



What to Expect from Your Financial Professional

Financial professionals, typically referred to as brokers, that execute municipal bond transactions on behalf of investors have specific obligations to their customers.

Providing Relevant Information

Among the most important obligations brokers have to their customers is to provide them with relevant information about a particular transaction that generally will assist the investor in making an investment decision. Brokers must give customers a complete description of the security the investor is considering buying, including significant features such as yield, tax status and call or put features. They must also provide the investor with information that is material to assessing the potential risks of the investment, such as the bond's credit rating, if available; how the bond's principal and interest will be paid; and whether the bond has credit or liquidity features that ensure it will be purchased if an investor wishes to sell it.

In every transaction with an investor, other than the most sophisticated of investors, the broker must provide this information at or before the time the investor and broker agree to execute a transaction.

In the sale of a newly issued bond, the broker must tell an investor where he or she can access the bond's prospectus, called an official statement, no later than the settlement of an investment (generally, when an investor takes ownership and has paid for an investment). In most cases, the official statement is available on the MSRB's Electronic Municipal Market Access

(EMMA®) website at emma.msrb.org.

Investors can also request a copy of the official statement from the broker. Investors should read the official statement carefully and should ask their broker to answer questions or clarify any information contained in the official statement.

Brokers must fully understand the bonds they are purchasing or selling on behalf of an investor. A broker must obtain, analyze and disclose all material facts about the bond known to the broker, or that are reasonably accessible to the market through established industry sources. Those sources include, among other things, official statements, continuing disclosures, trade data and other information made available through the EMMA website. Brokers also have a duty to obtain and disclose information that is not available through the EMMA website, if it could have a significant impact on the decision to purchase the bond and is available through other established industry sources.

Once a transaction has occurred, brokers must provide an investor with a confirmation. The transaction confirmation includes useful information about the transaction such as a unique identifier for the security called a CUSIP number, which can be used to search for information about the security on the EMMA website.



The confirmation should also include the total dollar amount of the transaction.

Making a Suitable Recommendation

If an investor has not already made a decision to buy a particular bond, the broker may recommend a bond to the investor. In these cases, the broker must have reasonable grounds for believing that the recommendation is suitable. The broker must make this determination based on personal financial information the broker has about an investor such as his or her financial and tax status, investment objectives and other information useful in making a recommendation, including information available from the issuer and through established industry sources. A broker must also make this suitability determination when an investor is selling a bond. Finally, a broker is prohibited from executing transactions that are excessive in size or frequency based on the broker's knowledge of the investor.

Offering a Fair Price

Brokers must execute municipal bond transactions at prices that are fair and reasonable, taking into consideration all relevant factors. One measure of what constitutes a fair price is that it must "bear a reasonable relationship" to the prevailing market price of the security. Brokers conduct this analysis by, among other things, reviewing recent transaction prices for the municipal security and/or the transaction prices for other securities with similar credit quality and features.

Filing a Complaint

If an investor has a dispute with a broker and cannot resolve it with the broker or

the broker's supervisor, he or she may file a claim with the Financial Industry Regulatory Authority (FINRA)'s arbitration program for possible restitution of an unfair monetary loss. Information about FINRA's arbitration program is available at www.finra.org/arbitration-and-mediation or may be obtained by writing to FINRA at 1735 K Street, N.W., Washington, D.C., 20006, Attn: Dispute Resolution.

An investor who believes a broker has treated him or her unfairly or has violated federal securities laws also may file a complaint online with the Securities and Exchange Commission at www.sec.gov/complaint/select.shtml or by writing to the SEC at 100 F Street N.E., Washington, D.C. 20549. Another avenue for filing a complaint is to send it to the regulatory agency that examines the broker for compliance with federal securities rules (see contact information below), or to contact the MSRB.

For securities firm brokers:

FINRA Investor Complaint Center
9509 Key West Avenue
Rockville, MD 20850-3329
240-386-4357
www.finra.org/investors/investor-complaint-center

For state bank brokers that are not members of the Federal Reserve System:

FDIC Consumer Response Center
1100 Walnut Street, Box #11
Kansas City, MO 64106
877-ASK-FDIC
www.fdic.gov/consumers/questions/consumer/complaint.html

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For state bank brokers that are members of the Federal Reserve System:

Federal Reserve Consumer Help
P.O. Box 1200
Minneapolis, MN 55480
888-851-1920 or email
consumerhelp@federalreserve.gov
www.federalreserveconsumerhelp.gov

For national bank brokers:

Comptroller of the Currency
Customer Assistance Group
1301 McKinney Street, Suite 3450
Houston, TX 77010
800-613-6743
helpwithmybank.gov/complaints/index-file-a-bank-complaint.html

Any complaint may be submitted to the MSRB, which will direct the complaint to the appropriate authority.

Municipal Securities Rulemaking Board
1300 I Street NW, Suite 1000
Washington, DC 20005
202-838-1500 or email
complaints@msrb.org
www.msrb.org/Rules-and-Interpretations/File-a-Complaint.aspx



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