



U.S. Municipal Bond Market

Fed Expands Municipal Liquidity Facility, Provides Details

What Did the Fed Announce Monday Related to its MLF?

On Monday, April 27, the Federal Reserve announced adjustments to its \$500 billion Municipal Liquidity Facility (MLF), highlighted by city and county eligibility expansions.

Some additional elements about the process and requirements were also provided. Other basics are still missing and are going to be provided at a later time, according to the Federal Reserve and Federal Reserve Bank of New York.

The Federal Reserve established a "Policy Tools" location on their website designated for the MLF. A term sheet, dated April 27, now outlines the recently modified details, which can be found on the Fed's website.¹ The Federal Reserve Bank of New York also posted an FAQs: Municipal Liquidity Facility link² on their website, which includes additional detail above what is included on the Federal Reserve "Policy Tools" term sheet. Much of the below sections are drawn directly or indirectly from these sources.

The Fed is Monitoring the Municipal Bond Market

It is clear to us that the Federal Reserve has been closely monitoring municipal bond market conditions. Municipal market focused efforts over recent weeks have made this clear. We should note that the Fed indicated, "The Federal Reserve will continue to closely monitor conditions in the primary and secondary market for municipal securities and will evaluate whether additional measures are needed to support the flow of credit and liquidity to state and local governments."³ This statement by the Fed may indicate there is not a soon-to-be-released Federal Reserve effort to buy municipal bonds in the primary and secondary market, but it could also mean that there is the capacity to do just that if the necessary circumstance arise.

Reintroducing the Fed's Municipal Liquidity Facility

The U.S. Federal Reserve took a significant step on Friday, April 9, when it announced the creation of its \$500 billion MLF.⁴ The U.S. Treasury is providing \$35 billion of equity that will enable the Fed to lend to a Special Purpose Vehicle (SPV) that will directly purchase \$500 billion of short-term municipal debt, or notes. This arrangement was set up to help state and local governments manage potential short-term cashflow pressures if market access is not available, not as an alternative to the capital markets.

Market participants were initially underwhelmed at the Fed's MLF announcement. Many expected the Fed to announce they were going to be buying medium- and long-term municipals in the primary and secondary market. That was not part of the Fed's plan and still is not. Details about the MLF were sparse, and the initial iteration was limited in scope with significant population restrictions. This week, the Fed expanded the scope of the MLF and offered more details. Please note in some of the below descriptions we included direct text from the Fed's term sheet or the New York Fed's FAQs.

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Increased Number of Eligible Issuers

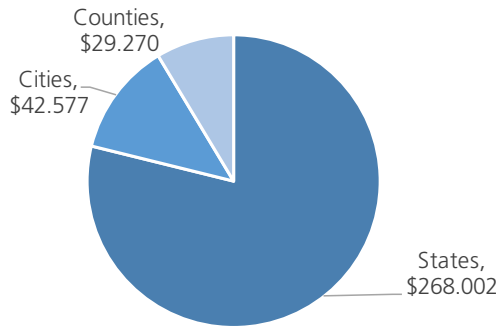
The Federal Reserve expanded the reach of its MLF, with the Eligible Issuers now including:

- U.S states and Washington, D.C., listed on page 6;
- U.S cities with population 250,000+, includes 86 listed on page 7-8;
- U.S counties with population 500,000+, includes 119 listed on page 9-11;
- An entity that issues securities on behalf of a state, city, or county (for the purpose of managing cashflows); and
- Multi-state entities: An entity that was created by a compact between two or more states, approved by Congress, acting pursuant to its power under the Compact Clause of the U.S. Constitution, as described in the Fed’s term sheet.

Other governmental entities that provide essential public services on behalf of a state, city, or county may participate in the MLF indirectly by borrowing through an eligible state, city, or county.

Summary of Eligible Issuers, Note Amounts, Criteria

Issuer Type	Eligible Note Amount	Eligible Issuers	Eligibility Criteria
States	\$268.002	51	All
Cities	\$42.577	86	Pop 250k+
Counties	\$29.270	119	Pop 500k+
Total	\$339.849	256	



The Federal Reserve continues to encourage Eligible Issuers to make funding from the Facility available to their political subdivisions and other governmental entities that are in need of such funding.

Source: Federal Reserve and HilltopSecurities (\$ billions).

May governmental entities that provide public services on behalf of a State, City, or County and issue bonds backed by their own revenues participate directly in the MLF as Eligible Issuers?

