



MUNICIPAL BOND CREDIT REPORT

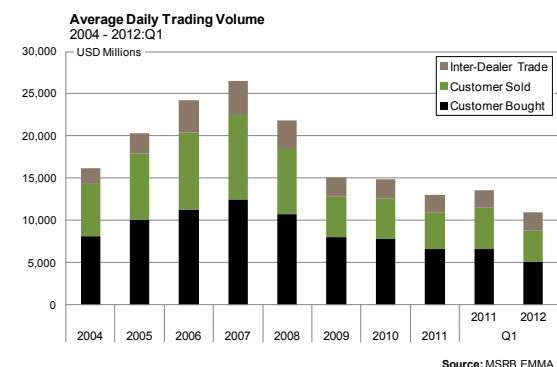
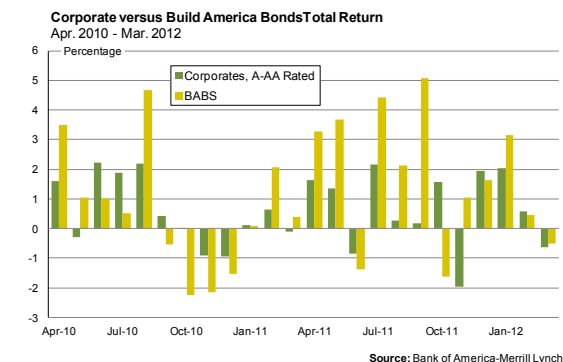
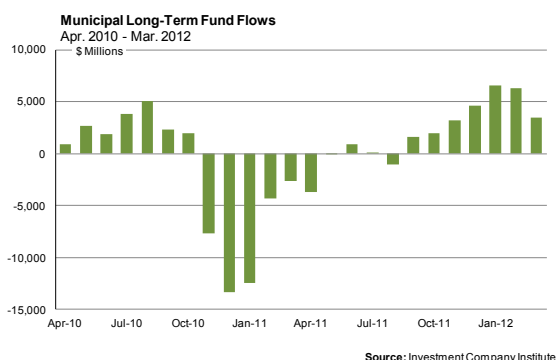
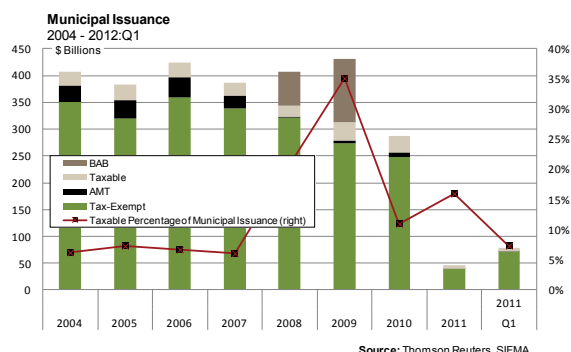
First Quarter 2012

RESEARCH REPORT

TABLE OF CONTENTS

Table of Contents	i
Market Summary	2
Charts & Data.....	5
Long-Term Municipal State Issuance, 1Q'12	5
Long-Term Municipal Issuance by General Use of Proceeds	7
Build America Bonds.....	8
Supply, Yield Curves, Total Return, Spreads & Ratios	8
Trading Summary	10
Municipal CDS	11
Outstanding Municipal Debt.....	12
Variable-Rate Demand Obligations	15
A Description of the Terminology in the Municipal Bond Credit Report.....	16

MARKET SUMMARY



With negative net supply and strong demand driving yields down to new lows in the municipal sector, refundings dominated first quarter primary market issuance as issuers sought to take advantage of low rates.

Municipal Issuance Overview – Primary Market

According to Thomson Reuters, long-term municipal issuance volume, including taxable and tax-exempt issuance, totaled \$78.2 billion in the first quarter of 2012, a 15.1 percent decline from the prior quarter (\$92.1 billion), but an increase of 66.6 percent from 1Q'11 (\$46.9 billion). Refundings were a substantial portion of the issuance in the first quarter; with 47 percent of all issuance derived from refunding, compared to 30.2 percent in 4Q'11 and 29.2 percent in 1Q'11. Direct loans/placements may have continued to take supply out of the market as well.

Tax-exempt issuance totaled \$71.3 billion in 1Q'12, a decline of 12.0 percent quarter-over-quarter (q-o-q) but an increase of 84.4 percent year-over-year (\$38.7 billion). Due to the expiration of most Congressional-authorized programs in 2011, taxable issuance declined to \$5.7 billion in 1Q'12, a drop of 34.0 percent and 23.5 percent, respectively, q-o-q (\$8.7 billion) and y-o-y (\$7.5 billion). AMT issuance totaled \$1.1 billion in 1Q'12, down 53.1 percent q-o-q (\$2.3 billion) and up 46.6 percent y-o-y (\$1.1 billion).

By use of proceeds, general purpose issuance led issuance totals in 1Q'12 (\$23.2 billion), followed by primary & secondary education (\$15.2 billion), water and sewer facilities (\$11.1 billion), and higher education (\$9.2 billion).

Yields, Inflows, and Total Return

Ratios of 10-year tax-exempt AAA GOs and similar-maturity Treasuries continued to remain steady in the first quarter, ending at 96.6 percent, while shorter-term ratios continued its gradual decline to 134.1 percent (from 173.1 percent end-December 2011) as flight-to-safety demand for Treasuries abated.

With negative net supply putting pressure on the demand side, yields in the municipal market continued to rally to new lows in the first quarter, returning 2.08 percent on a total return basis, compared to 2.11 percent in 4Q'11 and 0.29 percent in 1Q'11. Taxables such as BABs also continued to enjoy another strong quarter, returning 3.08 percent on a total return basis in the first quarter, compared to 1.96 percent in A- to AAA-rated corporates.

According to the Investment Company Institute (ICI), first quarter inflow into long-term municipal mutual funds was positive, with \$16.4 billion of inflow, compared to 9.5 billion inflow in the 4Q'11 and \$19.4 billion of outflow in 1Q'11.

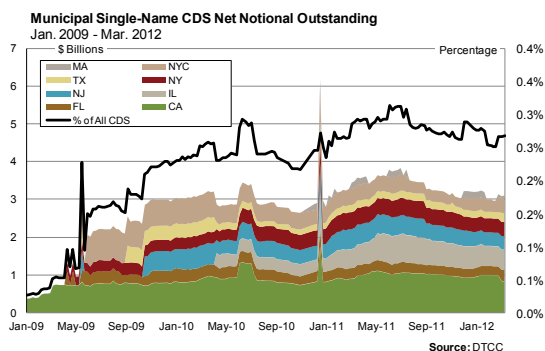
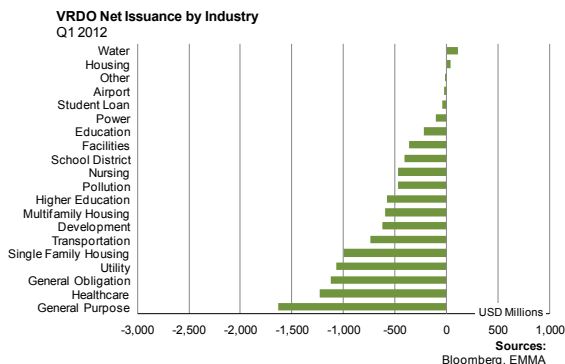
Trading Activity

Trading activity increased quarter-over-quarter in 1Q'12 to \$10.9 billion daily, a 4.9 percent increase from 4Q'11 (\$10.5 billion percent traded daily¹) and a 6.7 percent decline year-over-year (\$11.8 billion traded daily in 1Q'11). The average number of trades increased slightly q-o-q (an increase of 2.1 percent), while plummeted y-o-y (a decline of 17.7 percent).

Credit Default Swap Standardization

Shortly after the end of the first quarter, the 2012 US Municipal Reference

¹ Based on averaging daily values reported on EMMA's market activity; like FINRA Trace, values reported in annual yearbooks will always be higher as daily values reported undercount all market activity.



Entity Credit Default Swap (CDS) protocol took effect on April 3. Similar to the 'Big Bang' protocol in 2009 in the North American sovereign and corporate markets, the municipal protocol effects a similar (although not identical) standardization for municipal CDS trades, such as fixed coupon trading and auction settlement.

While municipal CDS volume has picked up slightly with the introduction of taxable Build America Bonds (BABs), volumes remain relatively light in both single names and indices, relative to both the CDS and municipal market (as of end-March, \$3.1 billion net notional in single names, \$5.7 billion net notional in the MCDX indices, representing 0.27 percent and 0.33 percent, respectively, of all single-name and index net notional outstanding from DTCC). Spreads and volumes have increased slightly, however, post-standardization.

VRDO Issuance and Update

Issuance of variable-rate demand obligations (VRDOs), long-term municipal bonds with a floating interest rate that resets periodically and a put feature, declined in the first quarter. According to Thomson Reuters, \$1.7 billion were issued in 1Q'12, a decline of 64.4 percent from 4Q'11 (\$4.7 billion), but was a 50.1 percent increase year-over-year (\$1.1 billion).

With the continuing trend of direct placements/ bank loans in the municipal space, the Municipal Securities Rulemaking Board shortly after the end of the first quarter encouraged state and local governments to disclose information about such bank loan financings on EMMA².

