



In response to MSRB notice# 2021-17

Third Party Green/ESG Designation

Prefer that every bond issue has a third party opinion on the merits of an ESG/Green bond designation. The third party opinion would become a part of the Official Statement similar to a legal opinion that is included in current bond offering documents. This would greatly reduce the possibility of self-labeled green washing of muni bonds that currently come to the market. The aim would be to limit the very low hurdle methodology that munis inherently are ESG/Green by nature as they provide a benefit to their surrounding community. Understanding this will result in additional costs for issuer, we would prefer this be phased in over time. If the cost is too prohibitive, consider a minimum bond issue size as a threshold for third party designation.

Continuing Disclosure

Would like to see annual disclosure documentation posted to EMMA MSRB and Bloomberg that provides detailed updates on the progress of ESG/Green bond financed projects. For example, if the bond offering finances an affordable housing development updates on the construction progress, costs relative to budget and progress relative to certain milestones. Once construction has been completed annual updates on occupancy rate, turnover, etc. Similar documentation could be created for LEED projects financed with municipal bonds. For example, updates on energy savings and pollution reduction.

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