Other governmental entities that provide essential public services on behalf of a state, city, or county may participate in the MLF indirectly by borrowing through an eligible state, city, or county. The Federal Reserve is also considering expanding the Facility to allow a limited number of such entities to participate directly in the MLF as Eligible Issuers, taking into consideration the objective of quickly and efficiently making the Facility available to the currently defined set of Eligible Issuers. The inclusion of any such additional Eligible Issuers would be publicly announced at a future date. The Federal Reserve continues to encourage Eligible Issuers to make funding from the Facility available to their political subdivisions and other governmental entities that are in need of such funding. This Q&A is direct from Fed FAQ, at bottom of Eligible Issuers section.⁵

For more detail about the definitions of the above please see the Eligible Issuers section in the [FAQs: Municipal Liquidity Facility](#): a Q&A from the Federal Reserve Bank of NY.

Still Only One Per State, City, County, or Multi-State Entity

The criteria that limits eligibility to one issuer per state, city, county, or multi-state entity still exists in the Fed’s MLF. However, the Federal Reserve may approve one or more additional issuers per eligible issuer.

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How Can Potential Issuers of Notes Apply to the Federal Reserve to Participate in the MLF?

Application materials are being assembled. Details regarding application materials and the date on which the Federal Reserve will commence accepting applications will be posted on this FAQ page when available, per the NY Fed on April 27.⁶

Federal Reserve staff is working expeditiously to operationalize the MLF. The Federal Reserve will keep market participants apprised and announce in advance when the SPV will commence operations and begin purchasing Eligible Notes.

When Will the Fed Begin Purchasing Notes Through the SPV?

Directly from the NY Fed's FAQ's page: Federal Reserve staff is working expeditiously to operationalize the MLF. The Federal Reserve will keep market participants apprised and announce in advance when the SPV will commence operations and begin purchasing Eligible Notes.⁷

Lengthened Time to Purchase

The Fed's SPV will stop purchasing notes as of December 31, 2020, which is an increase from the April 9th deadline of Sept 30th. However, the Fed could extend this if needed.

Can Notes be Refinanced through the MLF after the December 31, 2020?

No. The Facility will no longer extend credit after its termination date, including by refinancing any maturing notes.

Pricing and Origination Fees

- Pricing will be based on an issuer's rating at the time of purchase with details to be provided later, according to the Fed, per the term sheet. More on pricing and the penalty rate in the below section.
- Participating issuers must pay an origination fee equal to 10 basis points of the principal amount of the notes. The origination fee may be paid from the proceeds of the issuance.

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Penalty Rate – More on How the MLF Notes Will be Priced

Under Section 13(3) of the Federal Reserve Act and the Board's Regulation A, the interest rate on the Eligible Notes must be a penalty rate, meaning a rate that is a premium to the market rate in normal circumstances, affords liquidity in unusual and exigent circumstances, and encourages repayment of the credit and discourages use of the Facility as the unusual and exigent circumstances that motivated the program recede and economic conditions normalize.

The Federal Reserve will establish a pricing methodology that will be broadly applicable to all Eligible Issuers. The methodology will be based on the Eligible Issuer's long-term rating at the time of purchase of the Eligible Notes and the maturity of the Eligible Notes, plus a spread over a publicly available benchmark or index.⁹

The above two paragraphs are also directly from the NY Fed's FAQ sheet, and reinforce the point that we have been making that this MLF is being set up for a time when the market freezes again, and is not being set up as an competitor to capital markets access.

For the purposes of participating in the MLF, what does it mean for an Eligible Issuer to certify that it is unable to secure adequate credit accommodations?

The Federal Reserve must obtain evidence that participants in the MLF are unable to secure adequate credit accommodations from other banking institutions. In certifying whether the issuer is unable to secure adequate credit accommodations from other banking institutions, issuers may consider economic or market conditions in the market intended to be addressed by the MLF as compared to normal conditions, including the availability and price of credit. Lack of adequate credit does not mean that no credit is available. Lending may be available, but at prices or on conditions that are inconsistent with a normal, well-functioning market.¹⁰

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Rating Agency Requirements

States, cities, and counties must be rated:

- “Baa3” / “BBB-” or above as of April 8, 2020 by two or more of the rating agencies (Moody’s, S&P Global, and/or Fitch);
- Those states, cities, or counties rated “Baa3” / “BBB-” or above as of April 8, 2020 then subsequently downgraded must be rated at least “Ba3” / “BB-” by two or more of the rating agencies at the time of the note purchase.

