

# Contents

---

<b>Foreword</b>	<b>xi</b>
<b>Preface</b>	<b>xv</b>
<b>Acknowledgments</b>	<b>xix</b>
<b>CHAPTER 1</b>	
<b>The Basics of High Yield Municipal Bonds</b>	<b>1</b>
What Is a High Yield Municipal Bond?	1
Common Yield Measurements	2
Key Risk Factors	5
Notes	13
<b>CHAPTER 2</b>	
<b>A Brief History of the High Yield Muni Market</b>	<b>15</b>
The Early Years	15
Historical High Yield Opportunities	20
Credit Setbacks	22
The Advent of Leverage	23
The Credit Crisis of 2008 and Its Aftermath	24
Note	25
<b>CHAPTER 3</b>	
<b>The Investment Case for High Yield Municipals</b>	<b>27</b>
High Yield Municipals versus Other Asset Classes	28
The Impact of Bond Evaluations	34
Six Basic Tenets of High Yield Municipal Investing	38
<b>CHAPTER 4</b>	
<b>High Yield Credit Risk Revisited: The Default Record</b>	<b>51</b>
Definitions of Default	51
Default Record for Rated Bonds	53

Default Record for Unrated Bonds	55
Recent Default and Impairment Statistics	57
Recovery Rates	60
Lessons from Historical Default Records	61
Notes	64
<b>CHAPTER 5</b>	
<b>Professionally Managed High Yield Municipal Products</b>	<b>65</b>
Actively Managed Products	66
Passively Managed Products	82
Notes	86
References	86
<b>CHAPTER 6</b>	
<b>Investing in Individual Bonds</b>	<b>87</b>
<i>Richard Daskin, CFA, CFP</i>	
A Few Preliminary Considerations	87
Investing in the Primary or New Issue Market	88
Investing in the Secondary Market	89
Executing Trades in the Secondary Market	90
Monitoring Your Holdings	91
<b>CHAPTER 7</b>	
<b>Investing in Distressed Bonds</b>	<b>93</b>
The Distressed Municipal Universe	95
The Theory and Practice of Distressed Municipal Investing	98
Notes	101
Reference	101
<b>CHAPTER 8</b>	
<b>Case Studies</b>	<b>103</b>
Distressed Opportunity: National Benevolent Association	103
Fallen Angel: Denver International Airport	106
Notes	111
<b>CHAPTER 9</b>	
<b>Managing Bond Defaults and Bankruptcies</b>	<b>113</b>
<i>Kenji Mochizuki, CIRA</i>	
Nine Differences between Chapter 9 and Chapter 11	113
Bondholders' Rights and Remedies in Workouts	119

---

Accounting Issues Related to Chapter 9	128
References	132
<b>CHAPTER 10</b>	
<b>Common Types of High Yield Municipal Bonds</b>	<b>135</b>
<i>Patrick Flanagan</i>	
<i>James Lyman</i>	
<i>Keith Rochelli</i>	
<i>Ken Rogozinski</i>	
Corporate-Backed Municipal Bonds	136
Hospital Revenue Bonds	146
Toll Road Bonds	155
Housing Bonds	161
Continuing Care Retirement Communities (CCRC) Bonds	171
Notes	178
<b>CHAPTER 11</b>	
<b>Special Types of High Yield Municipal Bonds</b>	<b>179</b>
<i>Richard Larkin</i>	
<i>Shannan Wilson</i>	
Tobacco Settlement Bonds	179
Land-Secured Bonds	190
Notes	199
References	199
<b>CHAPTER 12</b>	
<b>Up-and-Coming High Yield Sectors</b>	<b>201</b>
<i>Jon Barasch and Edward Krauss</i>	
<i>Jeffrey Lamb, Matt Eden, and Melissa Robertson</i>	
Charter School Bonds	202
Native American Gaming Bonds	207
<b>CHAPTER 13</b>	
<b>High Yield Investing in the Post-Bond Insurance Era</b>	<b>215</b>
Learning from History	215
Prospects for Tax Reform	216
The New Compliance Landscape	218
New Credit Opportunities	219
Advances in Trading and Price Discovery Technology	222
Buy American!	223

---

<b>Appendix: The Dodd-Frank Act and the Municipal Market</b>	<b>225</b>
<i>Kenji Mochizuki, CIRA</i>	
Regulation of Municipal Securities	226
Changes to the Board of the MSRB	229
Commission Office of Municipal Securities	231
Municipal Securities Studies	232
The Volcker Rule	235
References	237
<b>Selected Resources for Investors</b>	<b>239</b>
<b>About the Author</b>	<b>245</b>
<b>About the Contributors</b>	<b>247</b>
<b>Index</b>	<b>255</b>

<http://www.pbookshop.com>