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New Clients to Speer Financial in 2016

Welcome the following new clients to Speer in 2016:

| | | | |
|--------------------------|------------------------|--------------------------|----------------|
| Northbrook, IL | Cary, IL | Markham PD, IL | |
| Iowa Central CC, IA | Naperville, IL | S. Sangamon Co Wtr Dst. | |
| Stickney Forest View Lib | University Heights, IA | DeKalb Park District, IL | |
| Iowa City, IA | Deerfield, IL | Salem, IL | Oak Lawn PD |
| Dolton, IL | Clinton Co, IA | Phoenix, IL | Waverly, IA |
| Baxter, IA | Grundy Center, IA | Hawkeye, IA | Stanwood, IA |
| Colfax, IA | Treynor, IA | Corydon, IA | Villa Park, IL |

Thank you to all of our clients for a great year.

Do You Know About the New Issue Price Rules?

On December 8, 2016 Issuers of municipal bonds received final issue price rules from the Department of Treasury and the Internal Revenue Service ("IRS"). These rules were published in the Federal Registry one day later, and will become effective 180 days later, on June 7, 2017.

Many organizations, including the Government Finance Officers Association ("GFOA"), praised the Treasury for improvements made in the final rule versus the prior proposed rule changes, but many questions remain about the competitive bond sale processes. The GFOA's debt committee asked John Cross, Treasury's Associate Tax Legislative Counsel, about possible discouragement of competitive bonds sales or problems for issuers if underwriters don't follow the new rules.

Cross said, "As a policymaker, we think that competitive sales promote competition and price transparency and we wanted to provide a workable rule to accommodate this important market sector."

General rule under the final rule establish the issue price at which the first 10% of a maturity of bonds is actually sold to the public. Under certain circumstances the Underwriter cannot sell Bonds at a price higher than the initial offering price (IOP) for bond sales during the five business days after the sale date. The five-day provision is an anti-flipping or an anti-abuse provision.

There are special rules for competitive sales that state an issuer may treat the reasonably expected IOP of the bonds that will be sold to the public as the issue price if the winning underwriter provides a certification of their reasonably expected IOP which it based its bid. In order to use the reasonable expectation price, issuers of competitive deals must also receive a minimum of three competitive bids from established underwriters and the issuer must award the bid on highest price or lowest interest cost. Under the new rules Issuers would have the option of using any of the rules until the day of closing for their bond transaction. Most by now have read about the new issue price rules and, if you have not already, we encourage you to do more research and talk with your municipal advisor ahead of the implementation date.