

THE BOND BUYER

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News

Firm Offers Issuers Chance to Win a Free Bond Financing

By [Kyle Glazier](#)
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PHOENIX - Public finance startup Neighborly is offering municipal issuers a chance to win a free bond financing.

The San Francisco-based financial services company is launching what it calls the "Neighborly Bond Challenge," which will offer winning municipalities the opportunity to sell up to \$10 million of bonds on Neighborly's platform free of charge. Orrick, Herrington & Sutcliffe will be bond counsel. [Applications](#) will be accepted through Sept. 9, and the winners will be announced Sept. 21 at The Bond Buyer's California Public Finance Conference.

Neighborly, which has a registered broker-dealer arm, aims to "democratize" the muni market by encouraging local investment from millennials and others who wouldn't typically invest in muni bonds directly.

"In modernizing public finance, Neighborly is looking forward to financing innovative public projects being conceived right now by governments throughout the United States," said Jase Wilson, Neighborly's chief executive officer. "We are extremely excited about the opportunity to work with municipal finance thought leaders and to have Orrick as bond counsel for the Neighborly Bond Challenge. Neighborly's goal is to reduce complexity and use data to create transparency in the municipal finance industry. Neighborly provides the same market accessibility for a parent buying a \$100 muni bond for their child's graduation as the world's largest bond funds. "

James McIntyre, Neighborly's head of public finance, cited the success of Denver, Colo.'s 2014 "mini-bonds," which were sold in \$500 denominations, and said Neighborly is looking to produce more small-investor triumphs like that.

"We just want to build upon their success and get people thinking about muni bonds," he said.

Issuance of the five winning selections is targeted for between the fourth quarter of this year and the fourth quarter of 2017. Interested municipalities can apply on Neighborly's website, where they are invited to fill out information about their proposed financing including how the bonds would be used, what their current ratings are, and who is on their finance team. Neighborly says ideal projects for the challenge would be those with a direct positive impact on the issuer's local community.

"Ideal financings include those that support schools, create microgrids, tackle water scarcity, create resiliency, or benefit those in need," the company's website reads.

"Think sustainable or green projects that would benefit from our technological economies of scale."

Burlington, Vt. Mayor Miro Weinberger said he is strongly considering applying to the challenge as the city is planning some financings to improve its infrastructure.

"We are regular participants in the municipal bond market," Weinberger said. "I think there's a quite good chance we're going to put in an application."

Weinberger said he is often struck by the cost of a bond issuance, and feels that what Neighborly is offering could offer significant savings. He said he also likes the idea of the company's mission of fostering more direct and local muni investment.

"It would be great if more of the public would get to participate," he said.



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