6	67.0
9/30/2011	263.0	226.0	156.0	155.0	151.0	150.0	142.0	135.0	126.0	121.0	119.0	118.0	88.0	82.0	82.0	81.7	51.5
12/31/2011	285.0	234.1	134.0	116.0	176.0	171.0	154.0	152.0	137.0	151.0	143.0	124.0	90.0	85.0	91.0	N/A	108.0
3/30/2012	217.0	180.2	127.0	99.0	140.0	122.0	132.0	122.0	103.0	124.0	118.0	87.0	71.0	71.0	82.0	59.0	85.0
6/29/2012	221.0	189.8	135.0	117.0	148.0	130.0	138.0	133.0	106.0	110.0	129.0	95.0	111.0	83.0	78.0	68.0	91.0
9/30/2012	205.0	195.2	119.0	111.0	135.0	124.0	119.0	111.0	94.0	97.0	93.0	87.0	97.0	68.0	65.0	48.9	60.0
12/31/2012	179.0	151.5	108.0	110.0	111.0	112.0	114.0	82.0	75.0	83.0	88.0	79.0	86.0	52.0	62.0	43.3	62.0
Q-o-Q	-12.7%	-22.4%	-9.2%	-0.9%	-17.8%	-9.7%	-4.2%	-26.1%	-20.2%	-14.4%	-5.4%	-9.2%	-11.3%	-23.5%	-4.6%	-11.5%	3.3%
Y-o-Y	-37.2%	-35.3%	-19.4%	-5.2%	-36.9%	-34.5%	-26.0%	-46.1%	-45.3%	-45.0%	-38.5%	-36.3%	-4.4%	-38.8%	-31.9%		-42.6%

Source: CMA Datavision

10-Year	Illinois	California	Connecticut	Nevada	New Jersey	Ohio	Michigan	Pennsylvania	Florida	New York	Massachusetts	Wisconsin	Maryland	North Carolina	Texas	Delaware	Minnesota
12/31/2010	349.0	298.4	163.0	212.0	221.0	152.0	238.0	151.0	155.0	214.0	160.0	145.0	106.0	107.0	100.0	77.0	101.0
3/31/2011	240.0	215.0	136.0	146.0	153.0	113.0	151.0	117.0	105.0	135.0	119.0	109.0	80.0	88.0	76.0	75.0	82.0
6/30/2011	215.0	185.0	124.0	125.0	140.0	112.0	129.0	96.0	91.0	117.0	93.0	69.0	69.0	77.0	65.0	54.8	77.0
9/30/2011	280.0	266.7	181.0	173.0	182.0	153.0	177.0	154.0	142.0	147.0	135.0	140.0	105.0	105.0	100.0	100.0	110.0
12/31/2011	297.0	269.4	166.0	154.0	207.0	173.0	188.0	172.0	155.0	167.0	160.0	147.0	108.0	108.0	109.0	N/A	125.0
3/30/2012	240.0	206.9	155.0	135.0	160.0	133.0	154.0	135.0	130.0	137.0	129.0	124.0	88.0	90.0	93.0	75.5	99.0
6/29/2012	221.0	189.8	135.0	117.0	148.0	130.0	138.0	133.0	106.0	110.0	129.0	95.0	111.0	83.0	78.0	68.0	91.0
9/30/2012	254.0	209.4	157.0	146.0	157.0	141.0	152.0	124.0	121.0	123.0	120.0	121.0	96.0	86.0	88.0	75.6	79.0
9/30/2012	234.0	191.2	156.0	150.0	156.0	140.0	153.0	129.0	111.0	120.0	122.0	121.0	90.0	85.0	87.0	72.5	89.0
Q-o-Q	-7.9%	-8.7%	-0.6%	2.7%	-0.6%	-0.7%	0.7%	4.0%	-8.3%	-2.4%	1.7%	0.0%	-6.3%	-1.2%	-1.1%	-4.1%	12.7%
Y-o-Y	-21.2%	-29.0%	-6.0%	-2.6%	-24.6%	-19.1%	-18.6%	-25.0%	-28.4%	-28.1%	-23.8%	-17.7%	-16.7%	-21.3%	-20.2%		-28.8%

¹¹ "Market risk activity" (as defined by DTCC): The gross notional and contract counts include transaction types of new trades between two parties, a termination of an existing transaction, or the new leg of an assignment representing the trade between the step-in party and the remaining party. Excludes transactions which do not result in a change in the market risk position of the market participants, and are not market activity. For example, central counterparty clearing, and portfolio compression both terminate existing transactions and re-book new transactions or amend existing transactions. These transactions still maintain the same risk profile and consequently are not included as "market risk transfer activity."