On net, VRDO outstandings continue to decline, ending 1Q'12 at \$290.5 billion, a decline of 3.5 percent and 19 percent, respectively, from 4Q'11 and 1Q'11. Declines in outstandings were led by utility (21.5 percent), school districts (9.2 percent), and single family housing (7.2 percent); on the other hand, outstanding in water bonds increased slightly (0.8 percent). Despite the small

increase in net assets in the 4Q'11, tax-exempt money market funds reported a net decline in assets in 1Q'12 of \$6.7 billion (a decline of 2.3 percent in assets under management). The negative credit watch pronouncement by Moody's in early first quarter on bank ratings placed greater pressure on the VRDO market (as well as the tender option bond (TOB) market) in extension or substitution of expiring bank liquidity facilities. On February 21, Moody's placed the short-term ratings of \$60 billion in municipal sector debt under review for downgrades due to their liquidity commitments from 26 banks under review for downgrade.³

As of end-March, \$69.4 billion in liquidity facilities were scheduled to expire in 2012, with an additional \$63.6 billion in 2012, for a total of \$132.9 billion.⁴ While there remains a significant bump in expirations at the end of 2012 due to the original expiration date of the U.S. Treasury's Temporary Credit and Liquidity Program ("TCLP"), the program was extended to December 31, 2015, relieving some near-term pressure on housing agencies and other issuers to seek alternative liquidity providers or tender bonds.

Liquidity facility renewals with the same provider on approximately 800 CUSIPs averaged 513.9 days on extension (compared to 719.4 days in 4Q'11). The median extension remained unchanged (365 days). Currently, of the entire universe, the average liquidity facility length is 4.27 years, with the

² MSRB, Press Release: ["MSRB Encourages Voluntary Disclosure of Bank Loans by State and Local Governments"](#) April 3, 2012.

³ Moody's, ["Moody's Reviews Ratings of US Municipal Sector Obligations Supported By LOCs, Liquidity Facilities and Similar Commitments Provided by 26 Banks."](#) February 21, 2012.

⁴ The number somewhat overstates the actual outstanding amount, as credit facilities are allotted the full amount of the bond outstanding in this analysis; a bond holding multiple credit facilities (with the possibility that each provider only partially funds the liquidity arrangement) would therefore be counted multiple times. This inflation is prevalent to a greater extent in 2012 due to the original scheduled expiration of the TCLP in December, which is a joint liquidity facility arrangement between Fannie Mae and Freddie Mac for certain single- and multi-family housing bonds.

median length 551 days. The SIFMA Municipal Swap index, a seven-day high-grade market index comprised of tax-exempt VRDOs, ended March at 0.19 percent, averaging 0.12 percent in 1Q'11, 1 basis point lower than the 4Q'11 average.

Government Update

The Obama Administration released its fiscal 2013 proposal, which contained several provisions relating to municipal securities. Several municipal-related provisions were among the proposals, such as the capping of tax preferences of the individual tax filer to 28 percent and the extension of Build America Bonds (BABs) with expanded uses and at a lower subsidy rate (30 percent in 2013 and 28 percent thereafter)⁵. The tax preference was examined by the Joint Committee on Taxation; the committee estimated that the cap would raise \$520 billion over 10 years⁶. In late March, the U.S. Department of Treasury issued a report⁷ on infrastructure investment, which stated the benefits of infrastructure investment and recommended the use of previously successful financing strategies (i.e., BABs) and the construction of a national infrastructure bank (also promoted in the fiscal 2013 budget).

In January, the Congressional Budget Office (CBO) released its Budget and Economic Outlook for fiscal years 2012 and 2022⁸. According to its budget projections, the CBO noted that the Highway Trust Fund would be unable to meet its obligations as early as 2013 (for its highway account), and in 2014 (for its transit account). The two accounts, respectively, fund highway construction and mass transit programs. Grant Anticipation Revenue Vehicles (GARVEEs) are debt securities with a pledge of future Title 23 Federal-aid funding. Approximately \$13.9 billion GARVEEs are currently outstanding.⁹ While the House and Senate passed an extension of federal highway funding on March 29, the extension was for 90 days and highway funding continues to remain a near-term concern.

According to the Nelson A. Rockefeller Institute, tax receipts for the fourth quarter of 2011 showed growth of 3.6 percent y-o-y.¹⁰ While growth was seen in sales tax (2.4 percent) and personal income tax (4.2 percent), corporate income tax revenue declined by 9.0 percent. Local governments, however, now feeling the effects of the housing market decline, saw revenue from taxes decline 1.0 percent year-over-year, due in part to its heavy reliance on property tax revenues. The report noted that due to differences in funding, those services largely reliant on local government revenue, such as education and public safety, would be under “severe fiscal pressure for some time.”

⁵ Department of Treasury, “[General Explanations of the Administration’s Fiscal Year 2013 Revenue Proposals \(Green Book\)](#),” February 2012. Several other municipal-related provisions were also included, such as allowing current refundings, loosening arbitrage restrictions on state and local governments, eliminating the private activity bond (PAB) usage test, etc.

⁶ Joint Committee on Taxation, “[Estimated Budget Effects of The Revenue Provisions Contained in the President’s Fiscal year 2013 Budget Proposal](#),” March 14, 2012.

⁷ Department of the Treasury, Council of Economic Advisors, “[A New Economic Analysis of Infrastructure Investment](#),” March 23, 2012.

⁸ Congressional Budget Office, “[The Budget and Economic Outlook: Fiscal Years 2012 to 2022](#)” January 31, 2012.

⁹ U.S. Department of Transportation, Federal Highway Administration, [Current Garvee Activity](#).

¹⁰ Nelson A. Rockefeller Institute of Government Report: “[State Revenue Report: Tax Revenues Surpass Previous peak But Growth Softens Once Again](#)”, April 19, 2012.

CHARTS & DATA

LONG-TERM MUNICIPAL STATE ISSUANCE, 1Q'12¹¹\$ Millions¹²

State	Total	G.O.	Revenue	AMT	Tax-Exempt	Taxable	Convertible	Fixed Rate	Linked Rate	Variable Rate Long	Variable Rate Short (VRDO)	Zero
Alabama	907.7	107.5	800.2	6.4	874.4	26.8		907.6				
Alaska	333.1	300.3	32.8		333.1			333.1				
Arizona	1,338.7	341.7	997.0	19.2	1,139.4	180.2		1,338.7				0.0
Arkansas	511.9	212.2	299.7		499.1	12.8		511.9				
California	9,798.1	4,364.6	5,433.5	208.0	8,312.2	1,277.9		9,029.3	108.9	47.4	388.6	223.8
Colorado	2,137.7	794.4	1,343.3		2,133.1	4.5		1,927.2			210.4	0.0
Connecticut	555.6	395.0	160.6	13.1	542.5			555.6				
District of Columbia	440.6	-	440.6		440.6			340.6	100.0			
Delaware	93.6	61.4	32.2		93.5			93.5				
Florida	3,270.2	854.5	2,415.7	37.1	3,166.3	66.9		3,270.2				
Georgia	1,406.1	716.5	689.6		1,302.7	103.4		1,386.2		19.8		
Hawaii	99.7	-	99.7		99.7			99.7				
Idaho	186.6	59.9	126.7		170.7	15.9		186.6				
Illinois	2,623.6	2,197.3	426.3		2,222.0	401.6		2,623.7				
Indiana	601.2	93.4	507.8	38.0	504.8	58.4		564.0			28.5	8.8
Iowa	583.2	392.0	191.2	11.0	564.8	7.5		583.3				
Kansas	624.0	393.5	230.5		513.2	110.7		608.4		15.5		
Kentucky	1,100.5	39.6	1,060.9		1,100.5			1,100.5				
Louisiana	837.0	640.3	196.7		778.4	58.6		837.0				
Maine	286.4	50.9	235.5		283.4	3.0		286.4				
Maryland	1,243.8	994.3	249.5		1,216.9	26.9		1,234.8		9.0		
Massachusetts	1,800.1	1,115.7	684.4	38.4	1,749.1	12.7		1,337.3	462.9			
Michigan	1,368.9	973.6	395.3	4.4	1,317.9	46.7		1,253.9			115.0	
Minnesota	1,248.7	869.0	379.7	51.0	1,179.9	17.9		1,247.7		1.0		
Mississippi	276.4	135.6	140.8		220.7	55.7		276.4				
Missouri	1,042.2	665.0	377.2		961.9	80.4		1,008.6			33.6	0.0
Montana	4.2	3.3	0.9		4.1			4.1				
Nebraska	759.7	319.3	440.4		744.4	15.3		759.7				
Nevada	245.5	213.1	32.4		240.5	5.0		245.5				
New Hampshire	276.4	187.8	88.6		125.9	150.6		276.4				
New Jersey	1,097.6	955.4	142.2		1,068.1	29.4		1,097.5				
New Mexico	128.7	22.1	106.6		128.6			128.6				
New York	8,506.5	3,535.2	4,971.3	19.9	8,345.7	140.9		7,719.7	311.8		475.0	
North Carolina	1,423.0	884.7	538.3		1,352.1	70.9		1,423.0				
North Dakota	117.0	32.1	84.9		117.0			117.0				
Ohio	2,226.0	1,345.8	880.2	41.9	2,112.8	71.3		2,147.9				78.1
Oklahoma	479.1	203.8	275.3		473.5	5.6		479.1				
Oregon	649.6	591.7	57.9		575.0	74.6		637.9				11.7
Pennsylvania	2,134.6	1,359.5	775.1	102.4	2,009.9	22.3		2,134.6				
Puerto Rico	5,829.2	2,733.5	3,095.7		4,829.2	1,000.0		5,829.2				
Rhode Island	144.6	23.7	120.9	17.9	126.6			144.6				
South Carolina	838.2	171.5	666.7		833.7	4.5		838.1				
South Dakota	231.8	96.9	134.9		231.8			231.8				
Tennessee	1,758.6	1,110.6	648.0	10.0	1,724.3	24.3		1,614.6	134.0		10.0	
Texas	7,684.8	3,978.4	3,706.4	286.6	6,445.4	952.8		7,074.1	276.0	82.1	186.2	66.5
Utah	453.8	139.9	313.9		453.8			453.8				
Vermont	132.1	132.1	-		122.1	10.0		132.1				
Virginia	2,601.1	1,696.7	904.4		2,392.4	208.7		2,601.1				
Washington	3,517.8	2,203.6	1,314.2	189.3	3,127.7	200.8		3,517.8				
West Virginia	48.3	48.3	-		48.3			48.3				
Wisconsin	2,063.4	1,005.6	1,057.8		1,893.3	170.1		1,838.9			224.5	
Wyoming	97.5	-	97.5		97.5			97.5				
ALL	78,164.7	39,762.8	38,401.9	1,094.6	71,344.5	5,725.6	0.0	74,535.1	1,393.6	174.8	1,671.8	388.9
QoQ	-15.1%	139.2%	-11.2%	-53.1%	-12.0%	-34.0%	N/A	-12.5%	-10.3%	-64.9%	-64.4%	132.0%
YoY	66.6%	85.1%	51.0%	46.6%	84.4%	-23.5%	-100.0%	71.0%	-6.0%	-69.0%	50.1%	146.8%

¹¹ Issuance totals do not include private placements.¹² 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).

