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NFMA COMMENTS ON PRIMARY AND SECONDARY MARKET DISCLOSURE IN THE MUNICIPAL MARKET

Contact: Lisa Good, NFMA Executive Director
412-341-4898

The National Federation of Municipal Analysts (“NFMA”) announced today that it has sent a letter to Congressional leaders and the SEC regarding improving disclosure in the municipal market. The letter was sent to SEC Chair Mary Jo White, Senators Richard Shelby, Richard Brown, Orrin Hatch and Ron Wyden, and Representatives Kevin Brady, Sander Levin, Jeb Hensarling and Maxine Walters.

“The NFMA believes that timely, comprehensive and accessible disclosure is critical to ensuring a fair and functioning municipal market. Lack of such disclosure can impair accurate pricing of a security and its liquidity in the secondary market. Two decades after the release of amendments to Rule 15c2-12, market participants often struggle with getting access to the ongoing information they need to fully assess an issuer’s credit position,” said Lisa Washburn, NFMA Chair, who added, “For example, the failure to publicly disclose bank loans to all market participants can lead to unexpected rating changes that negatively impact bond pricing.”

“We believe that the time has come for the Securities and Exchange Commission to implement the recommendations for improved disclosure made in their 2012 Report on the Municipal Securities Market and to seek broader legislative authority that will

strengthen the SEC's oversight of the municipal securities market," William Oliver, NFMA Industry and Media Liaison added.

The NFMA has actively addressed issues of disclosure in the municipal market since release of its *Disclosure Handbook for Municipal Securities* in 1991. This comment letter follows a series of *Recommended Best Practices in Disclosure*, covering various sectors in the municipal market, as well as a number of white papers and position papers on disclosure and related issues in the market. All of these documents may be found on our website, www.nfma.org, under "Publications."

Established in 1983, the NFMA is an organization of nearly 1,400 members, primarily research analysts, who evaluate credit and other associated risks in the municipal market. These individuals represent, among others, mutual funds, insurance companies, broker/dealers, bond insurers, rating agencies, and financial advisory firms.