

# Investors speculate on return of crisis-era Build America infrastructure bonds under split Congress

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This infrastructure-bond structure, backed by federal subsidies, could face uphill battle in Congress.



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*With Democrats sweeping into the House in the midterm elections, analysts are touting the potential comeback of crisis-era municipal bonds as part of a broader infrastructure bill.*

*Talk of major infrastructure legislation has gained ground as*

*investors marked it out as the rare area where Democrats and President Donald Trump shared common ground. That has drawn speculation of the potential re-introduction of Build America Bonds, taxable municipal bonds issued by local governments to finance infrastructure projects, that came to life in 2009 when former President Obama launched a wave of fiscal stimulus measures to revive a recession-hit economy.*

*“It may be brought back in some form,” said John Mousseau, director of fixed income at Cumberland Advisors.*

*The need for infrastructure spending has been felt on both sides of the aisle.*

*Mousseau pointed to the strong demand for recent multibillion dollar bond sales funding a new terminal in New York’s LaGuardia airport and a replacement for the Tappan Zee bridge, both of which relied on a mix of taxable and tax-exempt municipal debt.*

*“Big deals have had no problem selling bonds,” said Mousseau.*

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