

BOND 101 REPORT FORM INSTRUCTIONS

Welcome to the Bond Users Clearinghouse Online Bond 101 & Bond Cap Notification of Issuance Reporting Forms

Getting Help:

This document provides general instructions and definitions of terms for completing the online Bond Users Clearinghouse Bond 101 and & Bond Cap Notification of Issuance (NOI) Reporting Forms. Specific instructions for certain items can be found by placing your cursor over the information icon – ⓘ – next to the item in the form.

If you have questions or need additional help, e-mail the Bond Users Clearinghouse at buc@commerce.wa.gov or call (360) 725-5038.

Reporting Requirements:

Chapter 39.44 RCW requires bond issuers in the state – both state and local – to report bond and other debt issuance information to the Washington State Department of Commerce (Commerce) **within 20 days of issuance**. The bond counsel, financial advisor, or underwriter for the issue should submit information using the online [Bond 101 Reporting Form](#). In cases where an issue is made without an underwriter, the issuer should supply the information.

The following agencies have responsibility for completing reports:

- a. Local governments issuing debt
- b. State agencies issuing bonds
- c. A state fiscal agencies acting as bond registrar for an issue.

Bond Cap Allocation Program Requirements:

Chapter 39.86 RCW requires issuers of tax-exempt private activity bonds issued under the Bond Cap Allocation Program to also provide to Commerce a completed a Notification of Issuance form **within three business days of the bond closing date**. The Bond 101 Reporting Form provides a means to meet both the Bond Cap and Bond Users Clearinghouse reporting requirements at the same time.

Bond Cap issuers may complete the form up through the Bond Cap page to meet the three-day reporting requirement, and may return later to complete the remainder of the form for the 20-day reporting requirement.

Official definition of "Bond" for the purpose of reporting to Bond Users Clearinghouse:

Any agreement that may or may not be represented by a physical instrument, including notes, warrants, or certificates of indebtedness, that evidences an indebtedness of a state or a local government or a fund thereof, where the state or local government agrees to pay a specified amount of money, with or without interest, at a designated time or times to either registered owners or bearers, and also including any other indebtedness that may be issued by a state or local government to fund private activities or purposes where the indebtedness is of a non-recourse nature payable from private sources, except obligations subject to chapter 39.84 RCW. (Exception: Warrants that are non-interest bearing and payable on demand need not be reported.)

In other words, debt agreements or “issues” that must be reported to Commerce on the Bond 101 form include, but are not limited to:

- Bond Anticipation Notes
- Certificates of Participation
- Commercial Paper Notes
- General Assessment Bonds
- General Obligation Bonds
- General Obligation Notes
- Grant Anticipation Notes
- Lease/Purchase Contracts
- LID Bonds
- Promissory Notes
- Revenue Anticipation Notes
- Revenue Bonds
- RID Bonds
- Sales Tax Bonds
- Special Obligation Notes
- Tax Anticipation Notes
- Tax Credit Notes
- Transit Authority Notes

Registering and Logging On

New Users: Open the [Bond 101 Reporting Form](#) application. Click on the Register link and fill out the information requested – including your personalized password – and click Submit. The system will automatically alert Clearinghouse staff of your request. Upon review of your request, Clearinghouse staff will activate your account, usually within one business day. You'll receive an email alert when your account is activated.

Next, you will need to create a [Secure Access Washington \(SAW\)](#) account. At the bottom of the page, click on the Create one link and enter your personal information. Once you register for your SAW account, Clearinghouse staff will send you an email containing a registration code. To add the Clearinghouse to your available services select "Add a New Service." On the right of the screen you will see a list of state agencies, select Department of Commerce. The specific service you will need is "Bond User Clearinghouse." Once you select this option, your screen will return to your "My Services" page. Select "Bond User Clearinghouse" and you will be prompted for the registration code sent upon completing your SAW registration. The code may be found near the bottom of the email. Copy and paste the code into the prompt and you are ready to begin submitting Bond 101 reports!

Returning users: Open the SAW link to the [Bond 101](#) application. Enter the email address and password associated with your SAW account. Select the "Bond User Clearinghouse" from your "My Services" tab and you'll see a list of previously submitted Bond 101s for your log-in email address. If you change firms, you'll need to establish a new, separate account using your new email address.

You will be able to return to your Bond 101s at any time to finish one previously started, edit information, or attach copies of official bond documents. You will also be able to print a copy of your submitted Bond 101 for your records. The printed Bond 101 will include our internal tracking number for your submission, which will make it easier for you to find the record online should you need to edit or update any of the data.