State	Total	Refunding & New		
		New Financing	Refinancing	Refunding
Alabama	907.7	147.5	322.4	437.8
Alaska	333.1	18.5	106.3	208.4
Arizona	1,338.7	348.5	90.6	899.7
Arkansas	511.9	84.5	54.8	372.6
California	9,798.1	3,734.2	2,717.4	3,346.5
Colorado	2,137.7	780.5	89.3	1,267.9
Connecticut	555.6	179.0	94.0	282.7
District of Columbia	440.6	100.0	340.6	-
Delaware	93.6	-	32.2	61.4
Florida	3,270.2	245.5	934.9	2,089.8
Georgia	1,406.1	334.5	544.7	526.9
Hawaii	99.7	5.9	-	93.8
Idaho	186.6	42.8	45.2	98.7
Illinois	2,623.6	1,727.2	464.1	432.4
Indiana	601.2	112.7	143.6	344.9
Iowa	583.2	248.9	13.9	320.4
Kansas	624.0	278.5	23.6	321.8
Kentucky	1,100.5	416.3	11.8	672.4
Louisiana	837.0	525.5	-	311.5
Maine	286.4	46.9	197.9	41.5
Maryland	1,243.8	740.8	117.3	385.7
Massachusetts	1,800.1	538.7	717.6	543.9
Michigan	1,368.9	446.9	95.1	827.0
Minnesota	1,248.7	439.7	185.0	624.0
Mississippi	276.4	146.7	-	129.6
Missouri	1,042.2	267.6	441.3	333.3
Montana	4.2	3.0	-	1.1
Nebraska	759.7	73.0	246.3	440.4
Nevada	245.5	32.4	90.0	123.1
New Hampshire	276.4	190.2	-	86.2
New Jersey	1,097.6	406.6	52.0	638.9
New Mexico	128.7	30.0	32.7	65.9
New York	8,506.5	2,895.8	1,563.0	4,048.7
North Carolina	1,423.0	527.0	547.6	348.4
North Dakota	117.0	24.1	1.5	91.5
Ohio	2,226.0	803.5	163.6	1,258.9
Oklahoma	479.1	450.7	-	28.4
Oregon	649.6	190.8	159.4	299.4
Pennsylvania	2,134.6	927.3	332.0	875.4
Puerto Rico	5,829.2	2,095.7	1,000.0	2,733.5
Rhode Island	144.6	96.9	19.4	28.3
South Carolina	838.2	49.5	50.7	737.9
South Dakota	231.8	148.8	18.8	64.3
Tennessee	1,758.6	163.9	166.2	1,428.5
Texas	7,684.8	2,794.9	1,614.0	3,275.8
Utah	453.8	166.6	111.9	175.4
Vermont	132.1	38.0	94.1	-
Virginia	2,601.1	714.7	275.0	1,611.4
Washington	3,517.8	848.1	432.6	2,237.1
West Virginia	48.3	36.8	-	11.6
Wisconsin	2,063.4	363.5	548.8	1,151.1
Wyoming	97.5	97.5	-	-
ALL	78,164.7	26,127.1	15,303.2	36,735.8
QoQ	-15.1%	-45.8%	-5.0%	32.2%
YoY	66.6%	-2.6%	139.4%	168.0%

Municipal Broker-Dealers, 2011	Firms
Municipal Securities Brokers	1,542
Municipal Securities Dealers	626
Municipal Securities Broker & Dealer	530
Brokers by State	
NY	302
CA	168
TX	119
IL	90
FL	82
Dealers by State	
NY	131
CA	56
TX	43
IL	40
NJ	32
Broker-Dealers by State	
NY	116
CA	48
TX	37
IL	30
NJ	28

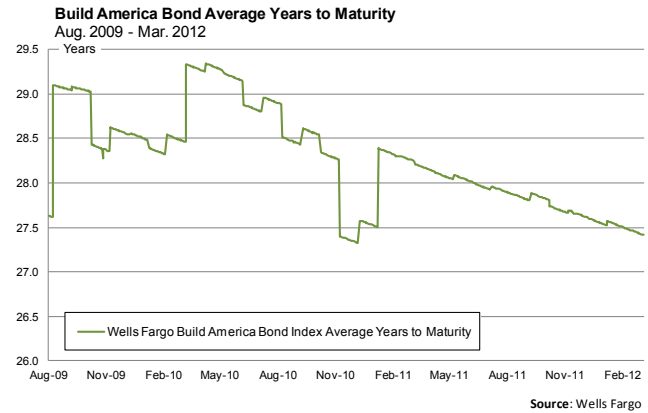
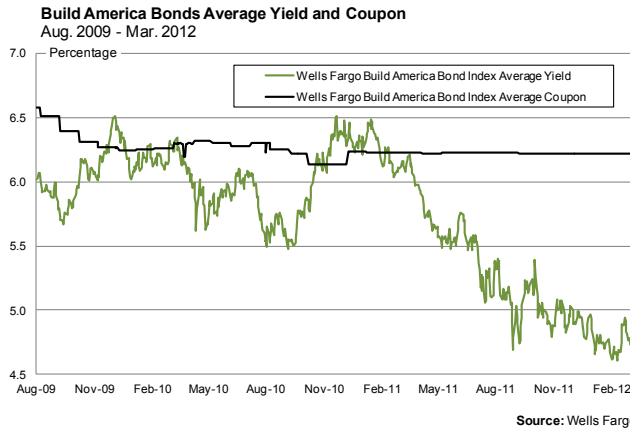
Source: FINRA

LONG-TERM MUNICIPAL ISSUANCE BY GENERAL USE OF PROCEEDS

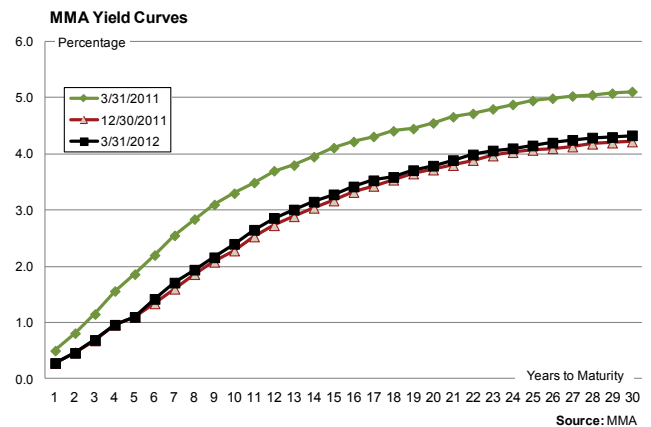
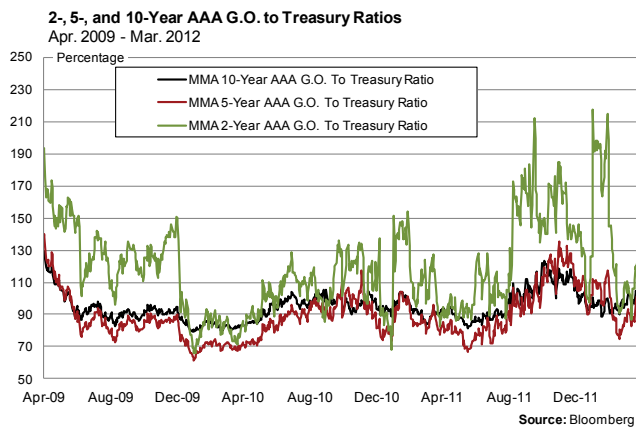
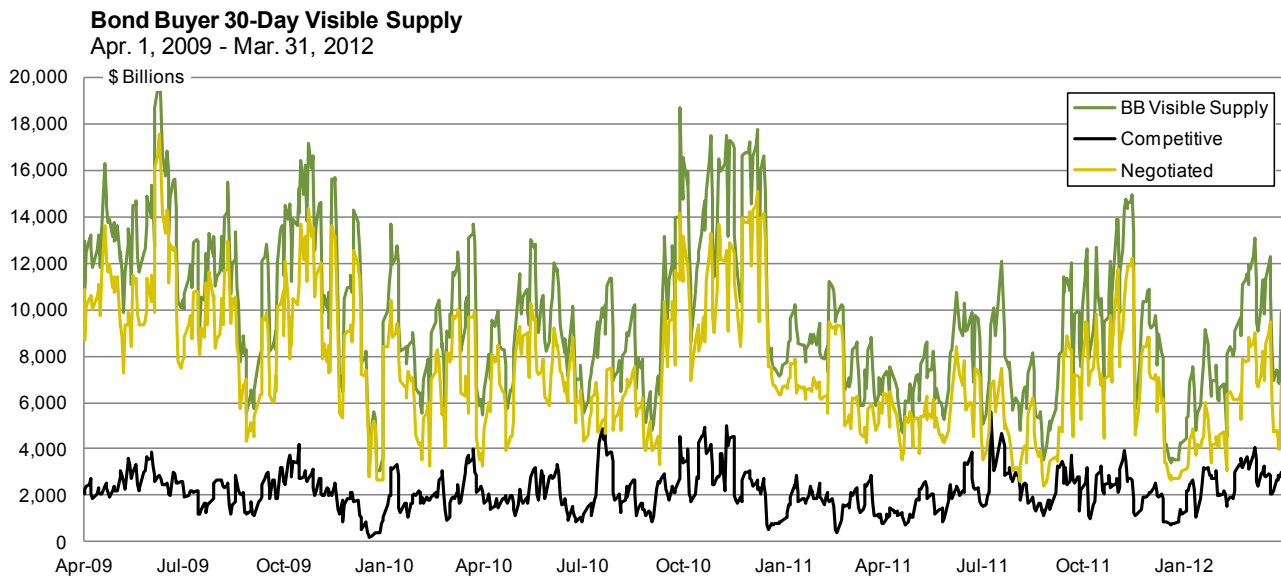
\$ Millions

