



**Government Finance Officers Association**  
1301 Pennsylvania Avenue, NW Suite 309  
Washington, D.C. 20004  
202.393.8020 fax: 202.393.0780

April 6, 2012

Mr. Ronald W. Smith  
Corporate Secretary, Municipal Securities Rulemaking Board  
1900 Duke Street, Suite 600  
Alexandria, VA 22314

**RE: MSRB Notice 2012-14; REQUEST FOR COMMENT ON PROPOSED CHANGES TO MSRB  
RULE G-34 CONCERNING THE DESIGNATION OF 'NOT REOFFERED' IN CONNECTION  
WITH NEW ISSUES OF MUNICIPAL SECURITIES**

Dear Mr. Smith:

Thank you very much for the opportunity to comment on MSRB Notice 2012-14, regarding the Not Reoffered (NRO) designation in connection with new issues of municipal securities. Our members have questioned the appropriateness of the NRO designation for many years, and we are very pleased with the MSRB's proposed changes to Rule G-34 that would eliminate the practice of reporting NRO without corresponding yield and pricing information.

Many issuers have been concerned that dealers have assigned the NRO designation to maturities of new issues, without accompanying yield and pricing information. This opaque practice – that has existed far too long in our market - hinders market efficiency, and needs to be rectified. The intent of this Notice does just that.

We do, however, believe that the Notice could be enhanced in two ways:

1. **Mandatory Reporting of Yield Data.** The current proposal indicates that the underwriter may provide the yield or pricing data. In order for this information to be truly transparent and useful to issuers and the marketplace as a whole, it is imperative that the yield information be provided. The reporting of just the maturity's price data requires issuers and investors to calculate the corresponding yield based on the bond's closing date, redemption provisions and interest rate. This added step makes the information less useful to issuers and investors. By requiring yield data to be reported, the MSRB will be taking positive steps toward transparency and a more efficient market.
2. **Timing of Reporting.** The Notice states that the new issue pricing information must be available by the end of the first day of trading. We suggest that this information be submitted as promptly as possible, rather than at the end of the day. Information that is not provided until the end of the day grows increasingly stale, and is less helpful to other issuers that may be pricing their own separate transactions, and it does not meet the objective of providing greater market transparency.

Again, we applaud the MSRB's efforts to improve Rule G-34 to ensure that underwriters can not use the NRO designation without accompanying information in connection with newly issued municipal securities. We encourage the MSRB to carefully consider our suggestions to enhance the proposed changes, and would be happy to discuss these issues further with appropriate staff and leadership.

Sincerely,

Susan Gaffney  
Director, Federal Liaison Center