

# **Bond Case Briefs**

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## **NABL, Other Groups, Send MCDC Recommendations to SEC**

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The National Association of Bond Lawyers (NABL), the Government Finance Officers Association (GFOA), the Securities Industry and Financial Markets Association (SIFMA) and the Bond Dealers of America (BDA) sent a letter on July 23 to the five SEC Commissioners voicing concerns about the SEC's Municipal Continuing Disclosure Cooperative (MCDC) Initiative. The letter requests modifications to the scope and deadline of the initiative "in order to maximize the MCDC's potential to improve disclosure compliance, to increase participation in the initiative, and to provide the most accurate set of responses to the SEC."

The letter requests that the initiative adjust the time frame for the 5-10 year look-back period to cover only those annual filings made after 2009, when EMMA came online. The letter argues that, due to the flawed and unreliable Nationally Recognized Municipal Securities Information Repositories (NRMSIR), "[l]imiting MCDC to annual filings after 2009... will give issuers and underwriters a reliable database to identify instances of potentially material inaccurate statements." "The best way to assess how the industry is meeting its disclosure obligations to investors currently," the letter goes on to say, would be "to evaluate compliance since March 2012" because "the SEC did not notify dealers that maintaining records of due diligence activities is a best practice until March 2012."

In addition to adjusting the scope of the initiative, the groups requested that the SEC extend the deadline from September 9, 2014, to March 10, 2015, arguing that "[t]he current deadline does not provide sufficient time for issuers and underwriters to communicate, coordinate, and compare findings from their separate compliance investigations." The groups believe that "many of the 50,000 issuers around the country are not aware of the MCDC... and the current period of conduct reviews comes at a time when many state and local budget staff is involved with preparing budgets and closing out fiscal years."

The letter to the SEC can be seen [here](#).