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GFOA Survey Reveals Cost of SEC's Municipalities Continuing Disclosure Cooperation Initiative (MCDC).

On June 2 the GFOA released the results of our survey to gauge the experience of municipal bond issuers with the SEC's MCDC Initiative. The 2014 initiative provided issuers and underwriters the opportunity to self-report instances of material misstatements in bond offering documents regarding the issuer's prior compliance with its continuing disclosure obligations. The initiative incentivized underwriters to self-report, which in turn caused many issuers to be questioned about and investigate their prior continuing disclosure compliance. The survey's results show that issuers of all sizes experienced costs in weighing whether or not to participate in the initiative, with 79% indicating that they had to hire outside consultants to help them at costs ranging from \$2,500 to over \$12,000. Overall issuer costs related to the initiative ranged from \$2,000 to \$18,000. Survey results also provide estimates of the amount of time issuers dedicated to MCDC, reporting between 25 and 250 hours spent in responding the initiative The full survey results are available below.

[Download survey results.](#)

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