State	1Q'11	4Q'11	1Q'12	Q-o-Q	Y-o-Y
Airports	414.5	2,111.8	2,177.2	3.1%	425.3%
Assisted Living	5.5	1.5	60.8	3953.3%	1005.5%
Bridges	239.5	1,160.6		-100.0%	-100.0%
Childrens hospital	100.0	467.5	251.0	-46.3%	151.0%
Civic & convention centers	352.5	156.2	206.4	32.1%	-41.4%
Combined utilities	44.0	313.9	116.3	-62.9%	164.3%
Cont Care Retirement Community	8.8	538.4	218.6	-59.4%	2384.1%
Correctional facilities	343.0	106.0	1,123.9	960.3%	227.7%
Economic development	1,128.3	2,948.0	566.3	-80.8%	-49.8%
Fire stations & equipment	39.5	90.0	34.7	-61.4%	-12.2%
Flood control	70.8	171.7	63.1	-63.2%	-10.9%
Gas	27.0	4.7	34.3	629.8%	27.0%
General acute care hospital	3,981.2	7,363.2	2,183.4	-70.3%	-45.2%
General Medical	77.1	838.1	294.6	-64.8%	282.1%
General purpose /public improvement	15,925.9	28,362.2	23,222.9	-18.1%	45.8%
Government buildings	119.6	849.2	262.0	-69.1%	119.1%
Higher education	3,532.6	5,459.5	9,183.6	68.2%	160.0%
Hospital equipment loans	5.0	2.4		-100.0%	-100.0%
Industrial development	157.7	975.4	242.8	-75.1%	54.0%
Libraries & museums	26.1	502.6	437.7	-12.9%	1577.0%
Mass transportation	1,173.0	4,311.1	2,527.5	-41.4%	115.5%
Multi family housing	197.2	1,915.3	288.1	-85.0%	46.1%
Nursing homes		41.2	20.2	-51.0%	
Office buildings	26.4	3,241.5	450.3	-86.1%	1605.7%
Other education	111.7	97.3	74.3	-23.6%	-33.5%
Other recreation	68.0	128.1	66.7	-47.9%	-1.9%
Parking facilities	36.3	29.6	111.4	276.4%	206.9%
Parks, Zoos & Beaches	119.2	195.3	172.2	-11.8%	44.5%
Police stations & equipment	5.6		71.8		1182.1%
Pollution control	501.1	314.3	297.7	-5.3%	-40.6%
Primary & secondary education	9,760.2	11,879.6	15,191.6	27.9%	55.6%
Public power	1,404.9	2,034.3	2,512.2	23.5%	78.8%
Sanitation	49.7	58.5	147.1	151.5%	196.0%
Seaports /marine terminals	74.0	334.9	126.0	-62.4%	70.3%
Single family housing	819.9	1,941.8	639.8	-67.1%	-22.0%
Single specialty hospital		36.7	351.8	858.6%	
Solid waste	18.6	855.6	5.6	-99.3%	-69.9%
Stadiums & sports complexes	58.3	111.0	72.6	-34.6%	24.5%
Student loans	655.2	771.5	307.0	-60.2%	-53.1%
Telecommunications	21.3	18.0	10.0	-44.4%	-53.1%
Theatres			3.0		
Toll roads, highways & streets	848.9	3,708.3	2,909.0	-21.6%	242.7%
Water & sewer facilities	4,362.8	7,613.0	11,129.0	46.2%	155.1%
Recycling		7.3		-100.0%	
ALL	46,910.4	92,067.0	78,164.2	-15.1%	66.6%

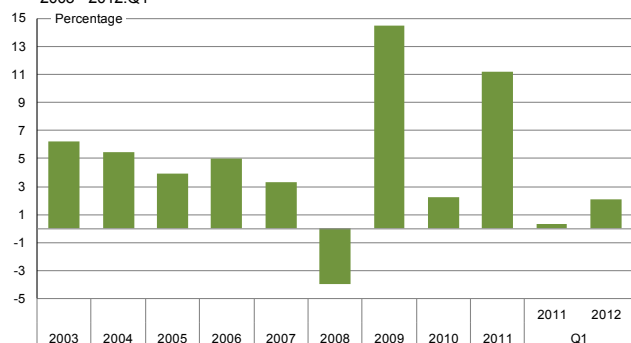
BUILD AMERICA BONDS



SUPPLY, YIELD CURVES, TOTAL RETURN, SPREADS & RATIOS

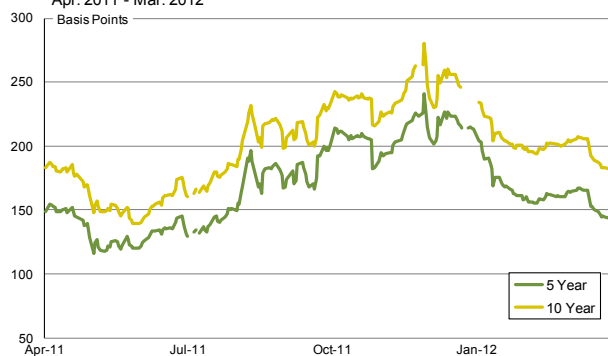


Municipal Total Return
2003 - 2012:Q1



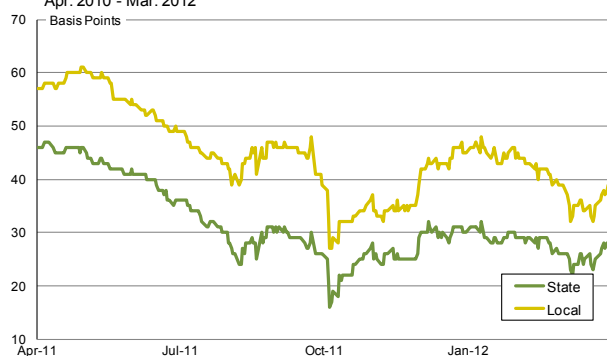
Source: Bank of America-Merrill Lynch

MCDX (5- and 10- Year)
Apr. 2011 - Mar. 2012



Source: Markit

Spreads: State and Local Government
Apr. 2010 - Mar. 2012



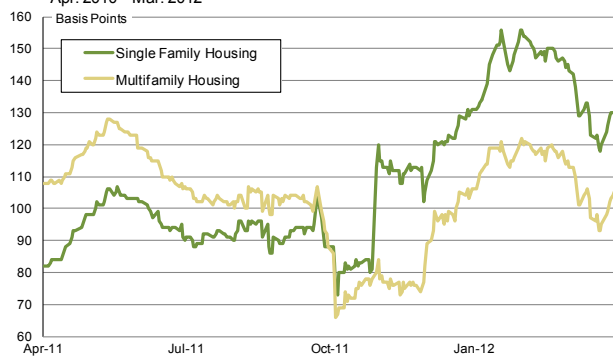
Source: Bank of America-Merrill Lynch

Spreads: General Obligation and Revenue
Apr. 2010 - Mar. 2011



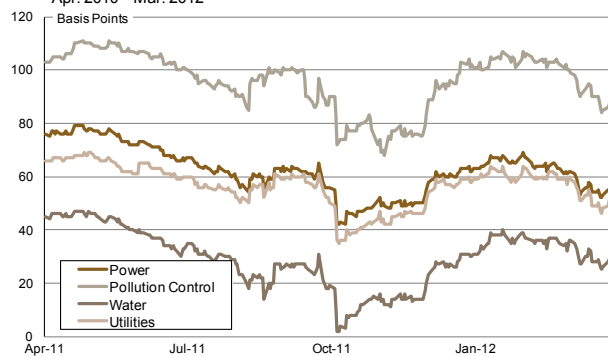
Source: Bank of America-Merrill Lynch

Spreads: Single- and Multi- Family Housing
Apr. 2010 - Mar. 2012



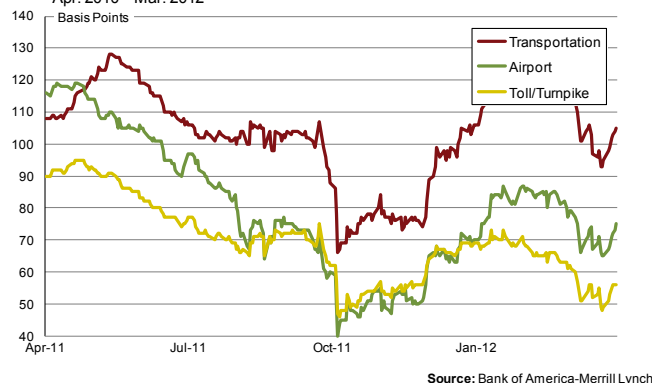
Source: Bank of America-Merrill Lynch

Spreads: Water, Pollution Control, Power, Utilities
Apr. 2010 - Mar. 2012

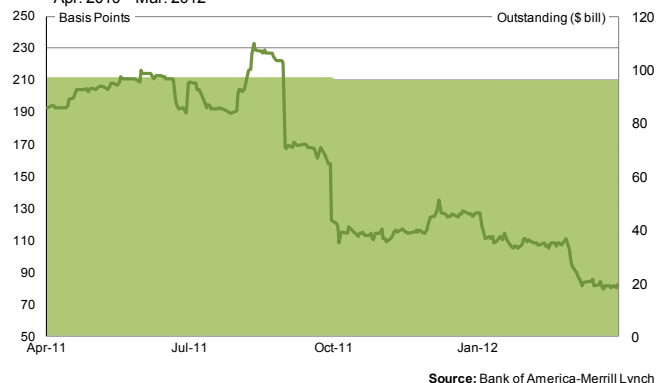


Source: Bank of America-Merrill Lynch

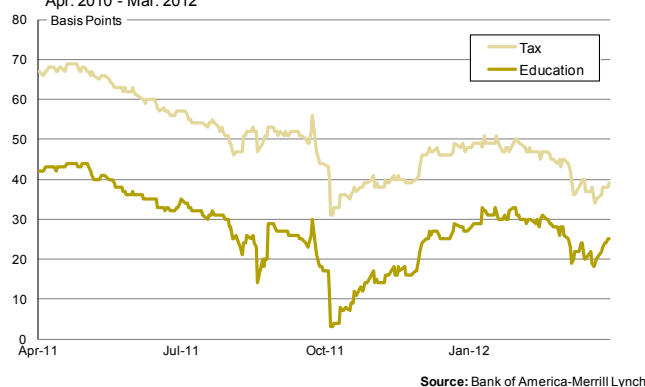
Spreads: Transportation, Airport, Toll/Turnpike
Apr. 2010 - Mar. 2012



