

Is it Time for a National Infrastructure Bank?

In a recent National Zoom Forum titled "It Takes a Crisis: Great Turning Points in American History" sponsored by the Coalition for a National Infrastructure Bank, New York State Assemblywoman Maryjane Shimsky presented her argument for the need for the creation of a \$5 trillion National Infrastructure Bank. In citing the nation's many and growing infrastructure needs, Shimsky focused on the strong demand for more affordable housing, the need for additional power generation facilities and projects to safeguard citizens from the effects of climate change. "We will be able to create the greatest economic expansion in a century if we're willing to make the investment. The National Infrastructure Bank gives us a mechanism for providing a large chunk of funding of what we are going to need to make all these things happen, to solve these crises." Shimsky isn't alone in her call for this new financing tool.

Illinois Representative Danny Davis introduced a bill, HR 5356, in Congress in August that would encourage private investment in infrastructure projects across the nation. Davis's legislation, the National Infrastructure Bank Act of 2025, aims to "facilitate efficient investments and financing of infrastructure projects and new job creation" and would be funded by loans from municipal, state, and union pension funds. Support in Congress was evident in the bill's 32 co-sponsors. The Coalition for a National Infrastructure Bank contends that private investment is needed in light of the ubiquitous infrastructure needs across the nation. "This bipartisan bill would leverage private financing to help local governments and municipalities have access to the capital needed for improving critical infrastructure" Davis's bill was the second one introduced this year to address the same issue and it wasn't the first time such a movement was initiated. In July, the National Association of Counties (NACo), whose members include 2,350 counties representing 80% of the US population, passed a resolution at its annual convention, unanimously urging Congress to create the National Infrastructure Bank. Just two years earlier, three, similarly themed bills were introduced and there have been several, unsuccessful efforts launched over the years to establish a national infrastructure bank.

The concept of a National Infrastructure Bank isn't new. Franklin Roosevelt's New Deal envisioned such an institution embodied as the Reconstruction Finance Corporation from 1933 to 1957 as a means of funding new infrastructure and creating jobs. With spending on our nation's infrastructure falling to its lowest level in 70 years, perhaps the time for a national infrastructure bank is now.

RECENT CMA CLIENT SALE RESULTS

<u>Issuer (Rating)</u>	<u>Issue Type</u>	<u>Par Amount</u>	<u>Sale Date</u>	<u>Term</u>	<u>Rate</u>	<u>Purchaser</u>
Scarsdale UFSD (Aaa)	Bonds	\$ 4,355,000	30 – Sep	15 yrs.	3.13%	Hilltop Securities
Middletown City (MIG-1/A1)	BAN (Taxable)	19,900,000	30 – Sep	1 yr.	4.17%	Piper Sandler & Co.
Sag Harbor UFSD (Aa1)	TAN	9,000,000	25 – Sep	9 mos.	2.49%	Fidelity Capital Markets
Buffalo City (SP-1+/A+)	BAN	29,433,750	18 – Sep	1 yr.	2.46%	Wells Fargo Bank, N.A.
Long Beach City (Insured/A2)	Bonds	13,570,000	16 – Sep	19 yrs.	3.76%	Janney Montgomery Scott LLC
Carmel Town (Aa1)	BAN	6,809,480	10 – Sep	1 yr.	2.63%	Piper Sandler & Co.
Longwood CSD (AA+)	TAN	47,000,000	9 – Sep	9 mos.	2.54%	J.P. Morgan Securities LLC
West Babylon UFSD (Aa3)	Ref. Bonds	9,175,000	3 – Sep	7 yrs.	2.42%	Jefferies LLC

GENERAL OBLIGATION TAX-EXEMPT INTEREST RATES

October 1, 2025						1 Month Ago - September 2, 2025					1 Year Ago - September 3, 2024				
<u>Term</u>	<u>Aaa</u>	<u>Aa</u>	<u>Insured</u>	<u>A</u>	<u>Baa</u>	<u>Aaa</u>	<u>Aa</u>	<u>Insured</u>	<u>A</u>	<u>Baa</u>	<u>Aaa</u>	<u>Aa</u>	<u>Insured</u>	<u>A</u>	<u>Baa</u>
1 yr.	2.38%	2.41%	2.49%	2.47%	2.85%	2.19%	2.22%	2.30%	2.28%	2.66%	2.55%	2.59%	2.67%	2.65%	3.02%
5	2.32	2.36	2.48	2.52	2.91	2.38	2.42	2.54	2.58	2.97	2.27	2.32	2.44	2.45	2.86
10	2.91	3.02	3.16	3.26	3.74	3.23	3.34	3.48	3.58	4.06	2.54	2.64	2.82	2.88	3.37
20	3.97	4.18	4.33	4.41	4.85	4.40	4.61	4.76	4.84	5.28	3.17	3.37	3.56	3.60	4.05
30	4.21	4.43	4.58	4.66	5.11	4.62	4.84	4.99	5.07	5.52	3.48	3.69	3.88	3.92	4.38