Municipal Market 101

Want to know how state and local governments often pay for public projects such as bridges, roads and schools? Follow a city as it borrows money from investors to pay for a new school. Then, learn more about the \$4 trillion municipal bond market and how its primary regulator, the Municipal Securities Rulemaking Board, protects the city and its investors along the way.



Underwriter provides

Statement to Investors.

City's Preliminary Official



City decides whether to hire a municipal advisor. If no, skip ahead two spaces.

City uses MSRB Education Center to learn about the issuance process.



City Has

Money for

New School

Underwriter must deal fairly with City and investors and offer a fair price.

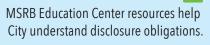














City Selects Underwriter

City Hires

Municipal

Advisor

Municipal advisors owe a fiduciary duty to put City's interest first.



Investors learn about buying and selling bonds in the MSRB Education Center.

City Pays

Interest

Mature



Investors use EMMA to access information about City's bonds.

PLAYERS



City Officials



Investors



Municipal Advisor



Underwriter

Investors

Through

Brokers

Trade Bonds



Broker-Dealer

MSRB ROLE



Regulation of Municipal Advisors, Underwriters and Broker-Dealers



Transparency through Electronic Municipal Market Access (EMMA®) Website



Resources in MSRB Education Center





Underwriter

Sells Bonds

PRIMARY MARKET

to Investors