



**Massachusetts Bay  
Transportation Authority**

# Debt Management/Derivative Policies Revision

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MBTA Board of Directors

Patrick Landers

June 2022

# Debt Management Policy

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- **Even-Numbered Years (Debt Management Policy):** to be formally adopted at least every two years and the adopted policies or evidence that there has been no material changes to the most recently filed policies, shall be filed each even-numbered year (976 CMR CFR 2.04)
- In accordance with the debt policy, we have reviewed our debt management policy in concert with bond counsel and our legal advisors **and recommend making the following changes:**
  - Updates language that reflects the transition from the Fiscal Management Control Board to a stand-alone Board of Directors
  - Expands the Debt Issuance Practice section to accommodate working capital borrowings
  - Removes references to parking securitization bonds, which have been refunded in their entirety
  - Modernizes existing language for consistency and clarity



# Derivatives Policy

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**In accordance with policy, we have reviewed our derivatives policy in concert with bond counsel and our legal advisors and recommend making the following changes:**

- Updates language that reflects the transition from the Fiscal Management Control Board to a stand-alone Board of Directors
- Updates language relating to the global transition away from the LIBOR index to SOFR
- Expands policy to include Forward Delivery Agreements
- Includes Regulatory Risk in Risk Mitigation section
- Modernizes existing language for consistency and clarity



# Request of the MBTA Board

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VOTED (on June 2): That members of the Audit and Finance Committee hereby recommend to the Board of Directors of the Massachusetts Bay Transportation Authority that it approve the Debt Management and Derivatives Policies of the Massachusetts Bay Transportation Authority (the “MBTA”) in the form presented at this meeting;

THEN;

VOTED (on June 23): That the members of the Board of Directors of the Massachusetts Bay Transportation Authority accept the recommendation of the Audit and Finance Committee and hereby approve the Debt Management and Derivatives Policies of the Massachusetts Bay Transportation Authority in the form presented at this meeting.

