

STATE OF COLORADO

DEPARTMENT OF LOCAL AFFAIRS DIVISION OF HOUSING

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DOLA issues new guidelines for private activity bonds

The Department of Local Affairs has issued new guidelines for Private Activity Bonds (PABs). The new guidelines, released today by the department's Division of Housing, affect direct allocation fees paid by local governments and statewide authorities that issue PABs. Typically, three statewide authorities & approximately 47 local governments receive direct formula allocations at the start of each calendar year.

New Guidelines on Private Activity Bond (PAB) Direct Allocation Fees are as follows:

- All bonds issued from a local government and/or from statewide authorities' direct formula allocations will be subject to the same issuance fee.
- The Direct Allocation Fee applies as follows:
 - If PABs are assigned to another issuer, the recipient becomes responsible for payment.
 - If a recipient relinquishes its PABs to the Statewide Balance, then the Direct Allocation fee no longer applies.
 - If PABs are never used, the fee will never be due.
- The fee applies to all direct allocations that have not yet been issued, including allocations from 2009 and previous years. The fee does not apply to refinanced or refunded bonds.
- The fee starts at 0.0057%, and will be adjusted annually. Since most PAB issuances are for at least \$3 million, the smallest fee would typically be \$171. Likewise, a \$100 million issuance would cost \$5,700. The fee is due at the time the bonds are issued.

Statewide Balance (SWB) Fees are unchanged: These fees will remain unchanged from current practice, and include a \$750 application fee and a 0.25% issuance fee.

These guidelines are issued following the comment period from 10/28/09 to 11/10/09.

Please contact Ann Watts for additional information at DOLA-Division of Housing at (303) 866-4652 or at ann.watts@state.co.us

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