Multi-state entities must be rated:

- “A3” / “A-” or above as of April 8, 2020 by two or more rating agencies;
- Those multi-state entities rated “A3” / “A-” or above as of April 8, 2020 then subsequently downgraded must be rated at least “Baa3” / “BBB-” by two or more of the ratings agencies at the time of the note purchase.

The intended structure for the MLF programs remains short-term, but the maximum maturity was extended to 36 months from the date of issuance.

Eligible Notes, Structure - Extended Maturity

- The intended structure for the MLF programs remains short-term, but the maximum maturity was extended to 36 months from the date of issuance.
- The acceptable eligible notes structure include Tax Anticipation Notes (TANs), Tax and Revenue Anticipation Notes (TRANS), Bond Anticipation Notes (BANs), or other short-term structures.

Use of Note Proceeds

- Issuers may use the note proceeds to help manage:
 - the cash flow impact of income tax deferrals resulting from an extension of an income tax filing deadline;
 - deferrals or reductions of tax and other revenues or increases in expenses related to or resulting from the COVID-19 pandemic; and
 - requirements for the payment of principal and interest on obligations of the issuer or its political subdivisions or other governmental entities.
- An issuer (other than a multi-state entity) may use the proceeds to purchase similar notes issued by, or otherwise assist, political subdivisions and other governmental entities of the relevant state, city, or county for the similar purposes above.

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Security/Credit Backing the Notes

The source of repayment and security will depend upon applicable constitutional and statutory provisions governing the issuer and subject to Fed Reserve Bank approval. In general, the Fed expects the security for the notes be the strongest security pledged for repayment of publicly offered securities.

- States, cities and counties (non multi-state entities) expected to pledge:
 - General obligations; or
 - Tax or other specified government revenues.
- If the issuer is an authority, agency or other entity of a state, city, or county, the security pledge is expected to:
 - Commit the credit of, or pledge revenues of, the state, city, or county; or
 - The state city or county must guarantee the notes issued by such issuer.
- If the issuer is a multi-state entity, the notes are expected to be parity obligations of existing debt secured by a senior lien on the multi-state entity’s gross or net revenues.

What Form of Disclosure Will Be Required?

Requirements for the type and amount of disclosure will be announced at a later date, direct from the NY Fed’s FAQ page on April 27.

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Will the Federal Reserve disclose information regarding transactions entered into by the MLF?

The Federal Reserve will publicly disclose information on a monthly basis regarding the MLF during the operation of the Facility, including information regarding names of participants, amounts borrowed and interest rates charged, and overall costs, revenues and other fees. Balance sheet items related to the SPV and MLF will be reported weekly, on an aggregated basis, on the H.4.1 statistical release titled "Factors Affecting Reserve Balances of Depository Institutions and Condition Statement of Federal Reserve Banks," published by the Federal Reserve. In addition, the Federal Reserve will disclose to Congress information pursuant to Section 13(3) of the Federal Reserve Act, as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the Board's Regulation A.¹¹

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20% Revenue Limitation Restrictions Remain

- The 20% revenue limitations still exist.
- States, cities, or counties may sell to the SPV in one or more issuances of up to an aggregate amount of 20% of the general revenue from own sources and utility revenue of the applicable state, city, or county government for fiscal year 2017.
- Multi-state entities may sell in one or more issuances of up to an aggregate amount of 20% of the entity's gross revenue, as reported in its audited financial statements for fiscal year 2019.
- States may request the SPV purchase notes in excess of the applicable limit in order to assist political subdivisions and other governmental entities that are not eligible for the MLF.

Notes purchased by the SPV may be prepaid by the issuer at any time, in whole, or in part, at par prior to maturity with the approval of the Federal Reserve.

Redemption or Prepayment Right

Notes purchased by the SPV may be prepaid by the issuer at any time, in whole, or in part, at par prior to maturity with the approval of the Federal Reserve.

May investors sell outstanding TANs, TRANS, and BANs to the SPV?

No. The SPV will only purchase newly issued TANs, TRANS, BANs or other similar newly issued notes of Eligible Issuers. The SPV will not purchase notes in the secondary market.¹²

More Details Provided by the Fed About the MLF

- The Fed published an extended [Municipal Liquidity Facility term sheet](#) as of April 27, 2020 at the [Fed's Policy Tools website](#). Also via the Federal Reserve's website are:
 - [FAQs: Municipal Liquidity Facility](#): a Q&A from the Federal Reserve Bank of NY.
 - [FAQs: Municipal Liquidity Facility](#): Appendix A, includes details about eligibility, charts reproduced starting on page 5 of this report.
- Those interested in receiving email updates from the Fed Reserve Bank of NY about the MLF can [sign up here](#).

