

MEMO# 29851

April 22, 2016

MSRB Requests Comment on Concept Proposal to Improve Disclosure of Direct Purchases and Bank Loans; Comments Due May 27

[29851]

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TO: MUNICIPAL SECURITIES ADVISORY COMMITTEE No. 7-16 RE: MSRB REQUESTS COMMENT ON CONCEPT PROPOSAL TO IMPROVE DISCLOSURE OF DIRECT PURCHASES AND BANK LOANS; COMMENTS DUE MAY 27

The MSRB is requesting comment on a concept proposal to require municipal advisors to disclose information regarding the direct purchases and bank loans of their municipal entity clients. [\[*\]](#) The notice suggests that such disclosure could be made to the MSRB's EMMA system for public dissemination. The MSRB believes that the availability of timely disclosure of information about an issuer's direct purchases and bank loans is beneficial to fostering transparency and ensuring a fair and efficient municipal market. The MSRB hopes that any comments it receives in connection with this concept proposal will assist it in determining whether to undertake a formal rulemaking. Comments are due to the MSRB by May 27, 2016.

The notice states that despite the MSRB's continued encouragement that issuers voluntarily disclose bank loan financings on EMMA, the number of actual disclosures made remains limited. Indeed, the notice acknowledges that investors do not have timely access to important details of the levels and terms of many issuers' outstanding indebtedness. As a result, the MSRB is considering ways by which material information related to a municipal entity's direct purchases and bank loan financings could be made more available to the investing public. The notice suggests that one possible method of obtaining this information would be to require disclosure to the MSRB by municipal advisors that advise municipal entities on such financings and then public dissemination by the MSRB. The MSRB is seeking comment on ways in which more information or more timely information about such financings could be made available to investors, including whether and how to require municipal advisors to disclose information about a municipal entity client's outstanding indebtedness.

Jane G. Heinrichs
Associate General Counsel

endnotes

[*] MSRB Regulatory Notice 2016-11 (March 28, 2016), available at <http://www.msrb.org/~media/Files/Regulatory-Notices/RFCs/2016-11.ashx?la=en>.

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