

Supporting ACCESS

Advancing Bonds?

by Scott P. Waller, Gilmore & Bell, P.C.

Seems our industry spent most of the last decade reacting to economic downturn, regulatory expansion and political redirection. Reduced focus on advancing the industry may be an overlooked cost of being primarily reactive. With the future in mind, a few questions are below for your consideration:

- **What or how might our industry improve assistance to education and health institutions?**

- Legal documentation or issuance process streamlining?
- Technology utilization?
- New program development?
- Support for small borrowers?
- Multi-jurisdictional issuance coordination and cooperation?
- Complementary governmental programs utilization?
- Simplification or standardization of direct purchase transactions?
- TEFRA process streamlining?
- Incentivizing investment in tax-exempt bonds by borrowers or other market participants?
- Secondary market platforms and systems enhancement?
- Law changes?
- Local lender education regarding issuance and market participation?
- Collaboration increase among industry participants?
- Other?

- **What or how might bond counsel firms improve assistance to NAHEFFA and its members?**

- Educational materials and internet content for members and borrowers?

continued on page 5

FUTURE NAHEFFA CONFERENCES

September 28-30, 2016

Chicago, IL

[Wyndham Grand](#)
[Chicago Riverfront](#)

April 3-5, 2017

Alexandria, VA

[Hotel Monaco](#)

In This Issue...

Advancing Bonds? | 1

NAHEFFA President's
Message | 2

Washington Report | 3

NAHEFFA Notes | 4

Greetings from the NAHEFFA
Sponsorship Committee | 4

NAHEFFA President's Message

by Donna Murr, Executive Director
Washington Health Care Facilities Authority



Donna Murr

As your newly elected president, I would like to first and foremost take this opportunity to thank Mike Stanard for his excellent leadership and support during his term as President of NAHEFFA. He was a strong and dedicated leader who represented the association well and kept it running like a fine-tuned piece of medical equipment or university endowment fund; and it was a pleasure serving as Vice President under his direction. Only a few of you know about the long-standing and on-going wager Mike and I have when the St. Louis Rams play the Seattle Seahawks. Until recently, I won the bet more often than not and now that the Rams have moved to Los Angeles, we have been discussing what our next wager will cover. The Seattle Mariners aren't in the same league as the Cardinals of St. Louis – so that is out – any ideas would be appreciated!

Frankly, I don't know how I avoided serving in this position for so long, but am honored and grateful for the opportunity to represent the association for the next two years. NAHEFFA's membership is as diverse as the states we represent, but we all have one thing in common – our passion to support the preservation of low-cost capital financing options for the not-for-profit and governmental health and educational institutions we serve.

I look forward to working with our excellent board, committees and member authorities as well as our extremely competent and hard-working Operations Director, Nichole Doxey. Of course, I also have to acknowledge and thank Chuck Samuels for his advocacy efforts in Washington D.C. and for securing and maintaining a spot for NAHEFFA at the table with the other municipal industry participants. He keeps us well informed of issues relating to the preservation of tax exemption and is tireless

in his pursuit to maintain NAHEFFA's relevance in the vast municipal market place.

Recently, I joined Chuck and Martin Walke, NAHEFFA's Advocacy Chair, at the MSRB's Industry Roundtable in Washington D.C. where we were given the opportunity to voice our interests and concerns about the new MA rules and how they may affect conduit issuers. I am pleased to say that our voice was heard and we hope to see some clarification soon.

Finally, I hope to see all of you in Chicago September 28th – 30th at our fall conference hosted by the Illinois Finance Authority. For those of you who haven't attended one of our conferences or haven't attended recently, I promise you the IFA will make it worth your while and the Conference Committee's educational and speaker line-up will be fabulous. I would be remiss in not acknowledging and thanking our industry sponsors who are very generous in their support of NAHEFFA and its mission!

Please enjoy the summer and begin gearing up for our Chicago conference! ■

2016 FALL CONFERENCE

September 28-30, 2016

Chicago, Illinois

[Wyndham Grand Chicago Riverfront](#)

The welcome reception will be held on the Wednesday evening and the conference sessions will be held on Thursday and Friday.

WASHINGTON REPORT

by Charles A. Samuels, Mintz Levin
General Counsel, NAHEFFA



Chuck Samuels

Traditionally, the opening of my report at this time of the year in a presidential election should focus on the presidential candidates' tax reform proposals and their impact on tax exempt bonds. But, the reality is that no one really knows what Donald Trump thinks about tax reform and whether there is any relationship between his tax reform proposal – to radically cut taxes and increase the deficit – and what in fact he might support if in office. This is a subset of the larger proposition that anyone who tells you that they know how a Trump administration would operate should be dismissed immediately. Having said that, I note that Mr. Trump has experience in urban renewal/economic development projects that may give him a perspective professional politicians don't have,

On the other hand, the Clinton tax reform proposal is clear, understandable and pretty much what you'd expect from a moderately liberal Democratic candidate. It is not too different from Obama proposals to significantly reduce exemptions and deductions and inevitably, if indirectly, tax municipal bond interest through some type of surcharge or minimum tax. We should understand, however, that even a fairly comprehensive, well-thought-out tax reform proposal in a campaign undoubtedly will be overhauled before it is proposed to Con-

gress. But, we can understand that directionally a Clinton tax policy will be very supportive of enhanced infrastructure financing but probably not equally be supportive of tax exempt bonds. You combine this with increased criticisms of private college tuition increases, use of endowments and hospital practices, pricing and reserves (and even private museums!) and you don't have to be particularly prescient to recognize that we are seriously vulnerable in any presidential scenario.