Hints for Using the Online Form Successfully

1. Before starting, collect all your bond information, including all issuance costs.
2. You'll be asked to electronically attach bond covenants and official statements, so have those available on your computer.
3. Required fields are marked with an asterisk. The form will prompt you to fill out required fields before moving on.
4. Each of the form pages must be completed sequentially, but you'll be able to move back and forth among pages you've already completed to edit them as needed.
5. Be sure to press the "Save and Continue" button at the bottom of each page once you've entered data, before moving on or going back, to ensure your data is saved.
6. You'll be able to print a copy of the Bond 101 or Bond Cap Notification of Issuance for your records.
7. Your feedback on form clarity and usability is greatly appreciated. The last page of each Bond 101 form has a space for comments. Please use that box to give us feedback and ask questions, or you can e-mail comments and questions to buc@commerce.wa.gov.

Accessing the Data

The searchable [Clearinghouse Bond Database](#) provides access to all Bond 101 Reports received dating back to 2000. Many Official Statements and Bond Covenants for bonds issued since 2008 can be viewed and downloaded. You can search by issuer name, user name, or date range and no password is required.

The Clearinghouse publishes the Bond 101 data in monthly and annual Excel spreadsheets and in the *Public Debt Report: An analysis of bond and other debt issues by local and state government*. In addition to the regular publications, the Clearinghouse can customize a search of the data and send a spreadsheet of all data that meet whatever criteria you specify. The searchable database, spreadsheets and annual reports can be found on the Clearinghouse's [Data and Publications webpage](#).

Definitions

Bond cap – The total amount of tax-exempt private activity bonds a state may issue each year, limited by federal law. Authority to issue bonds under the bond cap is administered by CTED.

Closing date – The date the security is delivered to the purchaser.

Competitive bid – Bids that are open to any underwriter (not a public sale).

CUSIP-6 – The first six digits of the nine-digit, alphanumeric CUSIP number used to identify securities, including municipal bonds. A CUSIP number, similar to a serial number, is assigned to each maturity of a municipal security issue.

Dated date – The date of an issue from which the bondholder is entitled to receive interest, even though the bonds may actually be delivered on some other date. The date that appears on the face of the bond certificate.

Discount – The amount by which the selling or purchase price of a security is less than the principal amount of par value.

Gross underwriting spread – The total amount charged by the underwriter to manage the bond issuance (not dollars per thousand), calculated on the basis of the difference between the amount paid to the issuer for the bonds and the amount expected to be yielded when the bonds are resold on the secondary market.

Issue – A specific identified issue of securities; a bond, note, or other debt instrument.

Issuer – A public entity (state, political subdivision, agency, or authority) that issues securities in order to borrow money.

Maturity Date – The stated date on which all or a stated portion of the principal amount of a security become due and payable.

Negotiated sale – A sale that was arranged with an individual underwriter.

Net interest cost – The formula for calculating the net interest cost is:

$$\frac{\text{Aggregate interest payable} + \text{Discount} - \text{Premium}}{\text{Par value} \times \text{Average Life}}$$

Par value – The principal amount or aggregate face value of a bond or note due at maturity, usually stated on the face of the bond or note.

Premium – The amount by which the price offered for a security exceeds its par value; the amount that must be paid above par in order to call or refund an issue.

Principal user – The beneficiary of the bond proceeds. In some cases the principal user will not be the issuer; for example a state agency (the issuer) might issue a bond for a local government (the principal user).

Private placement – A direct sale to one or more investors, which is not reoffered to the public.

Private placement number (PPN) – The first eight alphanumeric digits used to identify securities. A PPN is issued for a security not traded on public market.

Refund/refunding – The sale of a new issue, the proceeds of which are to be used to pay debt service on and retire an outstanding issue. The purpose of refunding may be to save interest cost, extend the maturity of the debt, or remove restrictive covenants in the security documents.

Sale date – For a competitive offering, the date of the bid opening; for a negotiated or private placement, the date of the signing of the bond purchase agreement.

Underwriter – An individual or firm engaged in the financing of capital by purchasing securities from the issuer for resale to investors. The underwriter agrees to buy an issue of securities on a given date at a specific price or to agree to buy unsubscribed securities of an issue; the underwriter assumes the liability of guaranteeing the issuer the full anticipated proceeds.

Yield – A measure of return on investment expressed as a percentage of the present value of the security.

Some definitions or parts of definitions are from *Glossary of Public Finance Terminology A-Z*, by David A. Franklin and James J. Prendergast; Pepper, Hamilton & Scheetz; Philadelphia, PA; 1990.