OUTSTANDING MUNICIPAL DEBT

Outstanding and by State, Maturity, and Security Type¹²

\$ Millions

State	Total Outstanding	G.O.	Revenue	Due in 13 Months	Long-Term	2012:Q3 Total Outstanding	% Change
AK Alaska	10,547.4	2,638.7	7,908.7	588.9	9,958.5	10,787.3	-2.2%
AL Alabama	31,905.2	5,976.3	25,928.8	999.2	30,906.0	31,433.1	1.5%
AR Arkansas	12,385.6	4,802.4	7,583.2	468.1	11,917.5	12,173.8	1.7%
AZ Arizona	54,114.0	10,424.0	43,690.0	2,175.8	51,938.3	54,070.1	0.1%
CA California	551,870.1	193,160.8	358,709.3	33,194.2	518,675.9	554,721.9	-0.5%
CO Colorado	57,163.7	12,321.2	44,842.6	2,850.8	54,312.9	57,200.9	-0.1%
CT Connecticut	43,856.6	22,866.2	20,990.5	3,534.2	40,322.5	44,091.3	-0.5%
DC District of Columbia	29,531.2	2,679.6	26,851.6	1,263.4	28,267.8	28,639.6	3.1%
DE Delaware	7,508.9	2,368.6	5,140.3	397.0	7,111.9	7,511.4	0.0%
FL Florida	154,584.2	18,092.9	136,491.3	6,856.2	147,727.9	158,099.2	-2.2%
GA Georgia	70,707.4	15,826.8	54,880.6	3,085.3	67,622.1	72,373.4	-2.3%
GU Guam	2,221.8	437.4	1,784.4	25.5	2,196.3	2,251.0	-1.3%
HI Hawaii	15,749.2	9,504.3	6,244.9	828.0	14,921.2	15,150.8	3.9%
IA Iowa	20,662.2	5,851.8	14,810.5	1,051.5	19,610.8	19,256.9	7.3%
ID Idaho	10,097.4	5,541.4	4,556.0	1,063.1	9,034.3	10,490.3	-3.7%
IL Illinois	157,198.3	77,664.9	79,533.4	5,823.8	151,374.5	160,843.6	-2.3%
IN Indiana	54,490.6	1,056.0	53,434.6	2,873.7	51,617.0	53,214.5	2.4%
KS Kansas	21,984.9	8,656.9	13,328.1	1,517.6	20,467.3	21,852.6	0.6%
KY Kentucky	33,752.4	1,652.8	32,099.6	1,678.1	32,074.4	34,153.8	-1.2%
LA Louisiana	34,166.8	6,449.1	27,717.7	1,058.1	33,108.7	34,064.9	0.3%
MA Massachusetts	93,113.1	31,868.6	61,244.6	6,152.3	86,960.9	94,020.0	-1.0%
MD Maryland	47,381.1	22,184.3	25,196.8	2,434.1	44,947.1	46,905.5	1.0%
ME Maine	7,913.0	1,692.6	6,220.5	440.3	7,472.7	8,140.4	-2.8%
MI Michigan	81,246.7	25,371.7	55,875.0	3,851.4	77,395.4	82,619.4	-1.7%
MN Minnesota	49,613.6	23,957.1	25,656.6	2,938.3	46,675.4	50,671.4	-2.1%
MO Missouri	47,456.4	9,441.1	38,015.2	1,673.3	45,783.1	47,703.1	-0.5%
MS Mississippi	18,496.4	6,335.7	12,160.7	647.4	17,849.0	18,525.0	-0.2%
MT Montana	12,035.0	8,663.9	3,371.1	740.8	11,294.2	11,711.8	2.8%
NC North Carolina	55,242.9	14,164.0	41,079.0	2,687.6	52,555.3	55,196.4	0.1%
ND North Dakota	4,108.9	1,144.3	2,964.6	221.5	3,887.4	4,174.0	-1.6%
NE Nebraska	17,547.4	4,651.3	12,896.1	895.6	16,651.8	18,097.1	-3.0%
NH New Hampshire	10,355.5	2,347.3	8,008.2	469.2	9,886.3	10,381.2	-0.2%
NJ New Jersey	118,131.4	24,430.2	93,701.2	11,512.5	106,618.9	118,410.0	-0.2%
NM New Mexico	14,392.3	2,925.4	11,466.9	830.5	13,561.8	14,587.6	-1.3%
NV Nevada	29,466.4	14,575.3	14,891.1	1,317.7	28,148.7	29,804.6	-1.1%
NY New York	363,523.4	79,614.7	283,908.7	18,303.0	345,220.4	363,477.5	0.0%
OH Ohio	103,671.0	28,527.9	75,143.1	5,141.2	98,529.8	105,741.8	-2.0%
OK Oklahoma	19,136.5	3,315.7	15,820.8	1,374.6	17,761.9	18,999.6	0.7%
OR Oregon	34,495.5	18,621.7	15,873.7	2,111.8	32,383.7	34,546.9	-0.1%
OT Other Territories	9,123.0	25.0	9,098.0	54.8	9,068.2	8,804.2	3.6%
PA Pennsylvania	131,064.4	43,606.5	87,457.9	6,390.0	124,674.5	128,602.0	1.9%
PR Puerto Rico	105,259.7	11,019.1	94,240.6	1,471.6	103,788.1	105,600.4	-0.3%
RI Rhode Island	13,179.4	1,956.5	11,222.9	426.7	12,752.7	13,099.1	0.6%
SC South Carolina	36,241.2	8,750.7	27,490.5	2,235.9	34,005.2	36,680.7	-1.2%
SD South Dakota	7,114.4	3,167.8	3,946.6	360.5	6,753.9	7,158.8	-0.6%
TN Tennessee	39,513.3	13,607.0	25,906.3	1,612.5	37,900.8	39,739.0	-0.6%
TT Trust Territories	280.7	95.2	185.5		280.7	280.7	0.0%
TX Texas	305,525.1	141,131.6	164,393.6	20,568.7	284,956.5	301,779.3	1.2%
UT Utah	21,997.6	6,923.3	15,074.3	1,007.2	20,990.4	21,067.8	4.4%
VA Virginia	63,385.1	12,788.2	50,596.9	2,962.8	60,422.3	62,129.8	2.0%
VI Virgin Islands	2,368.6		2,368.6	49.3	2,319.4	2,171.5	9.1%
VT Vermont	5,578.1	658.8	4,919.3	274.6	5,303.5	5,603.6	-0.5%
WA Washington	77,936.3	35,731.7	42,204.6	3,389.8	74,546.5	78,825.7	-1.1%
WI Wisconsin	43,462.4	20,593.6	22,868.8	3,107.0	40,355.4	43,326.6	0.3%
WV West Virginia	10,901.0	996.5	9,904.6	294.8	10,606.2	10,953.2	-0.5%
WY Wyoming	3,482.5	121.2	3,361.2	87.5	3,394.9	3,914.7	-11.0%
TOTAL (12/31/2012)	3,378,237.7	1,032,977.4	2,345,260.3	179,369.3	3,198,868.4	3,385,831.1	-0.2%
TOTAL (9/30/2012)	3,385,831.1	1,034,909.2	2,350,921.9	180,072.7	3,205,758.5		
TOTAL (6/30/2012)	3,408,920.3	1,042,157.8	2,366,762.4	182,686.3	3,226,234.0		
TOTAL (3/31/2012)	3,413,573.1	1,043,450.8	2,370,122.3	178,406.1	3,235,167.0		
TOTAL (12/31/2011)	3,426,117.7	1,040,006.3	2,386,111.4	174,771.7	3,251,346.0		