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Federal Reserve Municipal Facility Limit per State

#	Municipal Type	Muni Issuer	Own Source General & Utility Revenue (\$ Billion)	Max Eligible Notes (\$ Million)
1	State	California	196.6	39,326.8
2	State	New York	109.5	21,907.9
3	State	Texas	83.5	16,703.6
4	State	Florida	58.3	11,659.9
5	State	Pennsylvania	54.7	10,932.2
6	State	Illinois	48.4	9,676.7
7	State	New Jersey	46.2	9,249.2
8	State	Ohio	44.5	8,895.3
9	State	Michigan	42.7	8,534.2
10	State	Massachusetts	39.3	7,859.0
11	State	Virginia	36.5	7,306.9
12	State	North Carolina	36.5	7,291.3
13	State	Washington	33.1	6,625.1
14	State	Minnesota	30.6	6,115.0
15	State	Georgia	28.7	5,748.3
16	State	Maryland	28.4	5,670.0
17	State	Wisconsin	26.0	5,195.3
18	State	Indiana	24.0	4,806.9
19	State	Arizona	21.0	4,197.4
20	State	Connecticut	20.7	4,131.2
21	State	Oregon	20.3	4,057.7
22	State	Colorado	19.4	3,886.1
23	State	South Carolina	18.8	3,758.1
24	State	Missouri	18.2	3,646.6
25	State	Tennessee	18.1	3,624.2
26	State	Iowa	17.7	3,538.9
27	State	Kentucky	17.0	3,395.7
28	State	Alabama	16.8	3,364.4
29	State	Louisiana	14.9	2,985.3
30	State	Oklahoma	14.4	2,874.7
31	State	Kansas	13.5	2,705.0
32	State	Utah	13.4	2,677.4
33	State	Arkansas	13.2	2,637.1
34	State	Mississippi	10.8	2,157.8
35	State	Hawaii	10.7	2,132.8
36	State	Nevada	10.1	2,016.8
37	State	New Mexico	9.5	1,897.8
38	State	West Virginia	7.7	1,547.7
39	State	Nebraska	6.9	1,374.9
40	State	Delaware	6.0	1,206.3
41	State	Idaho	5.9	1,178.9
42	State	Maine	5.6	1,113.7
43	State	Rhode Island	5.2	1,043.9
44	State	Alaska	5.1	1,015.3
45	State	North Dakota	4.7	946.3
46	State	New Hampshire	4.4	872.2
47	State	Vermont	4.1	819.9
48	State	Montana	3.6	717.7
49	State	Wyoming	3.0	592.2
50	State	South Dakota	2.7	547.9
51	State	Washington DC	9.2	1,836.4
		Total	1,340.1	268,001.9

There are 51 eligible state issuers.

Federal Reserve Municipal Facility Limit per City (page 1 of 2)

