



MSRB Initiatives

Vermont Educational & Health Buildings Financing Agency Conference
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Municipal Securities Rulemaking Board

Presentation Outline

- Role of the MSRB
- Regulatory Update
 - Advancing Municipal Advisor Regulation
 - Federal Focus on Disclosure
 - Bank Loans and Voluntary Disclosure
- **EMMA®** Tools for Issuers and Borrowers
- MSRB Resources



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Role of the MSRB

About the MSRB

- A self-regulatory organization created by Congress in 1975
- Protects investors, municipal entities and the public interest
- Promotes a fair and efficient municipal market



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How the MSRB Fulfills its Mission

- Regulates municipal securities dealers and municipal advisors
- Operates market transparency systems including the **EMMA**® website
- Conducts education, outreach and market leadership



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Regulatory Update

Municipal Advisor Regulation

- Dodd-Frank Act of 2010 charged the MSRB with regulating professionals that provide advice to issuers on municipal finance transactions and products in order to:
 - Protect state and local governments and other municipal entities that engage the services of a municipal advisor
 - Promote a fair and efficient market
 - Preserve municipal market integrity

Recent Municipal Advisor Rulemaking

Rule	Latest Notice	Next Steps
Establishing Supervision and Compliance Obligations	New MSRB Rule G-44	Effective April 23, 2015
Creating Professional Qualifications Requirements	Amended MSRB Rules G-2, G-3 and D-13	Effective April 27, 2015
Establishing Core Standards of Conduct	New MSRB Rule G-42	Filed with SEC April 15, 2015
Prohibiting Pay-to-Play in Municipal Advisory Business	Amended MSRB Rule G-37	Preparing for SEC filing
Regulating Gifts and Gratuities in Municipal Advisory Business	Amended MSRB Rule G-20	Preparing for SEC filing



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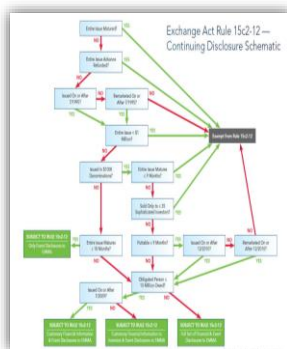
Federal Focus on Disclosure

- SEC's July 2012 report on the municipal securities market highlighted issue of inadequate disclosure
- SEC's March 2014 Municipalities Continuing Disclosure Cooperation (MCDC) Initiative
 - 40% increase in financial and operating disclosure submissions to **EMMA**® in June 2014 versus June 2013, attributable to MCDC
 - Average year-to-year increase in June filings is 7%
 - CAFR submissions also up over 30%



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MSRB Market Transparency Advisory



- Types of information issuers must publicly disclose under SEC Rule 15c2-12 for various types of offerings
- How to use **EMMA**[®] to make these disclosures
- Benefits of timely and complete disclosures for issuers and investors alike
- msrb.org/Rules-and-Interpretations/Regulatory-Notices/2013/2013-18.aspx

Bank Loan Disclosure

- MSRB recently renewed its calls for better disclosure of bank loans and other debt-like obligations on **EMMA**[®]
 - [Market Advisory, Jan. 2015](#)
 - [Letter on SEC Rule 15c2-12, Jan. 2015](#)
 - [Notice on Voluntary Disclosure Process, April 2012](#)
 - [Notice on Direct Purchases and Bank Loans as Securities, Sept. 2011](#)



MSRB Resources on Bank Loans and Other Debt-like Obligations

The Municipal Securities Rulemaking Board (MSRB) believes that the availability of timely disclosure of additional debt in any form and debt-like obligations is beneficial to foster market transparency and to ensure a fair and efficient municipal market. The MSRB is concerned that investors and other market participants are often unaware of the potential impact of bank loans and other debt-like obligations on the seniority status of existing bondholders and the credit or liquidity profile of an issuer, among other implications. The MSRB developed the below resources to encourage voluntary disclosure of bank loans and other debt-like obligations of municipal securities issuers.