¹² Outstanding includes both short- and long-term municipal debt, including certain preferred fund shares (e.g., VRDPS). "Due in 13 months" looks at original maturity and will not include securities with short puts unless original maturity is within 13 months. Outstanding does not include refunded (inclusive of prerefunded) debt and derivatives. See additional tables for prerefunded and derivatives debt. The chart replaces "Outstanding by Insurance" from prior municipal reports. For comparability against Federal Reserve's Flow of Funds, aggregate prerefunded with outstanding but not derivatives; differences between the two aggregates afterward are due to underlying database differences (Fed: Mergent; these tables: Bloomberg).

Outstanding and by Tax Status, Coupon, Use of Proceeds, Purpose; Addendum Tables on Build America Bonds, Variable Rate Debt Obligations, Prerefunded, and Derivatives¹³
\$ Millions

State	Tax-Exempt	AMT	Taxable	Fixed	Zero	Other	Industry	Total Outstanding	BAB Only	VRDO Only	Prerefunded Only	Derivatives Only
AK Alaska	8,427.7	988.7	1,131.0	7,944.4	286.4	2,316.7	Airport	83,832.9	357.7	1,719.1	614.2	387.5
AL Alabama	24,591.4	1,423.5	5,890.3	23,217.6	484.9	8,202.6	Development	134,768.5	605.7	3,101.5	1,692.1	1,132.9
AR Arkansas	7,170.4	552.4	4,662.8	10,957.5	384.7	1,043.5	Education	665,482.0	36.4	399.5	516.2	41.4
AZ Arizona	46,482.7	2,126.4	5,504.9	46,767.8	85.6	7,260.7	GO	665,240.6	1,989.4	2,629.9	3,476.7	2,284.1
CA California	435,745.9	21,659.6	94,464.5	388,836.4	77,381.8	85,651.9	Healthcare	270,308.3	37,707.5	35,292.0	25,455.0	24,342.1
CO Colorado	41,938.1	3,526.7	11,698.9	43,160.1	3,545.3	10,458.3	Housing	152,320.0	4,071.5	7,040.6	5,362.9	3,089.8
CT Connecticut	32,184.8	2,174.8	9,497.1	36,533.9	489.6	6,833.2	Other	678,910.3	1,905.9	3,213.3	2,203.2	737.9
DC District of Columbia	21,998.9	4,266.9	3,265.4	18,208.6	5,739.3	5,583.3	Public Facilities	108,979.8	1,935.5	1,927.2	1,028.7	1,913.9
DE Delaware	5,595.3	620.4	1,293.2	5,629.2	92.7	1,787.0	Student Loan	44,764.5	519.3	683.8	580.0	209.0
FL Florida	129,701.3	13,449.8	11,433.0	125,089.1	3,611.2	25,883.9	Transportation	223,191.2	5,534.5	9,723.4	4,967.0	8,941.6
GA Georgia	56,258.1	4,259.2	10,190.1	55,866.4	159.9	14,681.2	Utilities	350,439.6	3,725.9	6,504.0	3,977.0	2,138.3
GU Guam	2,046.9	108.0	66.9	2,106.4	115.5	-	TOTAL (12/31/2012)	3,378,237.7				6.2
HI Hawaii	12,631.2	1,273.5	1,844.5	15,038.3	51.2	659.7			1,267.6	212.4	1,926.8	1,007.3
IA Iowa	12,888.1	939.0	6,835.1	16,330.1	556.9	3,775.3			688.9	2,094.9	344.7	129.6
ID Idaho	4,518.6	791.2	4,787.7	5,119.0	87.4	4,891.0			129.1	644.0	488.5	92.2
IL Illinois	101,138.9	7,850.5	48,208.8	120,321.8	16,678.9	20,197.6			10,802.8	13,578.6	5,051.8	7,741.4
IN Indiana	38,434.1	3,493.1	12,563.4	38,405.5	1,242.9	14,842.2			1,991.6	5,111.2	3,992.4	1,955.5
KS Kansas	14,526.1	622.4	6,836.5	19,588.6	328.3	2,068.0			1,598.3	1,056.3	1,495.7	172.0
KY Kentucky	21,720.1	2,791.3	9,241.0	25,531.5	543.2	7,677.7			2,833.7	3,351.5	1,676.6	606.1
LA Louisiana	26,883.9	1,364.7	5,918.1	25,641.0	587.7	7,938.1			838.2	4,323.7	3,074.7	1,118.0
MA Massachusetts	77,581.3	4,409.8	11,122.0	73,488.3	1,157.9	18,466.9			4,835.4	9,110.2	7,772.7	6,422.2
MD Maryland	37,973.1	2,713.0	6,695.1	39,901.3	247.4	7,232.4			3,419.3	3,580.5	3,914.2	884.4
ME Maine	5,830.3	1,060.8	1,021.9	6,778.3	5.4	1,129.3			88.1	777.9	436.9	94.6
MI Michigan	59,987.5	5,064.2	16,195.0	56,910.6	8,250.3	16,085.8			2,580.7	6,779.1	3,813.2	3,005.5
