

Defending Tax-Exempt Bonds and Advancing Municipal Finance Policy

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The Situation

The National Association of Health and Educational Facilities Finance Authorities (NAHEFFA) represents 40 conduit issuers of federally tax-exempt bonds that finance nonprofit institutions in healthcare, education, culture, and other charitable sectors.

When Congress moved to overhaul the federal tax code in 2017 and again in 2025, the long-standing tax exemption for municipal bonds — particularly private activity bonds — was at risk. ML Strategies partnered with NAHEFFA members, nonprofit borrowers, and municipal bond market stakeholders to proactively protect this critical financing tool.

The Approach

- Educating Congress: We briefed Members and staff on how tax-exempt bonds strengthen communities and identified champions to lead the effort.
- Strategic Advocacy: Built and executed a rigorous campaign with coalition partners, leveraging NAHEFFA members' relationships with key legislators.
- Direct Engagement: Coordinated congressional meetings, prepared NAHEFFA members, and provided real-time updates through presentations and written communications.
- Policy Influence: Drafted letters and public comments urging preservation of tax-exempt municipal bonds and private activity bonds.

The Outcome

Private activity bonds were preserved in both budget reconciliation measures.