

Dear Tribal Leader:

I am writing to inform you that the Treasury Department and the Internal Revenue Service (IRS) have just issued new guidance that allows Indian tribal governments greater flexibility to use bond volume cap allocations for Tribal Economic Development Bonds in circumstances involving “draw-down” loans in which bonds are issued in phases over time, rather than drawn down all at once. Briefly, this more flexible approach will give Indian tribal governments up to three years to use these bond volume cap allocations if they issue at least 10% of the total bond amount within the first six months and 50% of the total bond amount within two years.

Notice 2015-83, which is attached or available at [this link](#), amends Notice 2012-48, 2012-31 I.R.B. 102 (July 30, 2012) and provides special rules to give Indian tribal governments additional time to use allocated volume cap if the issuer meets certain timing benchmarks and other special rules for spending bond proceeds on eligible project costs. The Tribal Economic Development Bond program added by ARRA under Code Section 7871(f) provides \$2 billion in national bond volume authority for tax-exempt bonds to Indian tribal governments for use on a broad range of Indian tribal governmental economic development projects. The IRS administers allocations of bond volume cap for this program. For more information on Tribal Economic Development Bonds, see the [Treasury Department and IRS Fact Sheet](#).

Please note that the total amount of funds available for tribal governments to issue tax-exempt Tribal Economic Development Bonds for the period commencing December 1, 2015 is approximately \$1.4 billion, of which up to 20 percent, or \$273 million, is available as issuing authority to one tribe. This figure is updated every other month, and the most up-to-date figures can be found [here](#).

I sincerely hope that this guidance will be helpful to you and the members of your tribe.

Yours truly,

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