MN Minnesota	33,746.6	2,692.8	13,174.2	41,127.4	840.1	7,646.1			1,414.7	3,413.3	1,734.2	733.4
MO Missouri	31,676.2	1,948.5	13,831.7	34,485.6	928.4	12,042.4			2,926.7	3,859.1	2,152.2	1,359.4
MS Mississippi	11,688.0	1,075.2	5,733.3	12,141.5	25.0	6,329.9			764.9	3,778.9	726.4	406.9
MT Montana	2,267.7	642.3	9,125.0	3,242.2	10.2	8,782.6			30.2	512.0	132.1	25.5
NC North Carolina	47,651.7	1,912.6	5,678.7	42,685.5	260.6	12,296.9			1,598.6	7,079.2	4,286.4	1,646.4
ND North Dakota	2,530.8	428.7	1,149.4	3,631.0	477.9	477.9			62.6	369.4	112.3	19.8
NE Nebraska	12,308.2	504.2	4,735.0	15,225.5	3.4	2,318.6			986.8	1,887.6	1,365.9	712.1
NH New Hampshire	7,043.0	1,117.8	2,194.7	7,133.2	155.2	3,067.0			354.9	1,464.7	598.5	242.8
NJ New Jersey	85,568.6	6,863.8	25,699.0	90,453.2	15,514.2	12,164.0			7,347.5	5,413.0	10,512.4	4,711.1
NM New Mexico	11,436.7	924.5	2,031.0	11,336.4	7.3	3,048.6			275.6	1,492.5	925.5	407.6
NV Nevada	22,429.5	3,740.3	3,296.6	22,354.1	963.4	6,149.0			2,541.0	2,411.4	1,439.6	1,691.8
NY New York	292,450.3	22,264.8	48,808.3	283,459.2	15,891.2	64,173.1			20,629.8	42,133.7	14,042.0	15,425.3
OH Ohio	72,592.2	4,068.4	27,010.4	72,278.2	8,191.8	23,201.0			8,256.1	9,586.1	7,635.4	2,841.1
OK Oklahoma	13,849.1	1,114.3	4,173.1	16,072.9	169.7	2,894.0			756.2	855.0	470.4	565.6
OR Oregon	21,470.6	1,557.3	11,467.6	28,333.8	3,258.5	2,903.1			971.0	1,917.2	1,464.8	330.0
OT Other Territories	1,830.9	6,771.1	521.0	846.1	8276.9	8276.9						19,425.5
PA Pennsylvania	93,777.3	6,293.3	30,993.7	94,857.3	8,577.1	27,630.1			5,001.0	12,788.8	5,853.4	5,370.6
PR Puerto Rico	94,171.5	677.9	10,410.4	58,892.9	37,341.4	9,025.4			1,013.0	607.5	3,536.7	3,152.9
RI Rhode Island	10,356.3	1,583.8	1,239.2	8,680.2	2,859.8	1,639.4				798.1	354.3	328.7
SC South Carolina	28,945.9	975.5	6,319.8	28,582.6	1,876.1	5,782.6			1,162.4	1,471.7	3,274.9	1,294.5
SD South Dakota	2,596.9	755.9	3,761.6	3,922.1	18.5	3,173.8			335.6	661.0	120.9	74.3
TN Tennessee	29,638.4	1,862.2	8,012.8	30,237.6	789.1	8,486.7			1,827.3	3,946.8	2,610.5	1,711.3
TT Trust Territories	235.2	45.5	-	140.7	140.0	140.0					36.2	
TX Texas	232,975.0	18,312.8	54,237.4	234,936.7	19,291.9	51,296.6			16,640.6	17,837.6	16,654.1	18,296.8
UT Utah	15,084.5	980.2	5,932.9	16,223.6	448.8	5,325.2			2,895.0	2,115.4	1,148.3	848.9
VA Virginia	49,539.2	4,621.7	9,224.2	52,666.3	2,068.3	8,650.5			3,813.2	4,547.5	5,462.1	1,614.8
VI Virgin Islands	2,222.4	20.3	125.9	2,317.7	48.1	2.7			37.3		19.2	9.5
VT Vermont	3,008.8	1,941.4	628.0	2,924.0	2.6	2,631.5			126.3	666.2	164.5	34.4
WA Washington	58,722.5	5,010.7	14,203.1	68,995.5	2,618.5	6,322.3			6,096.9	3,696.3	6,954.5	3,420.0
WI Wisconsin	27,728.0	2,093.5	13,640.9	36,832.0	449.2	6,181.2			2,051.3	3,967.8	2,472.0	1,342.1
WV West Virginia	6,051.9	1,042.4	3,806.7	6,521.6	2,183.2	2,196.2			88.2	1,145.3	333.9	321.3
WY Wyoming	2,135.0	1,002.9	344.6	1,943.2	1.0	1,538.2			137.9	1,309.2	49.8	40.2
TOTAL (12/31/2012)	2,553,983.5	192,376.7	631,877.5	2,540,851.4	246,906.5	590,479.8			179,605.3	264,586.8	180,504.7	156,857.9
TOTAL (9/30/2012)	2,552,093.8	200,319.3	633,418.1	2,532,844.3	248,206.1	604,780.7			179,399.1	273,761.5	179,492.4	156,204.4
TOTAL (6/30/2012)	2,565,411.4	207,574.0	635,934.9	2,543,043.8	246,394.6	619,481.9			179,612.6	282,056.9	182,283.1	174,997.5
TOTAL (3/31/2012)	2,566,167.1	217,869.5	629,536.5	2,534,383.1	240,916.1	638,273.9			179,821.9	290,551.7	169,289.4	174,663.7
TOTAL (12/31/2011)	2,565,911.5	226,120.8	634,085.4	2,518,974.2	N/A	N/A			180,021.0	301,038.4	162,923.0	168,497.5