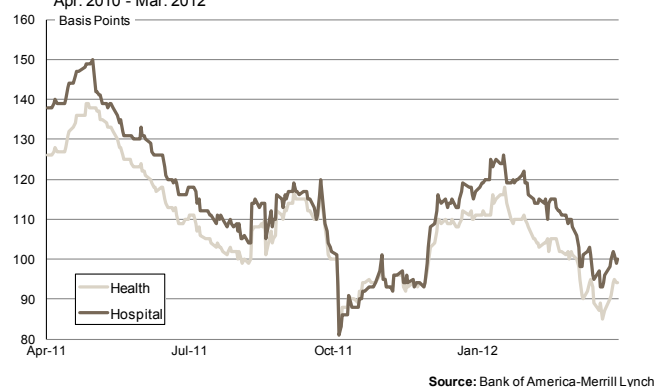
Spreads: Tobacco
Apr. 2010 - Mar. 2012



Spreads: Tax, Education
Apr. 2010 - Mar. 2012



Spreads: Health, Hospital
Apr. 2010 - Mar. 2012



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:Q1	1,377,004	606,723	934,515	2,918,242	\$333,224	\$266,193	\$130,015	\$729,432
2012:Q1	1,072,861	529,171	798,915	2,400,947	\$316,267	\$226,671	\$137,657	\$680,595
%Change	-22%	-13%	-15%	-18%	-5%	-15%	6%	-7%

	# 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:Q1	84%	11%	2%	3%	2,918,242	11%	11%	6%	72%	\$729,432
2012:Q1	81%	13%	2%	4%	2,400,947	9%	11%	7%	72%	\$680,595
%Change	-4%	18%	0%	33%	-18%	-18%	0%	17%	0%	-7%

	Trades by Sector							
	Education	Health	Utility	Various Purpose	Transportation	Tax-Revenue	Other	Total (Millions)
2011:Q1	17%	11%	12%	10%	9%	6%	35%	\$729,432
2012:Q1	19%	11%	12%	11%	7%	8%	32%	\$680,595
%Change	12%	0%	0%	10%	-22%	33%	-9%	-7%

	Trades by Maturity					
	1 Year or Less	1+ Year to 5 Years	5+ Years to 10 Years	10+ Years to 20 Years	20+ Years	Total (Millions)
2011:Q1	4%	9%	14%	28%	46%	\$729,432
2012:Q1	3%	9%	14%	31%	43%	\$680,595
%Change	-25%	0%	0%	11%	-7%	-7%

	Trades by Source of Repayment				
	Revenue	General Obligation	Double Barrel	Not Available	Total (Millions)
2011:Q1	73%	24%	2%	1%	\$729,432
2012:Q1	69%	28%	2%	0%	\$680,595
%Change	-5%	17%	0%	-100%	-7%

	Trades by Coupon Type				
	Fixed Rate	Variable Rate	Zero Coupon	Not Available	Total (Millions)
2011:Q1	53%	41%	5%	0%	\$729,432
2012:Q1	56%	38%	6%	0%	\$680,595
%Change	6%	-7%	20%	N/A	-7%

Source: MSRB EMMA

MUNICIPAL CDS

Market Risk Activity of Single-Name Municipal CDS, 2010- 1Q'12 (\$ millions) ¹³

State	California	Florida	Illinois	New Jersey	New York	Texas	New York City	Massachusetts	TOTAL	Average Contract Size
Jul-10	137.0	53.0	25.0	30.0	50.0		35.0		330.0	5.8
Aug-10	222.7	80.0	60.0	35.0	95.0		85.1		577.8	8.3
Sep-10	135.0	18.0		15.6	55.0		64.6		288.2	2.4
Oct-10	198.1	171.8	90.9	142.8	166.2	25.0	216.0		1,010.8	6.5
Nov-10	403.5	21.3	34.0	52.5	51.5	15.0	259.5		837.3	11.6
Dec-10	325.0	37.5	93.0	64.3	34.3	25.0	80.0	10.0	669.0	4.0
Jan-11	241.0		276.6	192.9	20.4	64.5	71.8	0.5	867.7	2.7
Feb-11	107.0	10.0	120.9	115.2	41.4	15.5	60.0	10.0	480.0	4.2
Mar-11	262.2		175.7	90.0	12.0	40.0	30.0		609.9	6.8
Apr-11	203.5		192.5	10.0	10.5		60.0	15.0	491.5	6.0
May-11	249.5	100.0	223.7	16.1	11.1	20.0	113.0		733.4	6.0
Jun-11	236.2		255.2	86.9	16.0		41.1		635.3	5.0
Jul-11	321.8	565.0	238.8	11.2	50.7	10.0	91.3		1,288.7	10.1
Aug-11	250.3	90.0	169.6	13.4	15.7		665.0		1,204.0	8.7
Sep-11	165.9	137.5	88.0	16.1	35.3		23.1		465.9	3.8
Oct-11	101.8		116.1	90.0	25.5	10.0			343.4	5.5
Nov-11	50.0	5.0	16.1	10.0		10.0	70.0		161.1	7.3
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
1Q'12	326.0	40.0	341.6	166.0	0.0	55.0	125.3	0.0	1,053.9	9.8
Q-o-Q	17.8%	700.0%	-4.5%	65.2%		81.5%	79.0%		20.0%	57.8%
Y-o-Y	-46.6%	300.0%	-40.4%	-58.3%		-54.2%	-22.6%		-46.2%	261.3%

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
3/31/2010	166.0	202.3	99.0	175.0	156.0	103.0	159.0	N/A	105.0	155.0	112.0	88.0	48.0	N/A	52.0	52.2	N/A
6/30/2010	369.0	352.9	141.0	226.0	289.0	159.0	288.0	N/A	187.0	291.0	154.0	147.0	82.0	N/A	107.0	69.7	N/A
9/30/2010	260.0	260.0	118.0	205.0	210.0	134.0	237.0	127.0	130.0	194.0	135.0	121.0	65.0	N/A	81.0	56.7	N/A
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
Q-o-Q	-23.9%	-23.0%	-5.2%	-14.7%	-20.5%	-28.7%	-14.3%	-19.7%	-24.8%	-17.9%	-17.5%	-29.8%	-21.1%	-16.5%	-9.9%		-21.3%
Y-o-Y	-11.8%	-14.6%	-5.9%	-35.7%	-7.3%	8.9%	-12.0%	11.9%	-1.9%	18.1%	-0.8%	-14.7%	-11.3%	-14.5%	6.5%	-7.4%	11.8%

Source: CMA Dativision

10-Year	Illinois	California	Connecticut	Nevada	New Jersey	Ohio	Michigan	Pennsylvania	Florida	New York	Massachusetts	Wisconsin	Maryland	North Carolina	Texas	Delaware	Minnesota
3/31/2010	169.0	201.0	108.0	184.0	156.0	106.0	165.0	N/A	107.0	156.0	117.0	101.0	51.0	N/A	57.0	N/A	N/A
6/30/2010	369.0	361.7	155.0	230.0	294.0	162.0	285.0	N/A	200.0	291.0	160.0	162.0	87.0	N/A	110.0	83.0	N/A
9/30/2010	285.0	283.4	129.0	205.0	222.0	133.0	238.0	132.0	152.0	219.0	135.0	132.0	69.0	N/A	82.0	67.5	N/A
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	89.0	69.0	77.0	65.0	N/A	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	N/A	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	N/A	99.0
Q-o-Q	-19.2%	-23.2%	-6.6%	-12.3%	-22.7%	-23.1%	-18.1%	-21.5%	-16.1%	-18.0%	-19.4%	-15.6%	-18.5%	-16.7%	-14.7%	75.0%	-20.8%
Y-o-Y	0.0%	-3.8%	14.0%	-7.5%	4.6%	17.7%	2.0%	15.4%	23.8%	1.5%	8.4%	13.8%	10.0%	2.3%	22.4%		20.7%

