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NFMA RELEASES DRAFT BEST PRACTICES FOR LOCAL GO BOND DISCLOSURE FOR PUBLIC COMMENT

For Immediate Release

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The National Federation of Municipal Analysts (NFMA) announced today that it has released the draft Recommended Best Practices in Disclosure for Local Government General Obligation Debt (Local GO RBP). The paper is in the comment period until September 30, 2017. This paper is the second of a two-part update of the NFMA's December 2001 Recommended Best Practices in General Obligation and Tax-Supported Debt (2001 RBP), which addressed all general obligation and tax-exempt debt. The NFMA released the first part of the update, Recommended Best Practices in Disclosure for State Government General Obligation and Appropriation Debt (State GO RBP) in September 2015. A similar working group, comprising representatives from the NFMA as well as industry participants such as issuers, financial advisors and bond counsel, worked on the Local GO paper, crafting revisions unique to local governments. School district debt is addressed in an appendix to the paper.

“The differences between state and local debt issuance and the concomitant disclosure required became evident to us early in the process of updating the paper,” stated Anne Ross, Senior Credit Analyst, Lumesis, Inc., who along with Nicole Byrd, Senior Investment Professional, Nationwide Investments, chaired the Disclosure Subcommittee that undertook the effort to revise the 2001 RBP. “While separating state and local GO debt added time to the overall process, we felt it was worthwhile, given the importance of the sector to the municipal market,” added Ms. Byrd. “Particular attention was given to state oversight programs, the ability to file for

Chapter 9, and if there is a statutory lien” stated Ms. Byrd. “It also emphasizes the importance of interim disclosure on at least a quarterly basis” added Ms. Ross. “An appendix on school districts was added given their unique credit characteristics” stated Ms. Ross. “More focus was given to the variable rate debt, bank loan, swaps, and pension and OPEB sections” added Ms. Byrd.

Comments on the Local GO RBP will be taken through September 30, 2017, and can be submitted to Lisa Good, NFMA Executive Director at lgood@nfma.org. The link to the Best Practices may be found at www.nfma.org under Resources/Best Practices in Disclosure. The NFMA plans to follow the State GO RBP and the Local GO RBP with an RBP addressing Dedicated Tax Bonds. The NFMA has written RBPs and white papers on over 20 different sectors and topics in the municipal bond market. To view all of the NFMA’s RBPs and white papers, go to www.nfma.org, Resources/Best Practices in Disclosure.

Established in 1983, the NFMA is an organization of nearly 1,400 members, primarily research analysts, who evaluate credit and other associated risks in the municipal market. These individuals represent, among others, mutual funds, insurance companies, broker/dealers, bond insurers, rating agencies, and financial advisory firms.

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