- **MSRB Market Advisory on Disclosure of Bank Loans**
January 2015
The MSRB advocated for enhanced transparency of undisclosed debt and provided best practices to support voluntary disclosure of bank loan information through the MSRB's EMMA website.
[Read the advisory.](#)
- **MSRB Comment Letter on Securities and Exchange Commission Rule 15c2-12**
January 2015
The MSRB urged the SEC to revisit its municipal market disclosure rule, Rule 15c2-12, and to consider changes to improve its operation and reflect current market practices. The letter encouraged the SEC to look to its disclosure standards for the corporate market as a precedent for disclosure of off-balance sheet obligations such as bank loans.
[Read the comment letter.](#)
- **MSRB Notice Concerning Voluntary Disclosure of Bank Loans to EMMA**
April 2012
The MSRB first encouraged state and local governments in 2012 to make information about their bank loans publicly available on a voluntary basis on the EMMA website.
[Read the regulatory notice.](#)
- **MSRB Notice on Potential Applicability of MSRB Rules to Certain "Direct Purchases" and "Bank Loans"**
September 2011
The MSRB advised the market that bank loans could, depending on the nature of the transaction, be a private placement of municipal securities and therefore subject to specific regulatory requirements, including disclosure. Because determining whether these products are loans or securities is not a straightforward analysis, the MSRB encouraged the SEC to provide further guidance on this issue.
[Read the regulatory notice.](#)

Market Advisory on Bank Loan Disclosure

- MSRB's recent advisory aims to:
 - Call attention to potential impact of undisclosed obligations
 - Reiterate encouragement of voluntary disclosure
 - Offer a new list of suggested best practices
- Prompted by increasing use of bank loans and continued lack of voluntary disclosure on EMMA
 - Since 2012, only 88 properly submitted filings on **EMMA**®
 - Hundreds more bank loans going unreported
- Investors and other market participants need fullest picture of an issuer's liquidity or credit profile



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EMMA® Tools for Issuers and Borrowers



The EMMA® Website



emma.msrb.org

- Serves as official, free and public source of trade data and disclosure information on virtually all municipal securities
- Provides a platform for issuers to communicate with investors



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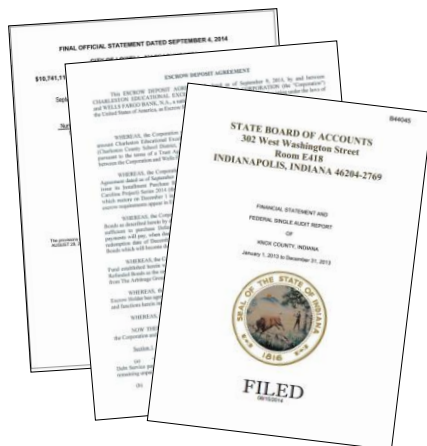
Data Available on EMMA

- Trade Prices and Yields
- Variable Rate Securities Information
 - Interest rate resets
 - Credit enhancement documents
- Market Statistics
 - New issuance
 - Trade statistics
 - Disclosure statistics
- Credit Ratings

Maturity Date	Interest Rate (%)	High/Low Price (%)	High/Low Yield (%)	Trade Count	Total Trade Amount (\$)	Ratings	
						Fitch	S&P
07/01/2023	5.25	100.052 / 97.934	5.426 / 5.242	25	2,000,000	-	AA-
06/01/2026	3	102.585 / 100.006	2.999 / 2.895	17	19,465,000	AAA	AAA
07/15/2026	5.25	113.898 / 112.898	1.284 / 1	12	4,060,000	-	AA+
06/15/2016	3	104.907 / 104.907	0.4 / 0.4	11	1,000,000	-	AA
03/15/2042	5	110.513 / 110.403	3.408 / 3.4	11	1,950,000	AA+	AA
06/01/2041	5.25	78.737 / 76.81	7.215 / 7.019	10	1,420,000	BB-	BBB-
02/01/2029	3	100 / 98.19	3.157 / 3	10	3,760,000	AA+	AA+
06/01/2037	-	28.245 / 27.784	4.23 / 4.041	9	2,775,000	-	AA
03/01/2029	3	100 / 97.625	3.206 / 3	9	420,000	-	-
06/15/2042	5	111.025 / 110.663	3.421 / 3.371	9	140,000	-	AA
12/01/2027	4	110.282 / 107.62	2.89 / 2.524	9	370,000	AA-	AA-
03/01/2037	5	105.858 / 105.858	2.529 / 2.529	9	100,000	BBB+	BB-
04/01/2035	5.125	99.555 / 99.055	5.2 / 5.16	8	100,000	-	-
01/01/2037	.967	89.76 / 88	1.509 / 1.509	8	740,000	AA-	AA-
07/01/2023	.02	100 / 100	-	8	5,200,000	A+	AAA