¹³ Outstanding does not include refunded (inclusive of prerefunded) debt and derivatives. See additional tables for prerefunded and derivatives debt. The chart replaces "Outstanding by Insurance" from prior municipal reports. For comparability against Federal Reserve's Flow of Funds aggregate prerefunded with outstanding but not derivatives; differences between the two aggregates afterward are due to underlying database differences (Fed: Mergent; these tables: Bloomberg). Fixed rate debt does not include those multimodal bonds that are currently in long-term fixed rate mode.

Addendum Tables – Outstanding by Rating¹⁴

\$ Millions

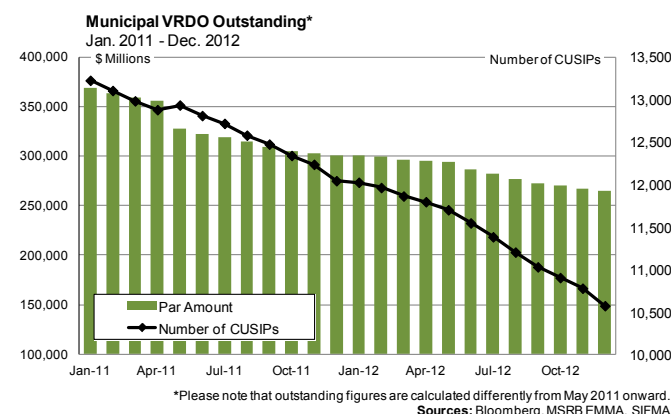
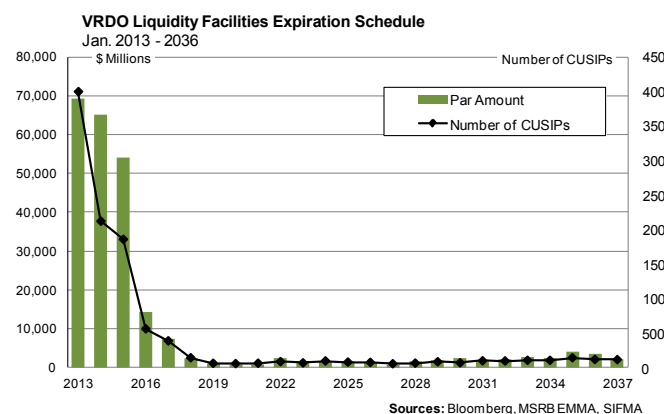
State	Rated	Unrated	AAA	AA	A	BBB	HY
AK Alaska	9,975.1	572.2	1,046.8	6,026.1	1,542.0	866.6	493.6
AL Alabama	28,574.2	3,331.0	1,452.0	16,396.2	5,634.4	1,843.6	3,248.0
AR Arkansas	10,321.1	2,064.5	988.3	7,651.7	1,155.3	472.6	53.3
AZ Arizona	50,081.2	4,032.8	4,197.4	29,995.5	10,125.3	5,337.8	425.3
CA California	474,273.1	77,597.0	16,363.0	209,851.9	170,849.8	56,667.6	20,540.8
CO Colorado	50,120.9	7,042.8	3,941.4	29,799.2	9,223.8	6,872.2	284.4
CT Connecticut	41,257.2	2,599.5	9,824.8	24,665.5	5,977.4	571.6	217.9
DC District of Columbia	26,634.3	2,897.0	618.5	14,044.6	5,819.8	2,782.1	3,369.3
DE Delaware	6,960.0	548.9	2,681.4	2,744.0	891.9	567.8	75.0
FL Florida	135,345.3	19,238.9	5,477.2	62,311.3	58,568.6	8,184.8	803.4
GA Georgia	62,383.4	8,324.1	15,904.5	18,872.6	23,244.7	3,966.0	395.5
GU Guam	2,163.6	58.2	-	-	385.9	921.6	856.2
HI Hawaii	15,274.4	474.8	227.6	11,818.4	2,379.6	788.5	60.4
IA Iowa	16,594.7	4,067.5	2,475.8	7,309.8	4,935.5	820.7	1,053.0
ID Idaho	9,115.0	982.4	4,772.3	2,032.9	1,932.1	240.0	137.8
IL Illinois	147,641.5	9,556.8	10,586.9	57,843.0	70,138.4	8,388.7	684.4
IN Indiana	46,795.5	7,695.2	12,613.6	17,476.4	12,191.7	4,220.1	293.8
KS Kansas	19,224.9	2,760.0	2,407.1	11,419.2	3,725.0	1,563.6	110.0
KY Kentucky	32,009.5	1,742.9	3,383.4	14,263.2	11,874.7	2,424.2	64.0
LA Louisiana	31,875.6	2,291.1	4,239.5	12,900.4	8,152.4	6,456.5	126.9
MA Massachusetts	86,851.1	6,262.0	14,097.3	58,737.7	9,865.5	3,755.9	394.7
MD Maryland	43,729.5	3,651.7	18,395.2	17,795.4	4,464.9	2,514.4	559.6
ME Maine	7,661.6	251.4	173.8	5,788.8	1,102.6	533.9	62.5
MI Michigan	75,319.0	5,927.7	9,860.4	33,642.2	16,141.4	5,895.0	9,780.1
MN Minnesota	44,136.8	5,476.8	11,322.7	25,653.8	5,847.0	1,034.0	279.3
MO Missouri	39,709.2	7,747.2	11,135.7	16,015.6	8,849.7	3,435.2	273.0
MS Mississippi	15,414.7	3,081.7	860.7	11,674.5	1,639.2	1,224.6	15.7