Source: CMA Dativision

¹³ "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 Type¹⁴

\$ Millions

State	Total Outstanding	G.O.	Revenue	Due in 13 Months	Long-Term	2011:Q4 Total Outstanding	% Change
AK Alaska	11,094.9	2,898.5	8,196.5	731.1	10,363.8	11,209.3	-1.0%
AL Alabama	32,057.8	6,053.4	26,004.3	1,017.3	31,040.5	33,259.4	-3.6%
AR Arkansas	11,936.6	4,616.4	7,320.2	483.7	11,452.9	12,043.4	-0.9%
AZ Arizona	55,749.3	11,088.8	44,660.5	2,158.9	53,590.5	55,549.1	0.4%
CA California	549,518.1	194,627.8	354,890.3	26,609.8	522,908.3	547,778.7	0.3%
CO Colorado	57,492.6	12,171.0	45,321.7	2,663.1	54,829.6	56,674.8	1.4%
CT Connecticut	44,198.5	22,460.5	21,738.1	3,573.0	40,625.5	44,553.3	-0.8%
DC District of Columbia	30,312.1	3,581.0	26,731.0	1,289.5	29,022.6	29,989.8	1.1%
DE Delaware	7,983.1	2,490.5	5,492.6	351.3	7,631.8	8,516.7	-6.3%
FL Florida	166,378.8	19,224.6	147,154.3	9,241.4	157,137.4	165,543.4	0.5%
GA Georgia	72,182.0	16,493.4	55,688.6	3,555.8	68,626.2	72,268.9	-0.1%
GU Guam	2,179.4	444.4	1,734.9	38.0	2,141.4	2,179.5	0.0%
HI Hawaii	15,718.9	9,109.8	6,609.0	709.6	15,009.2	16,072.7	-2.2%
IA Iowa	20,836.4	5,877.1	14,959.2	966.4	19,870.0	20,939.2	-0.5%
ID Idaho	10,925.0	5,762.8	5,162.2	1,061.2	9,863.7	10,940.8	-0.1%
IL Illinois	158,311.0	80,189.1	78,121.9	5,801.9	152,509.2	158,538.1	-0.1%
IN Indiana	53,648.5	1,079.8	52,568.8	2,509.0	51,139.5	55,024.1	-2.5%
KS Kansas	22,277.2	8,653.6	13,623.6	1,433.6	20,843.6	22,254.1	0.1%
KY Kentucky	35,113.4	1,638.6	33,474.8	1,614.8	33,498.6	35,700.6	-1.6%
LA Louisiana	35,414.6	6,547.1	28,867.5	1,232.9	34,181.7	35,875.5	-1.3%
MA Massachusetts	94,960.5	31,983.8	62,976.7	6,229.4	88,731.1	95,395.7	-0.5%
MD Maryland	48,189.6	21,554.1	26,635.4	2,568.9	45,620.7	48,463.6	-0.6%
ME Maine	8,679.6	1,667.2	7,012.4	506.8	8,172.8	8,587.3	1.1%
MI Michigan	84,561.1	26,733.3	57,827.8	3,975.4	80,585.6	84,331.5	0.3%
MN Minnesota	50,810.8	22,870.0	27,940.8	3,153.7	47,657.1	51,537.3	-1.4%
MO Missouri	49,713.9	9,201.5	40,512.3	1,765.8	47,948.1	55,468.6	-10.4%
MS Mississippi	19,710.6	6,455.3	13,255.3	705.0	19,005.6	19,688.3	0.1%
MT Montana	13,368.9	8,522.6	4,846.4	672.9	12,696.0	13,591.5	-1.6%
NC North Carolina	56,275.5	14,514.3	41,761.2	2,738.4	53,537.1	56,236.3	0.1%
ND North Dakota	4,138.7	1,171.2	2,967.5	218.5	3,920.2	4,062.7	1.9%
NE Nebraska	17,324.1	4,810.5	12,513.6	826.4	16,497.7	17,407.6	-0.5%
NH New Hampshire	10,369.0	2,443.0	7,926.0	434.5	9,934.5	11,323.3	-8.4%
NJ New Jersey	118,981.0	24,105.4	94,875.6	9,609.7	109,371.4	121,019.6	-1.7%
NM New Mexico	14,930.1	2,963.0	11,967.1	820.7	14,109.4	15,510.3	-3.7%
NV Nevada	30,209.1	14,745.3	15,463.8	1,315.4	28,893.6	30,487.5	-0.9%
NY New York	360,817.5	81,454.9	279,362.5	20,806.4	340,011.1	358,555.4	0.6%
OH Ohio	104,431.7	28,539.8	75,892.0	5,093.9	99,337.8	104,316.2	0.1%
OK Oklahoma	19,338.8	3,365.7	15,973.1	1,389.8	17,949.0	19,398.5	-0.3%
OR Oregon	35,485.7	19,022.3	16,463.4	2,370.9	33,114.8	35,504.4	-0.1%
OT Other Territories	9,212.9	25.5	9,187.4		9,212.9	9,408.3	-2.1%
PA Pennsylvania	131,147.4	44,550.8	86,596.6	7,535.2	123,612.2	132,513.4	-1.0%
PR Puerto Rico	104,334.9	12,487.0	91,847.9	2,057.2	102,277.7	102,752.1	1.5%
RI Rhode Island	13,801.2	2,264.0	11,537.2	695.7	13,105.5	14,141.6	-2.4%
SC South Carolina	36,842.4	8,662.9	28,179.5	2,337.9	34,504.5	38,103.0	-3.3%
SD South Dakota	7,521.2	3,325.3	4,195.9	360.6	7,160.6	7,464.3	0.8%
TN Tennessee	44,573.5	14,017.7	30,555.8	1,965.9	42,607.6	44,116.9	1.0%
TT Trust Territories	284.3	98.7	185.5		284.3	285.8	-0.6%
TX Texas	299,771.2	138,571.4	161,199.8	19,560.0	280,211.2	300,933.8	-0.4%
UT Utah	21,819.6	7,147.7	14,671.9	967.6	20,852.0	21,972.7	-0.7%
VA Virginia	62,070.8	12,933.7	49,137.1	2,932.0	59,138.8	62,292.1	-0.4%
VI Virgin Islands	2,325.8		2,325.8	48.3	2,277.5	2,389.7	-2.7%
VT Vermont	5,609.4	595.1	5,014.2	190.9	5,418.4	5,730.9	-2.1%
WA Washington	78,633.5	36,113.3	42,520.2	3,207.0	75,426.5	78,428.2	0.3%
WI Wisconsin	44,746.5	20,360.5	24,386.0	3,940.4	40,806.1	44,532.6	0.5%
WV West Virginia	11,282.1	1,054.5	10,227.5	292.9	10,989.2	11,370.3	-0.8%
WY Wyoming	3,972.2	111.2	3,860.9	69.7	3,902.4	3,884.9	2.2%
TOTAL (3/31/2012)	3,413,573.1	1,043,450.8	2,370,122.3	178,406.1	3,235,167.0	3,426,117.7	-0.4%
TOTAL (12/31/2011)	3,426,117.7	1,040,006.3	2,386,111.4	174,771.7	3,251,346.0		
TOTAL (9/30/2011)	3,436,848.2	1,043,081.9	2,393,766.4	179,645.4	3,257,202.8		
TOTAL (6/30/2011)	3,449,943.9	1,038,453.5	2,411,490.5	171,638.7	3,278,305.2		
TOTAL (3/31/2011)	3,218,178.4	631,308.5	2,586,869.8	175,071.7	3,043,106.7		