#	Municipal Type	Muni Issuer	State	Population	Own Source General & Utility Revenue (\$ Billion)	Max Eligible Notes (\$ Million)
1	City	New York City	New York	8,398,748	74.9	14,989.0
2	City	Los Angeles City	California	3,990,456	14.2	2,849.0
3	City	Chicago City	Illinois	2,705,994	7.3	1,462.1
4	City	Houston City	Texas	2,325,502	4.8	958.1
5	City	Phoenix City	Arizona	1,660,272	2.8	562.6
6	City	Philadelphia City	Pennsylvania	1,584,138	5.8	1,156.9
7	City	San Antonio City	Texas	1,532,233	4.7	943.4
8	City	San Diego City	California	1,425,976	3.3	667.2
9	City	Dallas City	Texas	1,345,047	3.4	670.9
10	City	San Jose City	California	1,030,119	2.2	443.1
11	City	Austin City	Texas	964,254	3.5	705.6
12	City	Jacksonville City	Florida	903,889	3.2	649.6
13	City	Fort Worth City	Texas	895,008	1.4	287.5
14	City	Columbus City	Ohio	892,533	1.7	346.2
15	City	San Francisco City	California	883,305	7.7	1,545.6
16	City	Charlotte City	North Carolina	872,498	1.8	357.4
17	City	Indianapolis City	Indiana	867,125	2.6	523.5
18	City	Seattle City	Washington	744,955	3.7	734.1
19	City	Denver City	Colorado	716,492	3.4	679.2
20	City	Boston City	Massachusetts	694,583	3.0	601.2
21	City	El Paso City	Texas	682,669	0.9	186.3
22	City	Detroit City	Michigan	672,662	1.4	283.0
23	City	Nashville-Davidson Cnty Metro	Tennessee	669,053	3.4	675.9
24	City	Portland City	Oregon	653,115	1.7	341.5
25	City	Memphis City	Tennessee	650,618	2.5	497.3
26	City	Oklahoma City City	Oklahoma	649,021	1.2	246.5
27	City	Las Vegas City	Nevada	644,644	0.5	90.4
28	City	Louisville-Jefferson Cnty Metro	Kentucky	620,118	1.1	225.1
29	City	Baltimore City	Maryland	602,495	2.2	431.4
30	City	Milwaukee City	Wisconsin	592,025	0.6	128.4
31	City	Albuquerque City	New Mexico	560,218	0.9	172.6
32	City	Tucson City	Arizona	545,975	0.7	138.9
33	City	Fresno City	California	530,093	0.7	145.7
34	City	Mesa City	Arizona	508,958	0.7	130.5
35	City	Sacramento City	California	508,529	1.1	214.5
36	City	Atlanta City	Georgia	498,044	1.8	366.4
37	City	Kansas City City	Missouri	491,918	1.7	336.4
38	City	Miami City	Florida	470,914	0.8	151.2
39	City	Colorado Springs	Colorado	472,688	1.3	251.2
40	City	Raleigh City	North Carolina	469,298	0.7	145.3
41	City	Omaha City	Nebraska	468,262	0.6	129.5
42	City	Long Beach City	California	467,354	1.5	292.7
43	City	Virginia Beach City	Virginia	450,189	1.3	256.3

There are 86 eligible city issuers.

Source: [New York Fed](#), U.S. Census Bureau, and HilltopSecurities.

Federal Reserve Municipal Facility Limit per City (page 2 of 2)

#	Municipal Type	Muni Issuer	State	Population	Own Source General & Utility Revenue (\$ Billion)	Max Eligible Notes (\$ Million)
44	City	Oakland City	California	429,082	1.5	300.3
45	City	Minneapolis City	Minnesota	425,403	1.1	214.5
46	City	Tulsa City	Oklahoma	400,669	0.9	175.3
47	City	Arlington City	Texas	398,112	0.6	110.2
48	City	Tampa City	Florida	392,890	0.7	142.2
49	City	New Orleans City	Louisiana	391,006	1.2	242.5
50	City	Wichita City	Kansas	389,255	0.5	108.5
51	City	Cleveland City	Ohio	383,793	1.3	256.5
52	City	Bakersfield City	California	383,579	0.4	71.3
53	City	Aurora City	Colorado	374,114	0.6	114.9
54	City	Anaheim City	California	352,005	1.1	229.5
55	City	Honolulu City	Hawaii	347,397	2.8	550.5
56	City	Santa Ana City	California	332,725	0.4	72.0
57	City	Riverside City	California	330,063	0.8	166.8
58	City	Corpus Christi City	Texas	326,554	0.6	116.4
59	City	Lexington-Fayette Cnty Govt	Kentucky	323,780	0.6	121.4
60	City	Stockton City	California	311,178	0.4	81.2
61	City	Henderson City	Nevada	310,390	0.3	65.0
62	City	St. Paul City	Minnesota	307,695	0.5	104.2
63	City	St. Louis City	Missouri	302,838	0.9	172.6
64	City	Cincinnati City	Ohio	302,605	0.9	179.8
65	City	Pittsburgh City	Pennsylvania	301,048	0.5	102.6
66	City	Greensboro City	North Carolina	294,722	0.4	78.7
67	City	Anchorage Municipality	Alaska	291,538	1.0	208.9
68	City	Plano City	Texas	288,061	0.5	103.1
69	City	Lincoln City	Nebraska	287,401	0.3	67.6
70	City	Orlando City	Florida	285,713	0.6	123.9
71	City	Irvine City	California	282,572	0.3	59.2
72	City	Newark City	New Jersey	282,090	0.5	107.8
73	City	Toledo City	Ohio	274,975	0.5	91.6
74	City	Durham City	North Carolina	274,291	0.4	74.4
75	City	Chula Vista City	California	271,651	0.5	94.2
76	City	Fort Wayne City	Indiana	267,633	0.2	47.8
77	City	Jersey City City	New Jersey	265,549	0.7	137.0
78	City	St. Petersburg City	Florida	265,098	0.4	80.3
79	City	Laredo City	Texas	261,639	0.4	85.1
80	City	Madison City	Wisconsin	258,054	0.4	84.2
81	City	Chandler City	Arizona	257,165	0.3	65.8
82	City	Buffalo City	New York	256,304	0.3	52.7
83	City	Lubbock City	Texas	255,885	0.6	120.4
84	City	Scottsdale City	Arizona	255,310	0.5	98.2
85	City	Reno City	Nevada	250,998	0.3	60.4
86	City	Glendale City	Arizona	250,702	0.3	68.5
			Total	60,805,519	213	42,577

