



The Commonwealth of Massachusetts
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MASSACHUSETTS ANNOUNCES NEW “MASSDIRECT NOTES” PROGRAM
Frequent Sales and Electronic Trading Platform to Drive Down Costs for Commonwealth

Treasurer Steven Grossman today announced the launch of MassDirect Notes, a new and innovative program that provides Massachusetts retail investors with greater and more frequent access to Massachusetts bonds on an ongoing basis each month. The new program, which is expected to lower borrowing rates for Massachusetts by expanding its investor base, is the first-of-its kind for the municipal bond market and is modeled on the U.S. Treasury’s TreasuryDirect program.

“Massachusetts continues to build on its reputation as an innovator in the municipal bond market, and after years of work, we’re delighted to roll out this innovative and exciting program,” said Treasurer Grossman. “MassDirect Notes will help us sell more bonds to individual investors, and it will create the kind of competition and savings that improves the bottom line for the Commonwealth.”

Through the MassDirect Notes program, the Commonwealth will offer bonds over the course of two weeks nearly each month of the year. In the past, the Commonwealth, like other states, held single-day retail order periods as part of infrequent bond sales. The new program will complement those traditional bond sales but also give retail investors significantly more opportunity to invest in Massachusetts. Because of the program’s regularity, with sales each month, retail investors can invest when it’s convenient for them, attracting more people and competition to the sale of Massachusetts bonds.

An additional innovation is the Commonwealth’s use of an electronic platform to sell and distribute these bonds. The sale is being underwritten by Citi, which has engaged TMC Bonds to offer the Massachusetts bonds to a much wider network than the syndicates that are used in a typical sale. Through TMC Bonds, the Commonwealth is accessing the retail demand of as many as 800 distinct brokerage and investment advisory firms representing over 120,000 retail brokers, all of whom are existing users of TMC Bonds in the secondary market. The goal is to lower the Commonwealth’s borrowing costs by pricing bonds more efficiently due to the greater breadth of distribution.

“This is a step into the future for the municipal business,” said Ward Marsh, Head of the Municipal Securities Division at Citi. “We are pleased to support the Commonwealth’s leadership in enhancing the transparency and efficiency of the municipal market with this innovative program.”

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The MassDirect Notes are general obligation bonds of the Commonwealth and have been assigned ratings of AA+, AA1 and AA+ by Fitch Ratings, Moody's Investor Services and Standard & Poor's respectively. The first bond sale associated with MassDirect Notes begins on Monday, March 17 and is expected to run through Friday, March 28.

For more information on Commonwealth of Massachusetts bonds, please visit www.massbondholder.com. For more information on the MassDirect Notes Program, please go to www.massdirectnotes.com.

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