MT Montana	3,705.8	8,329.1	516.7	1,941.7	1,104.9	112.5	30.0
NC North Carolina	52,500.3	2,742.6	15,142.7	24,979.3	9,088.0	3,232.0	58.3
ND North Dakota	3,727.4	381.4	191.9	2,182.0	935.1	418.5	-
NE Nebraska	14,202.1	3,345.3	1,475.5	7,381.4	4,790.9	545.4	8.9
NH New Hampshire	9,656.0	699.5	1,066.5	5,317.1	2,452.1	679.4	140.9
NJ New Jersey	108,806.2	9,325.2	7,965.1	32,063.2	55,466.1	7,463.8	5,847.9
NM New Mexico	13,790.2	602.1	2,886.5	8,989.6	881.6	875.3	157.1
NV Nevada	25,675.8	3,790.6	754.9	15,010.9	7,969.5	1,697.0	243.7
NY New York	331,930.0	31,593.4	24,943.2	225,695.0	61,312.7	11,710.4	8,268.7
OH Ohio	90,183.7	13,487.3	10,542.3	43,809.3	17,715.7	6,112.9	12,003.5
OK Oklahoma	16,646.2	2,490.3	3,292.5	8,053.0	4,086.1	907.0	307.7
OR Oregon	32,737.1	1,758.4	2,309.2	24,094.2	5,490.1	785.7	57.8
OT Other Territories	7,871.2	1,251.8	1,997.8	5,458.1	44.2	371.1	-
PA Pennsylvania	122,121.7	8,942.7	4,771.3	62,045.7	40,223.7	13,563.5	1,517.5
PR Puerto Rico	93,164.9	12,094.8	242.8	24,572.7	16,054.0	40,858.6	11,436.9
RI Rhode Island	12,206.9	972.5	853.5	5,510.6	1,691.4	1,194.2	2,957.1
SC South Carolina	32,443.4	3,797.8	5,192.9	24,720.3	176.8	2,269.9	83.5
SD South Dakota	4,357.7	2,756.7	234.7	2,883.5	972.2	267.2	-
TN Tennessee	35,776.3	3,737.1	4,014.8	20,480.1	6,541.6	4,720.7	19.2
TT Trust Territories	46.4	234.3	-	-	-	-	46.4
TX Texas	270,525.8	34,999.3	110,709.0	95,145.4	40,213.9	21,860.1	2,597.3
UT Utah	20,248.7	1,748.9	9,630.7	7,663.0	2,512.1	308.6	134.3
VA Virginia	59,413.2	3,971.9	16,482.2	32,476.9	4,798.7	3,486.6	2,168.8
VI Virgin Islands	2,082.1	286.6	1.3	73.9	14.2	1,954.7	38.0
VT Vermont	4,046.0	1,532.1	614.7	1,454.7	1,072.0	883.8	20.8
WA Washington	75,139.9	2,796.4	4,539.4	60,141.9	8,280.8	2,103.0	74.8
WI Wisconsin	39,315.7	4,146.7	2,536.6	28,397.2	6,799.9	1,527.4	54.7
WV West Virginia	9,571.2	1,329.8	414.3	2,419.8	3,132.9	998.1	2,606.2
WY Wyoming	3,420.8	61.6	408.4	1,636.4	1,183.2	192.8	-
TOTAL (12/31/2012)	3,024,755.1	353,482.6	402,778.6	1,501,326.7	761,662.8	263,449.6	95,537.5
TOTAL (9/30/2012)	3,040,293.3	345,537.8	303,302.9	1,598,735.4	768,698.4	272,665.2	96,891.4
TOTAL (6/30/2012)	3,067,760.2	341,160.1	318,337.2	1,611,176.6	765,574.9	278,686.2	93,985.4
TOTAL (3/31/2012)	3,087,291.3	326,281.8	321,167.0	1,611,384.0	767,977.9	278,259.5	108,502.9
TOTAL (12/31/2011)	3,097,206.3	328,911.3	343,311.1	1,599,068.9	772,000.0	293,716.5	89,109.7

¹⁴ Rating based on the lowest long-term rating assigned to the bond by Fitch Ratings, Moody's Investor Services, or Standard and Poor's; split-rated debt are therefore included in the HY category.

