

Comment on Notice 2018-15

from Stephen Holstein, C F I

on Wednesday, July 25, 2018

Comment:

My name is Stephen Holstein. I've been buying municipal bonds, to the degree possible, in the primary market since the 1980s.

While I readily admit that I have not read the proposals of the MSRB, with regard to new municipal bond issues, I wish to address a problem that I find as a municipal bond buyer.

I trust the MSRB would agree with me that it is the best interest of the markets that the broadest possible array of buyers have real access to this market.

I have experienced the inability to purchase bonds from entities in which I am a ratepayer or taxpayer because of what I would call designer scales and what I assume to be pre-sold bonds.

More and more I see bond offerings in the original issue market which display characteristics that indicated to me that there has been a scale arranged for the benefit of certain institutions or one certain institution.

For example: when I see a scale which shows 5% coupons on bonds ranging from 2022 to 2047 at various premiums, in my view that scale was created for a particular institution which will take all or most of the bonds.

If we wish the widest possible distribution with the greatest number of possible buyers of municipal bonds this practice tends to discourage that goal.

I hope the MSRB is either addressing my concern in this notice, or will address it in future rule making activities.