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GASB Establishes New Guidance on Debt Disclosures, Addresses Direct Borrowings and Direct Placements.

Norwalk, CT, April 2, 2018 — The Governmental Accounting Standards Board (GASB) today released guidance designed to enhance debt-related disclosures in notes to financial statements, including those addressing direct borrowings and direct placements.

[Statement No. 88](#), *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, clarifies which liabilities governments should include in their note disclosures related to debt. This Statement requires that all debt disclosures present direct borrowings and direct placements of debt separately from other types of debt. Direct borrowings and direct placements may expose a government to risks that are different from or additional to risks related to other types of debt.

Statement 88 also requires the disclosure of additional essential debt-related information for all types of debt, including:

1. Amounts of unused lines of credit
2. Assets pledged as collateral for debt
3. Terms specified in debt agreements related to significant (1) events of default with finance-related consequences, (2) termination events with finance-related consequences, and (3) subjective acceleration clauses.

The full text of Statement 88 and a [high-level overview](#) featured in the current issue of *GASB Outlook* are available on the GASB website, www.gasb.org.