Source: [New York Fed](#), U.S. Census Bureau, and HilltopSecurities.

Federal Reserve Municipal Facility Limit per County (page 1 of 3)

#	Municipal Type	Muni Issuer	State	Population	Own Source General & Utility Revenue (\$ Billion)	Max Eligible Notes (\$ Million)
1	County	Los Angeles County	California	10,039,107	13.4	2,687.1
2	County	Cook County	Illinois	5,150,233	2.7	543.3
3	County	Harris County	Texas	4,713,325	4.5	897.2
4	County	Maricopa County	Arizona	4,485,414	1.0	204.8
5	County	San Diego County	California	3,338,330	1.8	365.4
6	County	Orange County	California	3,175,692	1.9	383.9
7	County	Miami-Dade County	Florida	2,716,940	7.2	1,448.4
8	County	Dallas County	Texas	2,635,516	2.6	520.1
9	County	Riverside County	California	2,470,546	2.2	437.2
10	County	King County	Washington	2,252,782	3.1	621.7
11	County	Clark County	Nevada	2,266,715	4.6	920.6
12	County	San Bernardino County	California	2,180,085	1.7	337.7
13	County	Tarrant County	Texas	2,102,515	1.4	286.7
14	County	Bexar County	Texas	2,003,554	1.8	363.0
15	County	Broward County	Florida	1,952,778	2.2	432.5
16	County	Santa Clara County	California	1,927,852	3.7	738.1
17	County	Wayne County	Michigan	1,749,343	0.8	156.0
18	County	Alameda County	California	1,671,329	2.3	456.6
19	County	Sacramento County	California	1,552,058	1.5	294.7
20	County	Palm Beach County	Florida	1,496,770	2.2	431.7
21	County	Suffolk County	New York	1,476,601	2.7	541.4
22	County	Hillsborough County	Florida	1,471,968	1.7	336.9
23	County	Orange County	Florida	1,393,452	1.8	366.8
24	County	Nassau County	New York	1,356,924	3.1	618.1
25	County	Franklin County	Ohio	1,316,756	1.0	195.4
26	County	Hennepin County	Minnesota	1,265,843	2.0	403.2
27	County	Oakland County	Michigan	1,257,584	0.5	105.7
28	County	Travis County	Texas	1,273,954	1.0	198.5
29	County	Cuyahoga County	Ohio	1,235,072	1.9	370.9
30	County	Allegheny County	Pennsylvania	1,216,045	0.6	118.4
31	County	Contra Costa County	California	1,153,526	2.5	496.4
32	County	Salt Lake County	Utah	1,160,437	0.8	153.3
33	County	Fairfax County	Virginia	1,147,532	4.7	948.3
34	County	Mecklenburg County	North Carolina	1,110,356	1.6	325.4
35	County	Wake County	North Carolina	1,111,761	1.3	258.6
36	County	Fulton County	Georgia	1,063,937	0.8	155.1
37	County	Montgomery County	Maryland	1,050,688	5.9	1,174.5
38	County	Pima County	Arizona	1,047,279	0.9	183.9
39	County	Collin County	Texas	1,034,730	0.3	54.4
40	County	St. Louis County	Missouri	994,205	0.7	133.7

There are 119 eligible county issuers.

Source: [New York Fed](#), U.S. Census Bureau, and HilltopSecurities.