VARIABLE-RATE DEMAND OBLIGATIONS

Liquidity Facility Expiration Schedule, Jan. 2013 - 2026¹⁵
As of December 31, 2012

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
By Type of Provider (\$ Millions)												
Bank	2,111.4	3,364.2	6,785.6	5,149.9	6,590.7	6,513.7	4,614.7	5,354.2	5,762.5	5,175.6	7,134.3	7,464.1
Corporate/Other	8.1	13.0		150.0	32.7	40.6	3.5	339.0	5.0	68.0	58.5	84.8
US Agency	39.7	63.6	161.6	300.0	239.2	214.9	190.2	421.1	147.6	83.2	251.6	314.1
By Number of Facilities												
# CUSIPs	142	177	341	286	306	395	353	413	375	317	386	505
	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
By Type of Provider (\$ Millions)												
Bank	3,654.4	1,762.7	5,268.3	5,296.7	4,072.6	7,128.3	4,318.3	5,050.6	4,859.2	4,919.5	5,723.5	9,298.6
Corporate/Other	11.4	111.0	16.4	12.6	8.3	1.3	105.4	17.6	4.1	51.8	1,046.7	195.3
US Agency	6.0	44.2	557.8	116.8	175.6	690.9	72.1	13.8	86.5	79.2	134.7	82.0
By Number of Facilities												
# CUSIPs	156	87	167	172	141	244	183	158	149	166	197	299
	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
By Type of Provider (\$ Millions)												
Bank	3,995.7	2,707.2	3,235.5	3,378.0	3,515.5	4,195.0	3,287.4	2,838.8	2,312.7	6,182.5	3,658.6	5,390.6
Corporate/Other	608.9		131.5	96.7		53.7	218.1	144.6	108.9	350.0	67.4	264.2
US Agency	57.0	7.1	140.9	87.3	96.9	68.2	166.3	96.0	102.0	50.8	55.8	6,490.6
By Number of Facilities												
# CUSIPs	116	85	110	106	115	135	134	123	128	153	131	520
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
By Type of Provider (\$ Millions)												
Bank	12,467.3	5,964.7	1,398.1	362.1	185.7	281.6	1,050.8	129.7	231.1	242.8	11.8	15.1
Corporate/Other	983.9	301.8	280.3	45.5	400.4	318.0	606.6	908.4	928.9	841.3	696.3	512.3
US Agency	716.6	975.3	697.7	628.6	232.1	265.3	641.5	391.8	429.8	512.7	649.0	314.6
By Number of Facilities												
# CUSIPs	559	385	140	60	55	61	84	66	94	77	73	53



¹⁵ For more detailed breakouts of VRDO data, please refer to the Variable Rate Demand Obligations September 2012 update at sifma.org.

A DESCRIPTION OF THE TERMINOLOGY IN THE MUNICIPAL BOND CREDIT REPORT

Long-Term Municipal Issue: municipal securities with a maturity of 13 months or longer at the time the municipal security is issued.¹⁶

General Obligation (G.O.) Bonds: bonds issued by state or local units of government. The bonds are secured by the full faith, credit and taxing power of the municipal bond issuer. Such bonds constitute debts by the issuer and often require approval by election prior to issuance. In the event of default, bondholders of G.O. bonds have the right to compel a tax levy or legislative appropriation to cover debt service.

Revenue Bonds: bonds payable from a specific source of revenue and to which the full faith and credit of an issuer and its taxing power are not pledged. Revenue bonds are payable from identified sources of revenue and do not permit the bondholders to compel taxation or legislative appropriation of funds not pledged for payment of debt service. Pledged revenues may be derived from sources such as the operation of the financed project, grants or a dedicated specialized tax. Generally, no voter approval is required prior to issuance of such obligations.

Ratings: are evaluations of the credit quality of bonds and other debt financial instruments made by rating agencies. Ratings are intended to measure the probability of the timely repayment of principal and interest on municipal securities. Ratings are typically assigned upon initial bond issuance. Ratings are periodically reviewed and may be amended to reflect changes in the issue or issuer's credit position. The ratings may be affected by the credit worthiness of the issuer itself or from a credit enhancement feature of the security such as guarantor, letter of credit provider, and bond insurer. Some rating agencies provide both long-term and short-term ratings on variable rate demand obligations. The ratings described herein are "long-term" ratings – that is, ratings applied to municipal bond issues with original maturity of 13 months or longer.

State Rating: indicates the G.O. credit rating a rating agency may apply to a state. The rating on a specific municipal bond issue or issuer located with the state may differ from the state rating.

Rating Agency: is a company that provides ratings that indicate the relative credit quality or liquidity characteristics of municipal securities as well as other debt securities. Moody's Investors Service ("Moody's") and Standard and Poor's are the largest agencies in terms of municipal securities rated, followed by Fitch Ratings.

