Comment on Notice 2016-11

from Dennis Dix Jr, DIXWORKS LLC

on Tuesday, March 29, 2016

Comment:

While I appreciate the MSRB's goal of greater transparency relating to an increasingly popular financing tool, direct loans and bank loans, I get the feeling that when all you have is a hammer, everything is a nail, and as a small municipal advisor, I am the nail. I have pleaded before on other topics that the MSRB take into consideration that there are many of us small muni advisor shops, and that yet further regulation becomes onerous and costly for us out of proportion to our small size and limited scope of business. I do many small, underline small, bank loans for small issuers, and I have been voluntarily reporting them on EMMA. I do understand how significantly sized deals with extra covenants and triggers could affect the security position of bond holders. I will typically recommend to my issuers that a loan of $2 million or less makes a good bank loan vis-a-vis the issuance costs of a municipal security similarly sized. I again respectfully request some recognition that we municipal advisors are not all the same sized nails, and that perhaps a bank loan under $2 - $3 million not be considered a material threat to other bond holders and be exempted from mandatory compliance filing. Thank you for your consideration.