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NABL: MSRB Seeks Comment on Direct Purchase Disclosure.

The Municipal Securities Rulemaking Board (MSRB) issued a request for comment on a concept proposal (Regulatory Notice 2016-11) to require municipal advisors to file with the MSRB information on direct purchases and bank loans of their municipal entity clients. The MSRB has encouraged issuers to voluntarily provide information on direct purchases and bank loans but, according to the MSRB, few issuers have done so.

The request lists 17 questions that the MSRB is seeking comment on. The questions include whether requiring disclosure would protect investors, what information should be disclosed, whether a municipal advisor should be required to disclose information on all outstanding "alternative financings" or just the financing the advisor was engaged for, and whether there is additional information an investor would need to have a complete picture of an issuer's overall financial condition. The MSRB did not ask for views on whether it had the authority to require such disclosures, either in general or in the specific case of loans.

The MSRB request for comments is available here.

Comments are due May 27, 2016.

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