Moody's Ratings¹⁷

Moody's describes its municipal credit ratings as "opinions of the investment quality of issuers and issues in the U.S. municipal and tax-exempt markets. These ratings incorporate a rating agency's assessment of the probability of default and loss severity of issuers and issues."

Moody's ratings are based upon the analysis of four primary factors relating to municipal finance: economy, debt, finances and administrative/management strategies. The rating classifications are defined as:

Aaa: obligations rated Aaa are judged to be of the highest quality, with minimal credit risk.

Aa: obligations rated Aa are judged to be of high quality and are subject to very low credit risk.

A: obligations rated A are considered upper-medium grade and are subject to low credit risk.

Baa: obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.

Ba: obligations rated Ba are judged to have speculative elements and are subject to substantial credit

¹⁶Authors' own definition.

¹⁷Moody's.com, "Ratings Definitions."

risk.

B: obligations rated B are considered speculative and are subject to high credit risk.

Caa: obligations rated Caa are judged to be of poor standing and are subject to very high credit risk.

Ca: obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.

C: obligations rated C are the lowest rated class of bonds and are typically in default, with little prospect for recovery of principal or interest.¹⁸

Standard and Poor's Ratings¹⁹

Standard and Poor's describes a municipal issue credit rating as "a current opinion of the credit worthiness with respect to a specific financial obligation(s) or a specific program. It takes into consideration the credit worthiness of credit enhancement on the obligation."

Long-term issue credit ratings are based on:

- Likelihood of payment—capacity and willingness to meet the financial commitment in accordance with the terms of the obligation;
- Nature of and provisions of the obligation; and
- Protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights.

AAA: extremely strong capacity to meet its financial commitments – the highest rating category.

AA: very strong capacity to meet financial commitments.

A: strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in the higher rated categories.

BBB: adequate capacity to meet its financial commitments though adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to meet financial commitments.

Rating "BB", "B", "CCC", and "CC" are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'CC' the highest.

BB: less vulnerable in the near term than other lower-rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to inadequate capacity to meet its financial commitments.

B: an obligation rated 'B' is more vulnerable to nonpayment than obligations rated 'BB', but the capacity to meet its financial commitment. Adverse business, financial, or economic conditions will likely impair the capacity or willingness to meet financial obligations.

CCC: currently vulnerable, and is dependent upon favorable business, financial, and economic conditions to meet financial commitments.

CC: highly vulnerable and is dependent upon favorable business, financial and economic conditions.

Fitch Ratings

Fitch Ratings provides an opinion on the ability of an entity or a securities issue to meet financial commitments such as interest, preferred dividends, or repayment of principal, on a timely basis.

¹⁸The lowest rating is a "D" at both Moody's and Standard and Poor's.

¹⁹Standardandpoors.com "Long-Term Issue Credit Ratings," May 17, 2002.

Credit ratings are used by investors as indications of the likelihood of repayment in accordance with the terms on which they invested. Thus, the use of credit ratings defines their function: "investment grade" ratings (long-term 'AAA' - 'BBB' categories) indicate a relatively low probability of default, while those in the "speculative" or "non-investment grade" categories (international long-term 'BB' - 'D') may signal a higher probability of default or that a default has already occurred. Entities or issues carrying the same rating are of similar but not necessarily identical credit quality since the rating categories do not fully reflect small differences in the degrees of credit risk.

The ratings are based on information obtained directly from issuers, other obligors, underwriters, their experts, and other sources Fitch believes to be reliable. Fitch does not audit or verify the truth or accuracy of such information. Ratings may be changed or withdrawn as a result of changes in, or the unavailability of, information or for any other reasons.

Credit ratings do not directly address any risk other than credit risk. In particular, these ratings do not deal with the risk of loss due to changes in interest rates and other market considerations.

Note: "Not rated" refers to municipal bonds that were not rated by one of the major rating agencies listed above.

General Use of Proceeds: Refers to the type of project the proceeds or funds received from bond issuance are used. In the Municipal Bond Credit Report, the use of proceed classifications are general government use, education, water, sewer and gas, health care and a miscellaneous category, "other."²⁰

Municipal G.O. to Treasury Ratio: is a common measure of credit risk of municipal bonds relative to risk-free securities, Treasuries. It is a measure comparable to the "spread to Treasury" measure in the taxable markets. Typically the municipal yield is typically less than 100 percent of the Treasury yield due to the tax-free nature of municipal securities.

Credit Enhancement: is the use of the credit of an entity other than the issuer to provide additional security in a bond. The term is usually used in the context of bond insurance, bank letters of credit state school guarantees and credit programs of federal and state governments and federal agencies but also may apply more broadly to the use of any form of guaranty secondary source of payment or similar additional credit-improving instruments.

Bond Insurance: is a guaranty by a bond insurer of the payment of principal and interest on municipal bonds as they become due should the issuer fail to make required payments. Bond insurance typically is acquired in conjunction with a new issue of municipal securities, although insurance also is available for outstanding bonds traded in the secondary market.

Letter of Credit: a commitment, usually made by a commercial bank, to honor demands for payment of a debt upon compliance with conditions and/or the occurrence of certain events specified under the terms of the commitment. In municipal financings, bank letters of credit are sometimes used as additional sources of security with the bank issuing the letter of credit committing to in the event the issuer is unable to do so.

²⁰Authors' own definition.

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