



Legislative Update: U.S. Senate Approves \$30M Annual Bank-Qualified Limit; House to Act Next

Today, the United States Senate approved the final version of their surface transportation funding package, which includes a provision for a short-term reinstatement of the \$30 million annual volume limit for bank-qualified bonds.

Under the Senate bill, the \$30 million cap will be in effect for bank-qualified bonds issued from July 1, 2012 thru June 30, 2013. The provision also provides access to bank-qualified bonds to pooled financings and 501(c)(3) organizations.

In order for this provision to become law, the House of Representatives needs to act on its version of transportation funding legislation, currently under negotiation. The Senate and House will then need to negotiate a compromise, wherein BDA would work to retain the Senate bank-qualified provision in the final package, as it is not presently in the House version. The current transportation funding package expires on March 31.

Although the possibility of a short-term bank-qualified provision is a positive step forward, BDA's ultimate goal is to make permanent the \$30 million volume limit for bank-qualified bonds, while also indexing the increase to the annual rate of inflation.

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