

Comment on Notice 2015-16

from christopher [last name withheld]

on Friday, September 25, 2015

Comment:

hi ...

as a long-time, individual, retail investor of individual municipal bonds, i find the lack of transparency in purchasing muni bonds quite appalling ...

retail investors are rarely offered the opportunity to buy new issues at the new issue price, and bonds are regularly marked up as the bonds pass from dealer to dealer well before the "when issued" date of the bond ...

at least the emma site provides trade information on bonds, but there remains a ton of information regarding the bond that remains hidden from the general investing public ... in general, there is no transparency in the muni bond market and a market without transparency is an inefficient market ...

any proposal that sheds light on mark-ups as bonds pass from dealer to dealer and from dealer to investor would be welcome to the individual investor ... also, emma should post these mark-ups on their website to improve competition and transparency in the industry ...

for example, if an individual, "when issued" muni bond is being offered at 99.5 to the retail investor for an investment of \$50,000 (ie, the investor pays \$49,750), the dealer should quote their markup as well (ie, dealer paid 99 for a mark-up of \$250 on this bond) ...

emma should post these markups on their website ...

additionally, emma should provide information on new issues as to who the underwriter is for the bonds along with contact information ...

i would love to see emma post a calendar of new issues along with underwriter and contact info to improve transparency and better allow the individual investor to participate in new issue offerings ...

personally, i use the emma site often and applaud emma on doing everything possible to improve transparency in this incredibly opaque marketplace

it all starts with understanding who is doing the underwriting and initial offering of the bond, understanding how the retail investor can take advantage of new issues and how they can contact the underwriter, and finally understanding price mark-ups as bonds pass from dealer to dealer ...

thanks for listening

sincerely

christopher