¹⁴ 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 Derivatives¹⁵

\$ Millions

State	Total Outstanding	Tax-Exempt	AMT	Taxable	Fixed	Zero	Other
AK Alaska	11,094.9	8,713.6	1,326.3	1,055.1	8,648.3	355.2	2,091.4
AL Alabama	32,057.8	25,049.3	1,457.4	5,551.1	23,442.0	495.2	8,120.5
AR Arkansas	11,936.6	6,671.1	655.6	4,609.8	10,618.8	399.4	918.4
AZ Arizona	55,749.3	47,834.6	2,380.6	5,534.2	47,804.5	131.6	7,813.3
CA California	549,518.1	436,728.7	23,774.0	89,015.4	386,693.0	70,143.7	92,681.4
CO Colorado	57,492.6	42,538.3	4,028.3	10,926.1	42,117.2	3,700.9	11,674.6
CT Connecticut	44,198.5	31,953.7	2,561.1	9,683.7	36,127.4	531.8	7,539.3
DC District of Columbia	30,312.1	22,383.1	4,633.9	3,295.1	18,047.6	5,778.6	6,485.9
DE Delaware	7,983.1	5,905.7	799.6	1,277.8	6,053.9	97.5	1,831.8
FL Florida	166,378.8	135,946.2	15,497.5	14,935.1	127,773.9	4,672.9	33,932.0
GA Georgia	72,182.0	57,949.9	4,279.2	9,952.9	56,626.6	190.5	15,364.9
GU Guam	2,179.4	2,012.8	114.9	51.7	2,063.9	115.5	-
HI Hawaii	15,718.9	12,590.0	1,630.5	1,498.3	14,986.2	57.7	675.0
IA Iowa	20,836.4	10,903.9	1,203.2	8,729.3	16,029.0	557.8	4,249.6
ID Idaho	10,925.0	4,627.1	1,235.2	5,062.7	5,268.6	87.4	5,569.0
IL Illinois	158,311.0	101,304.2	8,563.4	48,443.5	119,624.5	16,738.1	21,948.4
IN Indiana	53,648.5	37,342.8	3,639.2	12,666.5	37,752.6	1,273.5	14,622.4
KS Kansas	22,277.2	14,627.9	759.2	6,890.1	19,632.0	415.4	2,229.8
KY Kentucky	35,113.4	22,714.6	3,122.9	9,275.9	26,460.1	580.9	8,072.3
LA Louisiana	35,414.6	27,855.6	1,729.2	5,829.9	26,507.8	711.7	8,195.0
MA Massachusetts	94,960.5	79,231.3	4,647.0	11,082.3	74,427.9	1,174.0	19,358.6
MD Maryland	48,189.6	38,949.2	3,109.2	6,131.2	39,705.3	351.1	8,133.1
ME Maine	8,679.6	6,237.4	1,389.3	1,052.9	7,242.5	105.2	1,331.9
MI Michigan	84,561.1	62,327.1	5,871.8	16,362.2	55,799.0	8,389.0	20,373.1
MN Minnesota	50,810.8	34,262.0	3,537.2	13,011.6	41,139.1	827.9	8,843.7
MO Missouri	49,713.9	32,213.9	2,392.6	15,107.4	34,432.3	940.5	14,341.1
MS Mississippi	19,710.6	12,203.1	1,302.2	6,205.3	12,504.6	393.0	6,812.9
MT Montana	13,368.9	2,377.6	1,943.4	9,048.0	3,452.3	8.9	9,907.8
NC North Carolina	56,275.5	48,418.0	2,253.2	5,604.3	42,377.9	678.1	13,219.5
ND North Dakota	4,138.7	2,487.1	531.9	1,119.7	3,682.2	-	456.5
NE Nebraska	17,324.1	11,831.1	675.4	4,817.7	14,850.0	23.4	2,450.8
NH New Hampshire	10,369.0	7,026.2	1,313.0	2,029.8	7,207.8	104.6	3,056.6
NJ New Jersey	118,981.0	86,291.0	7,063.5	25,626.5	91,162.0	15,753.0	12,066.0
NM New Mexico	14,930.1	11,689.9	1,131.6	2,108.7	11,773.7	8.4	3,148.0
NV Nevada	30,209.1	23,191.6	3,699.4	3,318.0	23,060.8	978.7	6,169.6
NY New York	360,817.5	291,083.2	23,450.4	46,283.9	282,303.0	15,781.3	62,733.1
OH Ohio	104,431.7	72,262.3	4,990.0	27,179.5	71,391.7	8,321.0	24,719.0
OK Oklahoma	19,338.8	13,670.1	1,356.7	4,312.0	15,981.9	186.4	3,170.5
OR Oregon	35,485.7	22,392.0	1,676.7	11,417.0	28,840.4	3,309.1	3,336.2
OT Other Territories	9,212.9	1,100.3	7,775.8	336.7	753.7	0.8	8,458.4
PA Pennsylvania	131,147.4	93,072.1	7,461.9	30,613.4	91,895.8	9,770.6	29,481.0
PR Puerto Rico	104,334.9	89,904.6	683.1	13,747.2	60,759.5	33,713.7	9,861.8
RI Rhode Island	13,801.2	10,546.0	2,020.2	1,235.0	9,103.7	2,861.3	1,836.2
SC South Carolina	36,842.4	29,746.4	1,249.5	5,846.5	28,627.6	1,747.9	6,466.8
SD South Dakota	7,521.2	2,716.6	980.2	3,824.4	4,020.5	18.7	3,482.0
TN Tennessee	44,573.5	31,522.8	3,769.1	9,281.6	30,486.0	1,094.3	12,993.2
TT Trust Territories	284.3	238.7	45.5	-	144.3	-	140.0
TX Texas	299,771.2	228,320.0	19,254.8	52,196.5	228,377.3	19,476.6	51,917.3
UT Utah	21,819.6	14,951.6	1,562.0	5,305.9	15,906.0	452.6	5,461.0
VA Virginia	62,070.8	48,373.0	4,388.7	9,309.1	50,615.3	2,000.0	9,455.5
VI Virgin Islands	2,325.8	1,969.8	312.9	43.1	2,273.7	48.1	4.0
VT Vermont	5,609.4	2,992.6	2,018.7	598.1	2,819.3	5.1	2,785.0
WA Washington	78,633.5	59,874.6	5,506.8	13,252.2	68,449.3	2,755.4	7,428.7
WI Wisconsin	44,746.5	28,532.2	2,519.0	13,695.3	37,678.2	457.2	6,611.1
WV West Virginia	11,282.1	6,392.4	1,122.8	3,766.9	6,749.7	2,143.8	2,388.6
WY Wyoming	3,972.2	2,116.5	1,473.2	382.4	2,110.8	1.0	1,860.3
TOTAL (3/31/2012)	3,413,573.1	2,566,167.1	217,869.5	629,536.5	2,534,383.1	240,916.1	638,273.9
TOTAL (12/31/2011)	3,426,117.7	2,565,911.5	226,120.8	634,085.4	2,518,974.2	N/A	N/A
TOTAL (9/30/2011)	3,436,848.2	2,564,872.1	236,510.8	635,465.4	2,508,058.3	N/A	N/A
TOTAL (6/30/2011)	3,449,943.9	2,564,835.5	234,780.8	650,327.6	2,498,907.4	N/A	N/A
TOTAL (3/31/2011)	3,218,178.4	2,357,528.1	234,195.1	626,455.2	2,498,453.8	N/A	N/A

Industry	Total Outstanding	BAB Only	VRDO Only	Prerefunded Only	Derivatives Only
Airport	83,208.9	357.7	1,582.0	797.1	424.9
Development	133,905.3	608.6	3,004.4	2,590.6	1,180.8
Education	684,070.7	38.1	453.1	469.9	43.7
GO	664,259.8	1,993.0	2,945.6	3,780.0	2,386.1
Healthcare	276,583.3	37,758.5	40,063.6	25,647.6	28,522.2
Housing	166,119.3	4,072.9	7,869.1	5,153.9	3,342.6
Other	638,145.7	1,911.1	3,860.7	2,573.4	861.8
Public Facilities	45,834.8	1,949.9	2,939.7	709.5	1,931.6
Student Loan	56,329.0	519.3	791.2	450.1	118.1
Transportation	230,006.4	5,536.0	11,947.2	4,139.7	8,554.9
Utilities	435,110.0	3,727.6	6,534.7	3,676.6	2,373.1
TOTAL (3/31/2012)	3,413,573.1	1,267.6	155.0	1,005.9	1,005.3
		703.5	1,873.0	511.1	151.8
		129.3	1,080.9	230.9	80.6
		10,966.5	13,903.9	4,911.9	7,179.4
		1,997.7	5,641.5	3,610.8	2,225.5
		1,601.9	1,342.6	1,155.8	179.7
		2,864.7	3,830.4	1,218.2	927.9
		841.0	4,530.6	1,500.4	1,156.2
		4,835.4	11,233.7	8,098.0	6,985.1
		3,434.3	4,371.4	3,465.4	967.2
		88.1	760.5	364.3	112.5
		2,604.4	10,680.9	4,214.1	3,589.8
		1,423.1	3,503.5	1,758.5	860.3
		2,979.2	4,176.6	1,302.1	1,295.6
		764.9	4,298.5	487.8	408.5
		30.2	371.3	62.8	29.5
		1,606.8	7,903.8	3,561.4	1,968.7
		65.1	385.4	89.6	23.1
		1,002.6	2,004.4	697.8	719.4
		354.9	1,609.7	558.5	198.7
		7,352.1	5,721.4	9,734.9	5,450.0
		276.4	1,631.7	775.8	433.4
		2,547.9	2,435.2	2,164.6	1,812.3
		20,629.8	39,779.0	12,544.2	17,706.8
		8,264.3	9,741.0	6,614.0	3,395.0
		774.5	1,109.6	402.5	381.1
		971.0	2,078.1	1,221.8	422.6
		-	-	-	22,039.0
		5,013.9	13,927.5	6,106.2	6,842.5
		692.8	518.5	5,681.1	4,071.7
		-	853.5	233.4	350.0
		1,164.7	1,767.8	3,539.1	1,247.9
		342.0	820.7	91.0	124.5
		1,833.1	5,152.2	3,233.9	1,747.3
		-	19,353.9	36.2	-
		16,651.6	-	13,520.1	21,202.9
		2,891.6	2,558.4	1,315.9	634.5
		3,815.6	5,069.0	5,048.2	1,569.4
		37.3	-	19.2	12.9
		126.3	736.3	227.8	36.9
		6,111.7	4,689.0	4,730.4	3,590.8
		2,063.8	4,319.7	3,113.5	1,403.7
		88.2	1,318.9	123.1	319.0
		139.2	1,321.5	19.2	58.8
		179,821.9	290,551.7	169,289.4	174,663.7
		180,021.0	301,038.4	162,923.0	168,497.5
		180,035.8	309,418.8	171,493.5	173,247.9
		180,504.1	322,542.4	177,151.5	167,357.1
		N/A	357,225.9	N/A	N/A

