CMA
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Fallout From Silicon Valley and Signature Bank Collapses

In the second week of March, following a sudden outflow of deposits including as much as $42 billion in one day, Silicon Valley Bank (SVB) was unable to meet its obligations and was seized by regulators. Silvergate, another smaller, regional bank in California, and, the largest cryptocurrency bank in the country, voluntarily ceased operations and is liquidating assets. The third apple to fall was New York-based Signature Bank, another bank with significant cryptocurrency exposure and large, uninsured deposits. Federal regulators seized SVB and Signature Bank and transferred all deposits to specially-created "Bridge Banks" which guarantee all deposits, insured and uninsured, in an attempt to fend off a larger, financial meltdown. A short time later, First Republic Bank, another California-based regional bank which faced a crisis of confidence from its investors and customers, was rescued by a $30 billion bailout from a consortium of 11 of America's largest banks. These developments drove many individuals and institutions to question where they held their funds and small banks across the country lost a cumulative $100+ billion in deposits over the course of just one week before the situation stabilized toward the end of March. In Europe, Switzerland-based Credit Suisse ran into trouble after the chairman of Saudi National Bank, the bank's biggest shareholder, announced it would not be increasing its stake in the bank amid the SVB fallout. UBS subsequently agreed to buy out its fellow Swiss competitor with support from Swiss authorities for just over $3 billion, a fraction of Credit Suisse's estimated value. SVB and Signature became the second and third largest banks to fail in U.S. history, behind Washington Mutual in 2008.

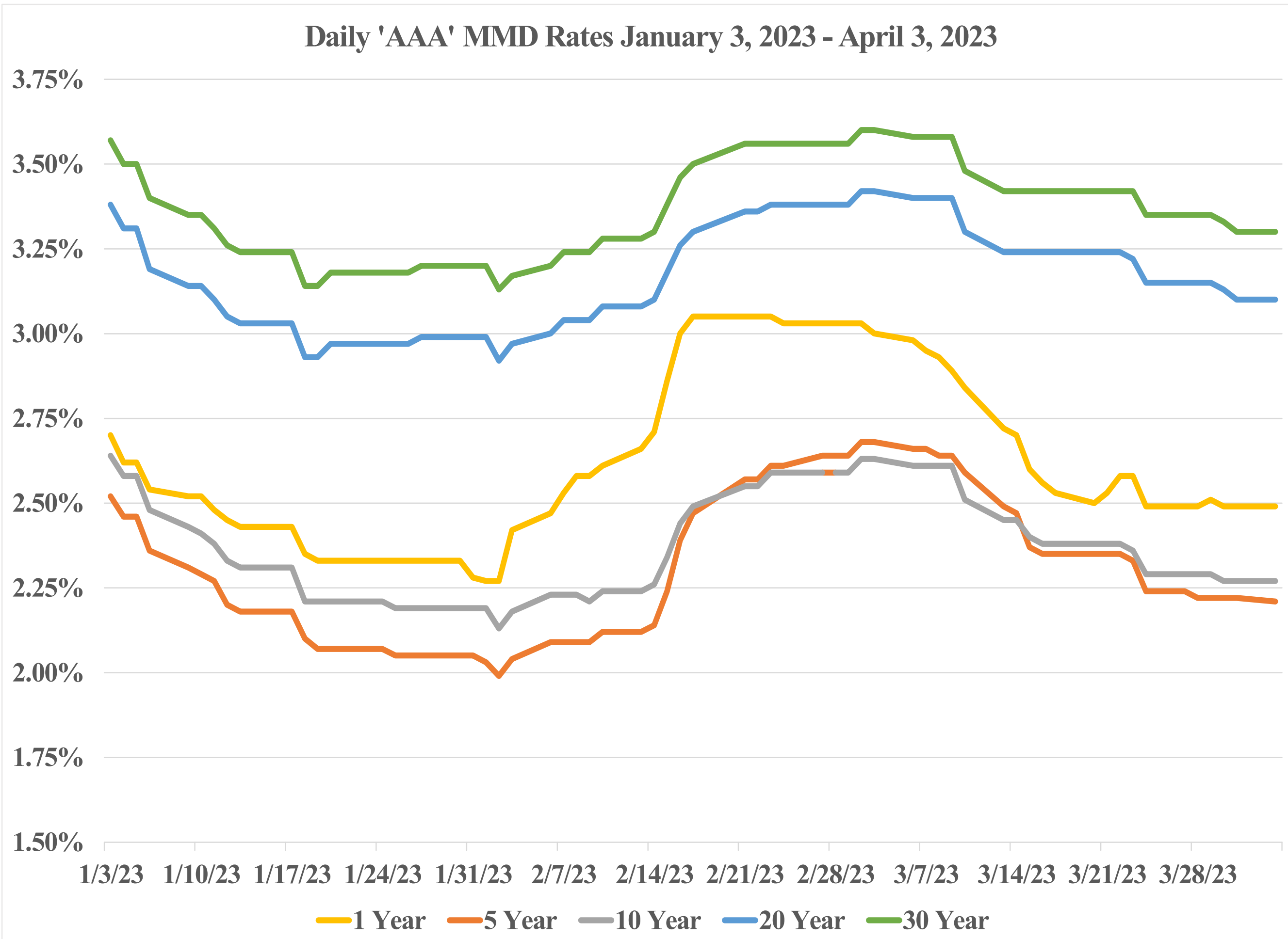
The U.S. Department of Justice and the Securities and Exchange Commission are investigating both the failure of SVB and stock sales made by the bank's officers the day before. Moody's Investors Service changed its outlook on the U.S. banking system from stable to negative citing a "rapidly deteriorating operating environment". President Biden released a fact sheet detailing several reforms he proposes in the wake of the bank failures including reinstating Dodd-Frank Act rules for mid-size banks, strengthening bank supervision including making stress tests more comprehensive and expanding long-term debt requirements. Treasury Secretary Janet Yellen said that outflows from small and medium sized banks were diminishing but Treasury was monitoring the situation closely and "not willing to allow contagious runs to develop" in the banking system. J.P. Morgan Chase CEO Jamie Dimon commented on the situation stating "the current crisis is not yet over" and "there will be repercussions for years to come". He noted that the current situation is not like what happened in 2008 when mortgage-backed securities held by financial institutions went bad and caused the Great Recession. "The failures of SVB and Credit Suisse have significantly changed the market's expectations, bond prices have recovered dramatically, the stock market is down and the market's odds of a recession have increased," Dimon said. "And while this is nothing like 2008, it is not clear when this current crisis will end."

