

**MEMO# 13606**

June 8, 2001

## **NFMA RELEASE OF DRAFT RECOMMENDED BEST PRACTICES IN DISCLOSURE FOR GENERAL OBLIGATION AND TAX-SUPPORTED DEBT**

[13606] June 8, 2001 TO: FIXED-INCOME ADVISORY COMMITTEE No. 7-01 RE: NFMA RELEASE OF DRAFT RECOMMENDED BEST PRACTICES IN DISCLOSURE FOR GENERAL OBLIGATION AND TAX-SUPPORTED DEBT The National Federation of Municipal Analysts ("NFMA") has released its Draft Recommended Best Practices in Disclosure for General Obligation and Tax-Supported Debt ("Draft Paper"). A copy of the Draft Paper is attached and it is summarized below. The NFMA is soliciting input from market participants on its Draft Paper. Comments are due no later than October 15, 2001. If there are comments that you would like the Institute to consider in a possible comment letter, please forward them to Barry Simmons at (202) 326-5923 (phone), (202) 326-5827 (fax) or bsimmons@ici.org (email) by Friday, July 27, 2001. The Draft Paper is one of a series of best practices papers formulated by the NFMA to provide guidance to issuers and intermediaries in providing primary and ongoing financial and operational information to the municipal analyst community (i.e., investors and potential investors). Specifically, the best practices papers are descriptions of the sector-specific financial and operating information needed to help analysts analyze municipal debt issues. The NFMA focused on the General Obligations and Tax-Supported Debt sector to provide guidance to issuers as to the type of information sought by investors regarding primary and secondary market disclosure. In essence, the Draft Paper recommends that: (1) audited financial statements and other secondary market disclosure items should be available to interested parties within six months of the issuer's fiscal year end; (2) any material event notices, including those required under Rule 15c2-12 under the Securities Exchange Act of 1934, should be released as soon as practicable after the information becomes available; (3) to ensure timely publication of disclosure items, the issuer should use whatever electronic media are available, such as its own web site or similar Internet sites, in addition to dissemination to the Nationally Recognized Municipal Securities Information Repositories ("NRMSIRs"); and (4) issuers and/or their representatives should respond verbally and/or in writing to bondholders, underwriters, potential investors, or other market participants about credit matters. Barry E. Simmons Associate Counsel Attachment 2 Attachment (in .pdf format)

should not be considered a substitute for, legal advice.