¹⁵ 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 Rating¹⁶

\$ Millions

State	Total Outstanding	AAA	AA	A	BBB	HY	NonRated
AK Alaska	11,094.9	1,317.2	6,197.5	1,690.6	783.1	500.1	606.5
AL Alabama	32,057.8	1,047.4	16,945.9	5,094.1	1,956.5	3,472.5	3,541.4
AR Arkansas	11,936.6	487.8	7,558.3	1,098.7	620.0	61.6	2,110.0
AZ Arizona	55,749.3	4,181.5	32,024.5	10,731.0	4,023.1	460.8	4,328.5
CA California	549,518.1	8,440.7	219,786.0	177,984.6	58,318.7	23,757.1	61,231.0
CO Colorado	57,492.6	4,196.3	29,202.4	9,658.3	7,303.6	302.0	6,830.1
CT Connecticut	44,198.5	9,739.0	24,860.2	5,713.9	1,002.1	224.0	2,659.3
DC District of Columbia	30,312.1	384.6	14,271.1	6,417.1	2,768.0	3,369.3	3,101.9
DE Delaware	7,983.1	2,238.6	3,512.1	923.7	608.5	133.0	567.3
FL Florida	166,378.8	4,111.9	74,115.4	57,435.9	10,219.3	1,330.6	19,165.7
GA Georgia	72,182.0	14,662.1	22,818.0	20,873.7	4,396.4	594.8	8,837.0
GU Guam	2,179.4	-	-	280.4	561.5	1,318.7	18.8
HI Hawaii	15,718.9	19.8	11,605.3	2,179.8	1,299.3	61.8	552.8
IA Iowa	20,836.4	2,047.2	7,992.5	4,826.1	423.0	2,695.9	2,851.7
ID Idaho	10,925.0	5,210.9	2,343.2	1,924.8	217.2	138.8	1,090.1
IL Illinois	158,311.0	7,310.4	60,099.1	71,927.7	8,333.1	796.1	9,844.6
IN Indiana	53,648.5	3,500.1	27,034.6	11,625.7	4,644.6	275.3	6,568.2
KS Kansas	22,277.2	2,370.8	11,579.2	3,494.2	1,781.4	111.5	2,940.1
KY Kentucky	35,113.4	2,434.1	18,605.4	9,273.9	2,839.4	153.6	1,806.9
LA Louisiana	35,414.6	3,814.5	14,565.8	7,950.4	6,662.3	222.3	2,199.2
MA Massachusetts	94,960.5	11,581.0	62,038.6	10,451.1	3,990.1	314.8	6,585.0
MD Maryland	48,189.6	16,854.0	18,970.7	5,072.8	2,697.4	633.2	3,961.5
ME Maine	8,679.6	581.1	6,114.2	1,104.4	537.7	62.5	279.6
MI Michigan	84,561.1	4,967.4	37,990.9	22,426.1	4,329.8	10,044.3	4,802.7
MN Minnesota	50,810.8	6,353.2	28,797.9	7,327.8	2,110.7	461.6	5,759.6
MO Missouri	49,713.9	6,736.4	21,994.7	9,170.7	3,680.6	333.7	7,797.8
MS Mississippi	19,710.6	2,041.0	11,786.6	2,062.1	1,068.6	646.4	2,105.8
MT Montana	13,368.9	1,062.4	2,647.8	1,060.6	167.1	157.2	8,273.8
NC North Carolina	56,275.5	13,111.5	28,540.2	8,404.1	3,113.0	32.6	3,074.2
ND North Dakota	4,138.7	262.7	2,259.7	1,009.5	231.0	-	375.7
NE Nebraska	17,324.1	1,221.5	7,699.7	4,247.1	651.8	476.8	3,027.3
NH New Hampshire	10,369.0	282.3	5,962.0	2,470.9	706.9	150.5	796.4
NJ New Jersey	118,981.0	7,718.5	33,905.9	54,344.6	8,305.3	6,018.9	8,687.9
NM New Mexico	14,930.1	1,494.0	10,806.3	1,030.5	877.1	102.5	619.6
NV Nevada	30,209.1	248.3	19,874.2	4,794.7	1,091.9	604.2	3,595.8
NY New York	360,817.5	22,105.3	225,904.7	59,199.9	13,552.1	10,523.6	29,531.9
OH Ohio	104,431.7	9,666.4	45,730.8	16,442.5	6,404.1	12,567.6	13,620.3
OK Oklahoma	19,338.8	2,428.2	9,179.2	3,975.3	967.9	377.3	2,410.9
OR Oregon	35,485.7	847.5	25,968.2	5,751.5	758.1	62.8	2,097.6
OT Other Territories	9,212.9	5,541.1	1,983.6	242.0	130.6	-	1,315.5
PA Pennsylvania	131,147.4	3,749.2	63,451.7	38,637.7	13,882.3	1,706.3	9,720.2
PR Puerto Rico	104,334.9	251.4	25,377.5	12,140.6	50,284.0	10,783.0	5,498.5
RI Rhode Island	13,801.2	719.9	6,026.7	1,562.6	1,175.2	3,577.4	739.4
SC South Carolina	36,842.4	1,310.1	22,604.3	6,209.4	2,733.2	375.4	3,609.9
SD South Dakota	7,521.2	167.0	3,239.0	882.3	285.8	40.4	2,906.7
TN Tennessee	44,573.5	3,604.0	25,050.9	8,859.6	3,066.4	92.7	3,900.0
TT Trust Territories	284.3	-	-	-	-	47.2	237.0
TX Texas	299,771.2	87,973.9	114,315.7	38,864.2	20,864.3	2,870.9	34,882.2
UT Utah	21,819.6	8,868.2	8,121.0	2,304.2	467.5	226.4	1,832.2
VA Virginia	62,070.8	16,946.1	31,059.2	5,347.7	2,515.7	2,236.2	3,966.0
VI Virgin Islands	2,325.8	1.4	78.4	15.5	1,655.8	251.7	323.0
VT Vermont	5,609.4	28.1	1,932.4	1,428.8	1,842.7	24.0	353.4
WA Washington	78,633.5	2,107.6	62,413.3	9,003.0	2,343.0	17.5	2,749.1
WI Wisconsin	44,746.5	1,990.9	29,700.9	6,688.7	1,776.7	37.9	4,551.3
WV West Virginia	11,282.1	514.9	2,459.6	3,264.3	1,006.9	2,665.7	1,370.7
WY Wyoming	3,972.2	315.8	2,280.9	1,076.7	226.9	-	71.8
TOTAL (3/31/2012)	3,413,573.1	321,167.0	1,611,384.0	767,977.9	278,259.5	108,502.9	326,281.8
TOTAL (12/31/2011)	3,426,117.7	343,311.1	1,599,068.9	772,000.0	293,716.5	89,109.7	328,911.3
TOTAL (9/30/2011)	3,436,848.2	357,736.6	1,605,400.9	751,464.5	279,879.4	112,726.6	329,640.2
TOTAL (6/30/2011)	3,449,943.9	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL (3/31/2011)	3,218,178.4	N/A	N/A	N/A	N/A	N/A	N/A

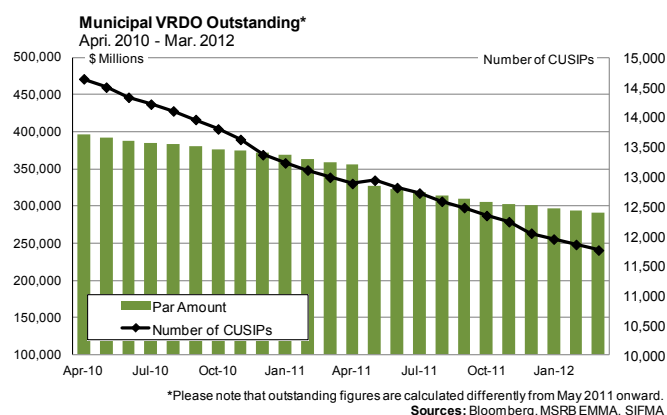
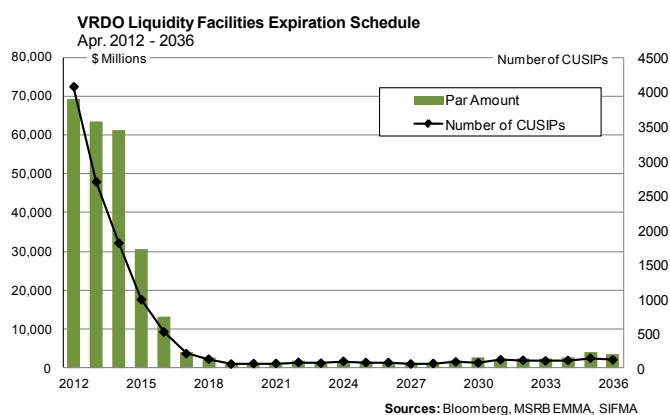
¹⁶ Rating based on the lowest long-term rating assigned to the bond by Fitch Ratings, Moody's Investor Services, or Standard and Poor's; split-rated debt are therefore included in the HY category.

VARIABLE-RATE DEMAND OBLIGATIONS

Liquidity Facility Expiration Schedule, April 2012 - 2026¹⁷

As of March 31, 2012

	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
By Type of Provider (\$ Millions)												
Bank	3,582.0	5,669.0	7,444.3	7,429.9	5,720.5	5,223.0	6,501.8	5,624.9	7,501.3	3,909.2	3,616.3	6,982.8
Corporate/Other		157.3	8.9	508.6	283.9	63.4	905.1	38.6	97.0	8.1	164.8	
US Agency	96.1	275.6	337.1	148.5	525.4	337.8	167.3	461.5	10,248.4	58.5	81.0	715.6
By Number of Facilities												
# CUSIPs	152	352	453	410	491	422	411	377	1005	244	174	356
	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
By Type of Provider (\$ Millions)												
Bank	5,023.2	6,421.7	5,683.4	3,586.8	5,135.9	4,684.1	4,345.8	5,660.7	5,332.9	3,249.5	2,325.1	5,306.8
Corporate/Other	150.0	28.6	29.3	3.5	28.0	10.8	68.0	103.9	181.2	11.7	147.3	16.4
US Agency	296.5	245.9	168.5	87.1	264.4	69.5	11.6	173.7	244.6	107.4	24.3	80.4
By Number of Facilities												
# CUSIPs	239	216	233	188	197	196	165	229	257	99	86	154
	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
By Type of Provider (\$ Millions)												
Bank	5,198.8	4,350.8	5,652.5	6,970.3	4,822.7	5,142.2	4,847.4	4,869.7	5,952.4	3,495.6	2,324.5	2,655.1
Corporate/Other	5.5	2.0	23.0	105.6	9.9	16.1	57.8	663.2	278.5	377.7		131.5
US Agency	164.0	125.0	211.0	155.0	137.0	138.0	150.0	168.0	219.0	100.0	74.0	98.0
By Number of Facilities												
# CUSIPs	90	70	132	146	125	210	151	136	130	147	162	206
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
By Type of Provider (\$ Millions)												
Bank	28,230.4	11,243.9	3,245.4	1,596.5	392.1	243.4	215.9	689.2	146.6	308.0	243.1	14.3
Corporate/Other	1,526.3	1,092.1	273.1	460.3	48.7	400.6	322.3	694.5	710.5	809.5	836.4	640.0
US Agency	864.4	764.7	400.3	711.9	506.1	248.8	283.0	416.9	348.3	431.4	536.4	674.9
By Number of Facilities												
# CUSIPs	988	519	205	125	54	61	62	78	66	93	77	75



¹⁷ For more detailed breakouts of VRDO data, please refer to the Variable Rate Demand Obligations March 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.¹⁸

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 Ratings¹⁹

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

¹⁸Authors' own definition.

¹⁹Moody'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.²⁰

Standard and Poor's Ratings²¹

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.

²⁰The lowest rating is a "D" at both Moody's and Standard and Poor's.

²¹Standardandpoors.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."²²

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.

²²Authors' own definition.

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