

Comment on Notice 2016-11

from G. Letti, Breena Llc

on Sunday, May 1, 2016

Comment:

In general, a simple, non-burdensome, regulation providing disclosure of loans is important.

Municipal Bonds traditionally are investments, not loans. Full return on this investment is paramount to investors.

We believe it is critical to be looking forward rather than after the fact. The heart of this matter is the original issuance. Faulty or misguided issuance necessitates loans to meet fundamental obligations, ie. coupons and full return on principle. There has to be a very high probability of sufficient revenue from the municipal project/ entity itself, to fully support the issuance : coupon and principle from the outset.

Existing issues, many of them, do not have this secure issuance. Rather than be needlessly disruptive on this issue of loans for existing municipal bonds, incorporate this into future issues, for example, 2017, 2018 with the caveat of careful, judicious, informed issuance and proper, non- burdensome monitoring and supervision.