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- Official Statements
- Ongoing Financial Disclosures
- Event Notices
- Advance Refunding Documents
- 529 Plan Disclosure
- Political Contribution Disclosure
- Municipal Asset-Backed Securities Disclosure

EMMA Tools for Issuers

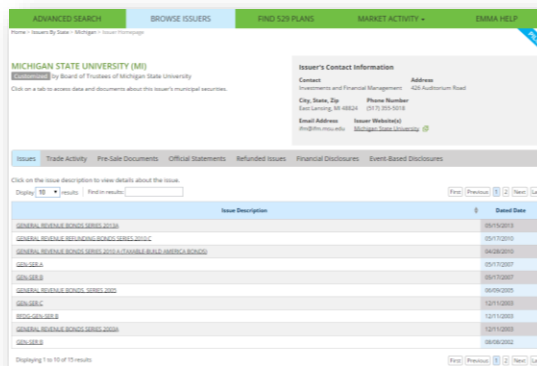
Issuer Homepages

- **Pilot! EMMA®**
Issuer Homepages display issuer information in a single location
 - Geographic search
 - More intuitive access to information on issuers for users
 - emma.msrb.org/IssuerHomePage



EMMA Tools for Issuers Issuer Homepage Features

- Listing of bond issues
- Trade activity
- Pre-sale documents
- Official statements
- Financial and event disclosures
- Refunding escrows



EMMA Tools for Issuers Manage Issuer Homepages

- Customize and consolidate issuer information in a single location on **EMMA®**
 - Customize plain-English name of issuer and bond issues
 - Edit issue list, contact information and website links
 - Minimal annual maintenance needed – receive email alert when new issue is added to an issuer homepage

EMMA Tools for Issuers

Email Reminders

- Issuers can schedule automated emails from **EMMA**® to be reminded of approaching annual or quarterly financial disclosure filing deadlines
- Include additional contacts to ensure all those with a role in disclosure are alerted



EMMA Tools for Issuers

Export Trade Data

- Use EMMA Trade Monitor to export trade data from **EMMA**® to a desktop application
 - Analyze the prices, yield and amount of secondary market trade activity of municipal bonds
 - Support evaluation of pricing for new issues
 - Access with an organization account



EMMA Tools for Issuers View and Compare Prices and Yields

- Use Price Discovery tool to compare trade prices of securities with similar characteristics
- View trade price graphs for individual securities



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EMMA Tools for Issuers Organization Accounts

- Creates single continuing disclosure submission account for all staff of an issuer
- Allows master account administrator to securely and independently manage staff access
- Required to customize Issuer Homepage and export data from Trade Monitor



dataport.emma.msrb.org/AboutDataport.aspx



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Resources



MSRB Education Center



- Single location for free educational resources on the municipal market
- Three easy ways to learn about the municipal market:



Videos



Fact Sheets



Podcasts

- msrb.org/EducationCenter.aspx

Contact the MSRB

MSRB Online

msrb.org

emma.msrb.org

MSRB Support

703-797-6668

Hours of Operation:

7:30 a.m. - 6:30 p.m. ET

MSRBsupport@msrb.org

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