



Government Finance Officers Association
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November 10, 2016

Mr. Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
1300 I Street, NW, Suite 1000
Washington DC 20005

RE: Public Comment on MSRB's FY17 Priorities

Dear Mr. Smith:

Thank you for the opportunity to provide input on the MSRB's Fiscal Year 2017 priorities. The Government Finance Officers Association (GFOA) and leadership of its Governmental Debt Management Committee appreciate the opportunity to provide comments to the MSRB on their numerous rulemaking and general guidance efforts.

Below are some of the specific areas that we would like to highlight as the MSRB develops its upcoming workplan.

MSRB Mission

As we have commented in previous letters to the MSRB, we view the MSRB's statutory mandates as solely related to the MSRB's specific authority to develop rules for the broker/dealers and for municipal advisors. We interpret the expanded authority given to the MSRB in the *Dodd-Frank Act* as giving the MSRB authority solely to protect the needs of state and local governments, as financial products are recommended and sold by underwriters, municipal advisors, and other professionals under the MSRB's authority. We do not believe the MSRB's revised mission should interfere with or directly and unduly influence matters of state and local governments – whether that pertains to reported financial or budget information, the content and frequency of disclosures made to EMMA, or any issue related to the policies and practices of governments.

EMMA

We have been pleased with the MSRB's work on EMMA, especially the development of platforms and features that enhance an issuer's ability to use EMMA with greater ease and consistency, as evidenced in our recent mutual work on improving the bank loan function.

We would appreciate the MSRB continuing to reach out to GFOA about EMMA educational efforts and enhancements for two primary reasons. First, so that issuers – as one of the primary users of the system – can provide feedback to the MSRB as it establishes new or improved features. And second, so that we can notify our members of changes within the

system and provide resources, as appropriate, to facilitate best use of the system. Our general recommendations for EMMA improvements are as follows:

- *Improve EMMA user interface.* Engage technology and user-experience professionals to work with market participants to design a more efficient and intuitive front-end for information providers (issuers) and end users (investors and other interested parties) by improving how information is input, searched and displayed. This includes naming conventions that differ across the multiple user groups which can result in duplicative filings and exacerbated frustrations by users of the data.
- *Make data correction/modification easier for issuers.* Changing or correcting data is often unreasonably difficult or sometimes impossible for issuers attempting to provide timely, relevant and accurate disclosure of information. Correcting mistakes from previous self-filings by issuers and filings by underwriters should be simple technological tasks. Similarly, issuers should be able to use a simple process to update information such as bank loan terms.
- *Allow for seamless flow of data between systems and sources.* Again, employ technology where appropriate to make data accurate, timely and meaningful across sources, such as the technological interaction between credit rating agencies and the EMMA system. The MSRB should implement quality control procedures to prevent systematic errors.

The MSRB should also be aware of and commit attention to the needs of smaller governments, including cost impacts and educational efforts needed to ensure their robust use of EMMA.

Education Efforts

GFOA commends the MSRB's outreach and education efforts for the issuer community and we recognize the wide range of online training resources that are publicly available to users of EMMA. In order to most effectively address the education needs of all issuers, but especially needs of less-frequent issuers, GFOA recommends that the MSRB engage a diverse group from the issuer community to help inform and perhaps help design effective education material that will speak to the broad issuer community.

Rulemaking – Municipal Advisors

GFOA supports the regulation of these professionals, and as the MSRB considers additional rulemaking over Municipal Advisors (MAs), there should be parity when similar rules are applied to broker-dealers and MAs. We also support the MSRB's efforts to mandate the Series 50 qualification testing over MAs as well as forthcoming Series 54 testing for principals in MA firms.

Transparency – MSRB Operations

The MSRB continues to increase the transparency related to its activities. In 2010, we made the following recommendations regarding increased transparency and would like to reiterate them again this year:

- Meetings should be open, and allow for outside participation. While the MSRB has announced the topics covered in meetings ahead of time – a welcome change from five years ago – we suggest that meeting agendas and minutes be posted, and that MSRB accepts comments related to agenda items.
- Regardless of the total number of board members, the number of issuer members should equal that of broker-dealers, financial advisors, investors and public members and the issuer members should be representative of the broad issuer community.
- The board and staff should look for systematic input from advisory groups and other outlets, of various market participants including issuers and investors. These advisory groups would facilitate meaningful input regarding the work of the MSRB.

Thank you for the Board's continued leadership and the vital work done on EMMA as well as the work to build developing a comprehensive rulemaking book and educational resources. We cannot stress enough the importance of maintaining dialogue and discussion about the MSRB's work related to the issuer community, and we look forward to continuing to partner with you in these efforts.

Sincerely,

A handwritten signature in black ink that reads "Emily S. Brock". The signature is written in a cursive, flowing style.

Emily Swenson Brock
Director, Federal Liaison Center