Meanwhile, in this Congress the threat level is pretty low although we will see tax proposals and there have been several Ways and Means hearings about tax reform. One activity which is attracting concern is that the resolution of the Puerto Rican debt crisis not end up being a bill which, particularly in the Senate, attracts other provisions. There is some thought, for example, that the SEC and others are lobbying for authority over issuers and that something like that might be snuck into this legislation. So, the public finance community is carefully monitoring this issue.

Meanwhile, on the regulatory front, the MCDC so-called voluntary reporting initiative still has not culminated in all the issuer/borrower settlements although they apparently are imminent as of this writing and will include borrowers in our nonprofit sector. It's been a massive enforcement program, has cost dealers and issuers millions

of dollars in legal fees and other expenses and relates to disclosure, reporting or timeliness omissions which thus far have not been demonstrated to relate to any harm to any investor or anyone else.

Like many others, NAHEFFA has been engaged in dealing with proposals on bank loans, including the rather ill-considered concept proposal by the MSRB that municipal financial advisors somehow be responsible for making disclosures. The almost overwhelmingly negative response, including by your Association, to this proposal probably has killed it but there is a suspicion that it is simply a precursor for other regulatory moves at the SEC and the MSRB.

NAHEFFA has reiterated to MSRB its interest in conduit financing -specific guidance on the application of the municipal finance or advisor rules. After three years of pending requests, the MSRB has responded affirmatively to engage with us, and we will be submitting substantive questions and hypothetical scenarios for MSRB guidance.

So, there's plenty going on and those authorities who are shoring up their Capitol Hill relationships during this hiatus are much appreciated. I am looking forward to updating you on all these issues when we get together in Chicago in the Fall. ■

Executive Director and Assistant Executive Director of the Minnesota Authority set to Retire at the End of June

The Minnesota Higher Education Facilities Authority will say goodbye to both Marianne Remedios and Elaine Yungerberg at the end of June. Both Marianne and Elaine have proven to be integral to the success of NAHEFFA. They have both served on the NAHEFFA Board of Directors as Secretary and hosted the 2012 Fall Conference in Minneapolis. We look forward to meeting the new director of the Authority.

NAHEFFA wishes Marianne and Elaine all the best on their future endeavors.

Steve Fillebrown from the New Jersey Health Care Authority Retired in the End of March

As some of you might remember, we said goodbye to Steve Fillebrown of the New Jersey Health Care Facilities Financing Authority earlier this year. Steve provided decades of support of first, the old National Council of Health Facilities Finance Authorities and currently NAHEFFA, as an active participant including stints on the board and as committee chairs over the years. Among many other things, Steve was instrumental in some of the early, confusing and chaotic days of the evolving industry-wide disclosure issue.

Thank you Steve and best wishes for the future.

GREETINGS FROM THE NAHEFFA SPONSORSHIP COMMITTEE

The NAHEFFA Spring Conference in Scottsdale, AZ was held in April and was a great success. We would like to thank our 2016 Conference Sponsors for your continued support and want to remind you of our upcoming Fall Conference in Chicago, IL.

- 2016 Fall Conference, September 29-30th at the Wyndham Grand Chicago Riverfront

NAHEFFA encourages our sponsors to attend and participate in these conferences. Sponsor attendance at our events helps to build stronger relationships, reach key decision-makers in the industry and increases your organization's exposure. NAHEFFA conferences are attended widely by NAHEFFA Members including authority board members and staff. These conferences also provide an opportunity to increase your awareness of issues and concerns in the industry.

For more information about the 2016 Fall Conference and for ways to participate, please contact Shannon Govia at ShannonG@whcfa.wa.gov or Nichole Doxey at ndoxey@naheffa.com.

Best regards,

2016 Sponsorship Committee Members

Shannon Govia | Washington Health Care Facilities Authority

NAHEFFA Sponsorship Committee Chair

Nichole Doxey | NAHEFFA

Adam Gill | Montana Facility Finance Authority

Tammy Harter | Illinois Finance Authority

Harry Huntley | South Carolina Jobs-Economic Development Authority

Pam Lenane | Illinois Finance Authority

Don Templeton | South Dakota Health and Educational Facilities Authority

Frank Troy | New Jersey Health Care Facilities Financing Authority

Advancing Bonds?, continued from cover

- Form documents, policies and procedures?
- Volunteering for NAHEFFA projects (e.g., committees or program development)?
- Additional conference sponsorship?
- Streamlining issuance and compliance processes and improving market accessibility?
- Other?

What kind of newsletter submission is filled with questions and no answers? (Fair question and one for which you probably have some hilarious responses). My hope is that some question above will somehow prompt an advance that benefits NAHEFFA and its members, the nation's education and health institutions, and the municipal bond industry.

Looking forward to your feedback and visiting with you at the fall conference in Chicago!

[Scott Waller is a shareholder of the law firm Gilmore & Bell, P.C. His practice focuses on tax-exempt financing transactions for health and educational institutions and other nonprofits.]

NAHEFFA Board of Directors

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