Federal Reserve Municipal Facility Limit per County (page 2 of 3)

#	Municipal Type	Muni Issuer	State	Population	Own Source General & Utility Revenue (\$ Billion)	Max Eligible Notes (\$ Million)
41	County	Fresno County	California	999,101	0.5	97.6
42	County	Pinellas County	Florida	974,996	1.1	224.1
43	County	Westchester County	New York	967,506	3.2	638.8
44	County	Milwaukee County	Wisconsin	945,726	1.0	194.1
45	County	Fairfield County	Connecticut	943,332	0.0	0.0
46	County	Shelby County	Tennessee	937,166	1.7	336.8
47	County	Bergen County	New Jersey	932,202	0.9	179.6
48	County	Gwinnett County	Georgia	936,250	1.1	220.2
49	County	DuPage County	Illinois	922,921	0.3	65.5
50	County	Erie County	New York	918,702	2.0	395.7
51	County	Prince George's Cnty	Maryland	909,327	2.4	478.3
52	County	Kern County	California	900,202	0.7	141.7
53	County	Pierce County	Washington	904,980	0.5	107.3
54	County	Macomb County	Michigan	873,972	0.5	93.3
55	County	Hidalgo County	Texas	868,707	0.3	54.4
56	County	Denton County	Texas	887,207	0.2	45.6
57	County	Ventura County	California	846,006	1.4	283.8
58	County	El Paso County	Texas	839,238	0.7	148.9
59	County	Baltimore County	Maryland	827,370	2.3	460.7
60	County	Montgomery County	Pennsylvania	830,915	0.3	66.0
61	County	Middlesex County	New Jersey	825,062	0.6	127.5
62	County	Hamilton County	Ohio	817,473	0.9	185.9
63	County	Snohomish County	Washington	822,083	0.5	90.5
64	County	Multnomah County	Oregon	812,855	0.6	120.2
65	County	Essex County	New Jersey	798,975	0.6	111.1
66	County	Oklahoma County	Oklahoma	797,434	0.1	20.6
67	County	Fort Bend County	Texas	811,688	0.4	79.6
68	County	San Mateo County	California	766,573	1.0	191.0
69	County	Jefferson County	Kentucky	766,757	0.6	120.4
70	County	Cobb County	Georgia	760,141	0.9	174.4
71	County	DeKalb County	Georgia	759,297	1.0	191.0
72	County	Lee County	Florida	770,577	1.0	192.7
73	County	San Joaquin County	California	762,148	0.8	165.5
74	County	Monroe County	New York	741,770	1.4	270.6
75	County	El Paso County	Colorado	720,403	0.2	41.0
76	County	Polk County	Florida	724,777	0.6	118.0
77	County	Norfolk County	Massachusetts	706,775	0.0	4.3
78	County	Jackson County	Missouri	703,011	0.2	45.3
79	County	Lake County	Illinois	696,535	0.4	73.8
80	County	Will County	Illinois	690,743	0.3	53.1

Source: [New York Fed](#), U.S. Census Bureau, and HilltopSecurities.

Federal Reserve Municipal Facility Limit per County (page 3 of 3)

#	Municipal Type	Muni Issuer	State	Population	Own Source General & Utility Revenue (\$ Billion)	Max Eligible Notes (\$ Million)
81	County	Davidson County	Tennessee	694,144	0.0	0.0
82	County	Bernalillo County	New Mexico	679,121	0.3	66.8
83	County	Hudson County	New Jersey	672,391	0.4	86.4
84	County	Jefferson County	Alabama	658,573	0.6	120.4
85	County	Kent County	Michigan	656,955	0.3	58.0
86	County	Arapahoe County	Colorado	656,590	0.2	48.2
87	County	Tulsa County	Oklahoma	651,552	0.3	56.5
88	County	Bucks County	Pennsylvania	628,270	0.3	53.5
89	County	Utah County	Utah	636,235	0.2	47.3
90	County	Monmouth County	New Jersey	618,795	0.4	89.8
91	County	Ocean County	New Jersey	607,186	0.4	86.0
92	County	Johnson County	Kansas	602,401	0.7	133.1
93	County	Washington County	Oregon	601,592	0.5	98.2
94	County	Brevard County	Florida	601,942	0.5	93.0
95	County	Montgomery County	Texas	607,391	0.3	58.9
96	County	Jefferson County	Colorado	582,881	0.3	69.6
97	County	Anne Arundel County	Maryland	579,234	1.8	354.6
98	County	Williamson County	Texas	590,551	0.3	55.1
99	County	Douglas County	Nebraska	571,327	0.3	56.3
100	County	Delaware County	Pennsylvania	566,747	0.3	55.9
101	County	New Castle County	Delaware	558,753	0.3	53.6
102	County	Union County	New Jersey	556,341	0.4	87.6
103	County	Ramsey County	Minnesota	550,321	0.4	85.8
104	County	Stanislaus County	California	550,660	0.4	75.8
105	County	Volusia County	Florida	553,284	0.4	87.7
106	County	Lancaster County	Pennsylvania	545,724	0.2	31.8
107	County	Dane County	Wisconsin	546,695	0.3	58.9
108	County	Summit County	Ohio	541,013	0.2	47.5
109	County	Pasco County	Florida	553,947	0.6	110.5
110	County	Kane County	Illinois	532,403	0.2	36.6
111	County	Guilford County	North Carolina	537,174	0.5	108.9
112	County	Montgomery County	Ohio	531,687	0.5	100.5
113	County	Chester County	Pennsylvania	524,989	0.2	46.8
114	County	Greenville County	South Carolina	523,542	0.2	46.8
115	County	Spokane County	Washington	522,798	0.3	52.7
116	County	Sedgwick County	Kansas	516,042	0.3	66.5
117	County	Adams County	Colorado	517,421	0.3	50.2
118	County	Camden County	New Jersey	506,471	0.4	81.8
119	County	Passaic County	New Jersey	501,826	0.4	77.7
		Total		140,075,406	147	29,270

