



**Government Finance Officers Association**  
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November 27, 2017

Mr. Ronald Smith  
Corporate Secretary  
Municipal Securities Rulemaking Board  
1300 I Street, N.W.  
Washington, D.C. 20005

Re: MSRB Regulatory Notice 2017-05

Dear Mr. Smith:

The Government Finance Officers Associations (“GFOA”) appreciates the opportunity to comment on the Municipal Securities Rulemaking Board’s (MSRB) proposal to address primary offering practices in the municipal bond market. The GFOA represents over 19,000 state and local government finance professionals across the United States, many of whom issue municipal securities, and therefore is very interested in the rulemaking that is done in this sector.

The GFOA supports frequent and effective communication between market participants, especially with regard to syndicate underwriting teams of municipal bonds. There should be no sensitivities on the part of the Underwriter to provide this communication to the entire syndicate and to the issuer.

1. Issuers should be made aware of information distributed to the syndicate and the lead manager should distribute information to the entire syndicate at the same time so that no member of the syndicate would have an advantage over another.
2. It is best practice to have discussions about the issuer’s approval of designations and/or allocations. Issuers discuss with the underwriter the priority of order designations and this information is stated on the pricing wire. In this discussion, if the issuer has indicated its preference for priority (state retail, national retail, etc.) by which the senior syndicate manager should abide. It is sufficient for the priority of orders to be set on the pricing wire.
3. The MSRB should be aware that issuers and the general market community are in the process of implementing new IRS issue price federal regulations and account for these new federal rules and market practices if it proposes changes to its own rules or guidance. The National Association of Bond Lawyers comments regarding the potential impacts of its rules on tax-exempt municipal bond rules does a particularly good job explaining potential conflicts that may arise in the continued compliance with the IRS issue price regulations.

The GFOA supports the voluntary posting of issuer’s preliminary official statements (“POS”) on EMMA. In these Best Practices, GFOA encourages issuers to have the POS completed one week before the sale, and to post it on their website. GFOA also supports having the issuer post the POS on EMMA, and recommend our members adopt this practice. All of these efforts helps facilitate broad distribution of the POS, which in turn assists investor awareness of the issue and the selling of the bonds, especially to retail investors. However, GFOA does not believe that the MSRB should mandate the submission of the POS on EMMA, for a number of reasons, including:

1. Caution needs to be exercised if this concept moves forward into formal rulemaking to ensure that a proposal does not directly or indirectly regulate the issuer community. Regarding the need for the industry to develop a best practice on the matter, we encourage efforts that benefit all market participants and do not place mandatory burdens on certain participants.
2. There also should be no mandatory submission of the POS to EMMA through a Municipal Advisor, an Underwriter or otherwise unless noted as part of the Municipal Advisor or Underwriter’s scope of service with the issuer. Many other organizations (including the National Association of Municipal Advisors) have noted, and the GFOA agrees – the MSRB does not have the authority to mandate the submission of the POS to EMMA by any party.
3. Further, neither an Underwriter nor Municipal Advisor should post the POS on EMMA unless they ask and receive confirmation from the issuer that they can post the POS. Underwriters should disclose with issuers their plan to distribute the POS to other dealers and potential investors prior to the pricing. Again, the GFOA is supportive of having the POS on EMMA, however, the authority to do so should remain with the issuer.

Thank you again for the opportunity to comment. Please feel free to contact me at [ebrook@gfoa.org](mailto:ebrook@gfoa.org) or (202) 393-8467 if you have any questions on or would like to discuss any of the information provided in this letter.

Sincerely,



Emily Brock  
Director, Federal Liaison Center