

INSIGHTS

SLGS Window Reopening; Sequestration Extended Through FY 2029

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The Bipartisan Budget Act of 2019 (the “Act”), which suspends the federal debt limit through July 31, 2021, was signed into law on August 2, 2019. As a result, the U.S. Department of the Treasury has announced that it will resume the sale of United States Treasury Obligations – State and Local Government Series (i.e., SLGS), **effective Monday, August 5, 2019, at noon Eastern Time**. The SLGS window has been closed since March 1, 2019, and issuers and conduit borrowers who otherwise may have purchased SLGS as part of their investment strategies have been forced to pursue alternate options, such as bidding securities on the open market.

The Act also extends the sequestration reductions applicable to direct pay tax credit bonds, which had been set to expire at the end of 2027, through fiscal year 2029. [Click here for a summary of the fiscal year 2020 sequestration rate.](#)