Source: [New York Fed](#), U.S. Census Bureau, and HilltopSecurities.

Municipal Credit Rating Scale and Definitions

	Rating Agency				Definition
	Moody's	S&P	Fitch	Kroll	
Investment Grade	Aaa	AAA	AAA	AAA	Exceptionally strong credit quality and minimal default risk.
	Aa1	AA+	AA+	AA+	Upper investment grade and subject to low default risk.
	Aa2	AA	AA	AA	Upper investment grade and subject to low default risk.
	Aa3	AA-	AA-	AA-	Upper investment grade and subject to low default risk.
	A1	A+	A+	A+	Medium investment grade and subject to low default risk.
	A2	A	A	A	Medium investment grade and subject to low default risk.
	A3	A-	A-	A-	Medium investment grade and subject to low default risk.
	Baa1	BBB+	BBB+	BBB+	Low investment grade and possesses some speculative characteristics.
	Baa2	BBB	BBB	BBB	Low investment grade and possesses some speculative characteristics.
	Baa3	BBB-	BBB-	BBB-	Low investment grade and possesses some speculative characteristics.
Sub-Investment Grade	Ba1	BB+	BB+	BB+	Weak credit quality with speculative elements and substantial credit risk.
	Ba2	BB	BB	BB	Weak credit quality with speculative elements and substantial credit risk.
	Ba3	BB-	BB-	BB-	Weak credit quality with speculative elements and substantial credit risk.
	B1	B+	B+	B+	Very weak credit quality, very speculative with high credit risk.
	B2	B	B	B	Very weak credit quality, very speculative with high credit risk.
	B3	B-	B-	B-	Very weak credit quality, very speculative with high credit risk.
	Caa1	CCC+	CCC+	CCC+	Extremely weak credit quality and subject to very high credit risk.
	Caa2	CCC	CCC	CCC	Extremely weak credit quality and subject to very high credit risk.
	Caa3	CCC-	CCC-	CCC-	Extremely weak credit quality and subject to very high credit risk.
	Ca	CC	CC	CC	Highly speculative and in or near default with some prospects of recovery.
C	C	C	C	Highly speculative and in or near default with some prospects of recovery.	
	D	D	D	Issuer is in default and/or has failed to make a payment.	
	SD	RD		SD (Selective Default); RD (Restricted Default)	

Source: Moody's, S&P Global, Fitch, Kroll, and HilltopSecurities.

¹ Please see: The Fed's [Municipal Liquidity Facility term sheet](#) as of April 27, 2020 at the [Fed's Policy Tools website](#).

² [FAQs: Municipal Liquidity Facility](#); Federal Reserve Bank of New York; April 27, 2020.

³ Please see the description of the Fed's Municipal Liquidity Facility at the [Fed's Policy Tools website](#).

⁴ We covered this announcement in: [More Good News than Bad This Week](#) on April 9, 2020.

⁵ [FAQs: Municipal Liquidity Facility](#); Federal Reserve Bank of New York; April 27, 2020.

⁶ [FAQs: Municipal Liquidity Facility](#); Federal Reserve Bank of New York; April 27, 2020.

⁷ *Ibid.*

⁸ *Ibid.*

⁹ *Ibid.*

¹⁰ *Ibid.*

¹¹ *Ibid.*

¹² *Ibid.*

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