

What Is an Official Statement?

An official statement is a document prepared by or on behalf of a municipal bond issuer in connection with a new issue of municipal securities. In some respects, an official statement is comparable to a prospectus for a corporate equity or debt offering. An official statement describes the essential terms of the bonds. It typically provides the most detailed description of the terms and features of the bonds through maturity, unless and until these terms have been modified.



Information in an official statement includes, but is not limited to, providing under what terms bonds can be redeemed prior to maturity, the sources pledged to repay the bonds and the issuer's covenants for the benefit of investors.

In general, the terms of the bonds described in an official statement will include such features as, among many others:

- the interest rate or, if the interest rate is variable, the manner in which such rate is determined;
- the timing and manner of payment of the interest on and the principal of the bonds;
- the minimum denomination in which the bonds may be sold;
- whether the bonds can be redeemed by the issuer prior to maturity and, if so, on what terms;
- whether the investor has the right to require the issuer to repurchase the bonds at their face value;
- the sources from which the issuer has promised to make payment on the bonds;
- whether any bond insurance, letter of credit or other guarantees have been provided for repayment;
- the consequences of a payment or non-payment default by the issuer.

Official Statements on EMMA

Investors can obtain electronic versions of official statements on the EMMA website (www.emma.msrb.org). EMMA is operated by the Municipal Securities Rulemaking Board (MSRB). The MSRB has been authorized by the Securities and Exchange Commission (SEC) to provide free, electronic access to primary municipal market disclosure documents, ongoing disclosures and trade data and other related information via EMMA. Municipal securities dealers must provide investors with information on how to obtain an official statement from EMMA.

EMMA Is Like EDGAR

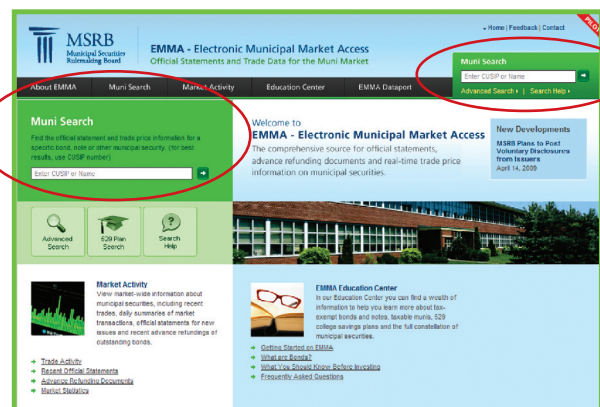
EMMA makes official statements and other official documents for municipal securities available to investors just as the SEC's EDGAR system provides prospectuses and other documents for non-municipal securities. EMMA provides information on municipal securities in a manner specifically tailored for retail, non-professional investors who may not be experts in financial or investing matters. EMMA provides official statements for most new offerings of municipal bonds, notes, 529 college savings plans and other municipal securities since 1990.

Finding an Official Statement on EMMA

EMMA allows investors to search for official statements for a specific municipal security in a number of ways.

Basic Search

The easiest and most effective way to search for an official statement is to use the "Muni Search" on virtually any page on EMMA by entering a "CUSIP number." The CUSIP number is the unique identification number assigned to each maturity of a bond issue and it is a nine-character ID that includes both numbers and letters, e.g., "123456AA." CUSIP numbers for an owned security would appear on a trade confirmation and/or on a brokerage statement. The "Muni Search" function can also be utilized by inserting the name of the issuer, which is typically abbreviated. For more infor-



mation on the CUSIP numbering system and market standards for issuer names and abbreviations, please read the CUSIP Service Bureau’s “Inside the CUSIP Numbering System” at www.cusip.com under the Education Programs section. CUSIP numbers for an owned security would appear on a trade confirmation and any brokerage statement.

Search results may include the official statement, ongoing disclosures, and other official documents and trade activity for the particular security, if EMMA has received these documents.

Official Statements Not Available on EMMA

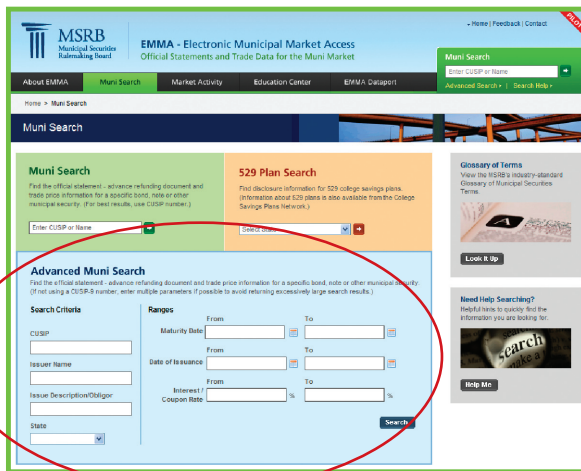
Sometimes, an official statement that an investor is seeking is not available on EMMA. The most common reason is that the investor is searching for an official statement for a newly issued security that has not yet been received by the MSRB. Issuers usually do not complete preparation of the official statement until after the first trading day and generally are under contract to provide the official statement for a new municipal security to the underwriter within seven days of such date. EMMA typically posts the official statement to the public immediately upon its submission by the underwriter to the MSRB.

Another reason an investor may not find an official statement on EMMA is if the official statement was prepared prior to 1990. The MSRB requirement that underwriters of municipal securities provide copies of official statements to the MSRB applies to offerings that occurred from 1990 and thereafter. Thus, if an official statement for a security was prepared prior to 1990, it will likely not be available on EMMA.

Investors should also be aware that some offerings occurring in 1990 or later are exempt from MSRB filing requirements. In general, a broker-dealer or bank cannot underwrite a new issue of municipal securities unless it receives an official statement from the issuer under certain SEC rules. However, this requirement generally does not apply in four cases:

- where the size of the new issue is \$1 million or less;
- where bonds can be sold to investors in units no smaller than \$100,000 (“\$100,000 minimum denomination”) and are sold to no more than 35 “sophisticated” investors;
- where bonds are sold in \$100,000 minimum denomination and have a maturity of nine months or less from initial issuance; and
- where bonds are sold in \$100,000 minimum denomination and the bond owners can require the issuer to purchase back the bonds at face value at least as often as every nine months.

For more information, please see <http://emma.msrb.org/EducationCenter/WhyReadOS.aspx>.



Advanced Search

More advanced search functions are also available. In addition to the CUSIP number and issuer name, the “Advanced Muni Search” may be used to search by issue description, state, maturity date, date of issuance and interest or coupon rate. However, for best results, the CUSIP number should be used.

