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## **NFMA ISSUES COMMENT LETTER ON MUNICIPAL REGULATIONS**

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The National Federation of Municipal Analysts (“NFMA”) announced today that it has sent a letter to Congressional leaders and the SEC regarding the regulation of the municipal market. The letter was sent to Senators Christopher Dodd and Richard Shelby, Representatives Barney Frank and Spencer Bachus, and SEC Chairman Mary Schapiro.

The comment letter was a collaborative effort by the NFMA board and other members, authored by Peter Bianchini, Managing Director and Senior Municipal Strategist at Mesriow Financial and an NFMA Past Chair; and Natalie Cohen, CEO of National Municipal Research, Inc., and a past NFMA Board member.

“The NFMA is concerned that the depth and diversity of the municipal market be fully considered when Congress and the regulatory agencies deliberate new legislation and regulations for the municipal market,” said Ms. Cohen. “For example proposed legislation focuses on general government, general obligation bonds. But hospitals, higher education, transportation authorities are but a few examples of important participants in the municipal market that have been affected by recent market turmoil.”

“Disclosure in the municipal market should move closer to corporate standards with respect to timeliness, content and fairness,” Mr. Bianchini added, “and any regulator should have direct rulemaking authority over disclosure of key credit features of the securities themselves, the borrowers as well as other deal participants such as swap counterparties, insurers, and other credit enhancers.”

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 publications can be found on our website, [www.nfma.org](http://www.nfma.org), under “Disclosure Guidelines” or “Position Papers.”

Established in 1983, the NFMA is an organization of approximately 1,000 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.