

# **Bond Case Briefs**

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## **SEC Says Municipal Bond Disclosures Should Be More Frequent, Forward-Looking in Light of COVID-19 - Barnes & Thornburg**

Issuers of municipal securities are being urged by the chairman of the Securities Exchange Commission (SEC) and the director of the Commission's Office of Municipal Securities to communicate more with investors.

The SEC issued a statement entitled "[The Importance of Disclosure for our Municipal Markets](#)" on May 4. The statement is directed to issuers of municipal securities and investors and other participants in the municipal securities markets. It was prompted by the effects of COVID-19 raising uncertainties regarding the financial status of municipal bond issuers.

It specifically encourages issuers:

- To develop and provide "voluntary, unaudited, and non-routine disclosures regarding their current financial status and operating condition"
- To provide "forward-looking" information regarding the potential future impact of COVID-19 on their financial status and operations

The SEC statement applies to disclosure for both new bond issues and continuing disclosure to the secondary market for municipal bonds.

The statement acknowledges that developing and making these more frequent disclosures containing "forward-looking" information "may be challenging, particularly under the current circumstances" and that each issuer, in many cases in consultation with legal counsel, will have to assess the risk of making these additional disclosures.

**Barnes & Thornburg LLP - Kirk E. Grable, Randolph R. Rompola, Anneliese V. Williams and Gregory W. Stype**

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