Recent CMA Client Sale Results

Issuer	Issue Type	Par Amount	Sale Date	Term	Rate	Purchaser
Mamaroneck HA (Aaa)	Rev. Bonds	$2,800,000	29-Mar.	20 yrs.	3.44%	Roosevelt & Cross, Inc.
North Babylon UFSD (Aa3)	Bonds	$11,005,000	29-Mar.	15 yrs.	2.89%	RBC Capital Markets
Lewisboro Town (AA)	BAN	$3,198,200	28-Mar.	1 yr.	3.20%	Piper Sandler & Co.
New Rochelle City SD (AA)	BAN (Tx.)	$5,400,000	23-Mar.	1 yr.	5.12%	Piper Sandler & Co.
Newburgh City (A3)	BAN	$9,500,000	16-Mar.	3 mos.	4.48%	TD Securities

April 30th ARPA Report Deadline Looms

The next reporting deadline for the American Rescue Plan Act (ARPA) is fast approaching on ***April 30th*** for both Entitlement and Non-Entitlement Units. Project and Expenditure Reports, covering the quarter and year ending March 30, 2023 must be filed with the US Treasury. Failure to properly spend, track and report on how ARPA funds are used could potentially result in the claw-back of those funds by the Federal government. For assistance with ARPA reporting, contact CMA. For updated compliance and reporting guidance, please go to: https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf. For additional information on submitting the report, please go to: https://home.treasury.gov/system/files/136/Apr-2023-PE-Report-User-Guide.pdf.



MMD General Obligation Interest Rates

	April 3, 2023					1 Month Ago - March 1, 2023					1 Year Ago - April 1, 2022				
Term	Aaa	Aa	Insured	A	Baa	Aaa	Aa	Insured	A	Baa	Aaa	Aa	Insured	A	Baa
1 yr.	2.49%	2.52%	2.64%	2.63%	2.98%	3.03%	3.08%	3.18%	3.19%	3.52%	1.57%	1.70%	1.79%	1.80%	2.00%
5	2.21	2.29	2.40	2.43	2.80	2.64	2.74	2.83	2.88	3.23	1.98	2.16	2.24	2.29	2.54
10	2.27	2.43	2.58	2.63	3.17	2.59	2.77	2.90	2.97	3.49	2.18	2.43	2.54	2.61	2.98
15	2.86	3.16	3.26	3.37	3.81	3.21	3.51	3.61	3.72	4.16	2.32	2.61	2.69	2.80	3.14
20	3.10	3.44	3.55	3.65	4.09	3.38	3.72	3.83	3.93	4.37	2.40	2.73	2.82	2.92	3.26