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## **Moody's, After Absence, Joins Popular Muni-Bond Database.**

A widely-used online database that provides credit ratings of municipal bonds has long lacked the participation of a big name: Moody's Investors Service.

That all changed Monday, when Moody's and the Municipal Securities Rulemaking Board said the world's second-largest ratings agency would join the database's ranks later this year. The database and website, called Electronic Municipal Market Access, or Emma, is heavily leaned upon by mom-and-pop investors who make up the bulk of the \$3.6 trillion municipal bond market.

The free website contains ratings information, prices and even disclosure documents. It generally caters to investors doing their research at home — and not a trading-floor desk. On Emma's home page, site visitors are asked, "Are You Getting a Fair Price?" and are encouraged to watch a video on how to use the database.

Moody's had been noticeably absent from the Emma database, creating confusion at a time when ratings agencies are taking increasingly divergent views on municipal debt. Standard & Poor's Ratings Services and Fitch Ratings joined Emma in 2011. Upstart firm Kroll Bond Rating Agency provided its bond grades last year.

Most individual, or retail, investors lack the sophisticated network of financial data, market intelligence or subscription-based terminals—where the credit ratings are aggregated.

"We are pleased that Moody's will provide its ratings for display," said Lynnette Kelly, executive director of the Municipal Securities Rulemaking Board, which runs the Emma website.

One of the reasons why Moody's declined providing its ratings to the database was a different level of disclosures used by the ratings agency itself on its website versus those demanded by Emma, according to a person familiar with the matter. Because Emma is available to the general public, there were concerns providing Moody's ratings to the database could create liability-related issues, the person said.

"Moody's ratings have always been available without cost to all market participants via our website, which, as our primary distribution channel, provides convenient access to all of our credit ratings and research," a Moody's spokesman said.

It's unclear what may have changed Moody's mind about providing its ratings to Emma.

A report last year by Janney Capital Markets found that the potential for discrepancy between ratings from Moody's and S&P increased last year after S&P released new criteria for local governments, and warned of potential ratings shopping by issuers, financial advisors and investment bankers.

"The divergence of Moody's and S&P's ratings in the post-Great Recession era has been startling," wrote analysts Tom Kozlik and Alan Schankel.

Investors applauded Moody's decision to join Emma but were unclear how the rating agency's arrival would affect the market.

"It's certainly good they added Moody's but I don't know how much it helps investors," said Allan Roth, founder of Colorado Springs-based Wealth Logic. "If I own a bond and it gets downgraded, it's too late to sell."

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