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SEC Commissioner: Examine Regulating Corporate Conduit Borrowers.

In a speech at the Financial Industry Regulatory Authority's (FINRA) 2016 Fixed Income Conference, Securities and Exchange (SEC) Commissioner Michael Piwowar raised the possibility of renewed discussions about the regulatory framework for municipal bonds. He said that although in the past calls to repeal the Tower amendment have been rejected, "[r]ecent conversations, however, have led me to consider whether it is time to revisit the reach of the Tower Amendment." Noting the diversity of municipal borrowers, from large state governments to local school districts to conduit borrowers, Commissioner Piwowar said, "it is worth considering whether each of these entities should be treated the same." He specifically raised the possibility of regulating "certain conduit borrowers" while continuing to exempt "traditional municipal issuers." Regulation of conduit borrowers was a recommendation of the 2012 SEC Report on the Municipal Securities Market.

[Click here](#) to read Commissioner Piwowar's speech. The 2012 Report on the Municipal Securities Market is available [here](#).