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MSRB Statement on SEC Proposal to Improve Bank Loan Disclosure.

Washington, DC - The Municipal Securities Rulemaking Board (MSRB) today endorsed the Securities and Exchange Commission (SEC) for proposing regulatory changes to improve the content and timeliness of disclosure of information about bank loans and other alternative financings entered into by issuers of municipal securities. At its March 1, 2017 open meeting, [the SEC voted to advance a proposal to amend Rule 15c2-12](#) under the Securities Exchange Act of 1934 to include two required event disclosures related to bank loans.

"The MSRB is very pleased at the SEC's action on bank loan disclosure," said MSRB Executive Director Lynnette Kelly. "The MSRB has supported improved disclosure as a way of addressing risks posed to municipal bondholders of additional financial obligations of a bond issuer and their impact on its outstanding debt." These risks include terms and conditions of alternative financings that may require the acceleration of debt repayment if the borrower encounters financial stress or the dilution of a bondholders' security position if a bank loan is on parity with or senior to other outstanding debt.

Since 2012, the MSRB has advocated for voluntary bank loan disclosure by municipal securities issuers through its Electronic Municipal Market Access (EMMA®) website. "We strongly encourage state and local governments to voluntarily disclose information about bank loans and other alternative financings on EMMA," Kelly said. "These disclosures can provide bondholders, potential investors and other market participants access to key information useful in assessing their current holdings of municipal securities or in making investment decisions."

[Read more about bank loan disclosures and the resources the MSRB makes available to municipal securities issuers seeking to make voluntary disclosures.](#)

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