

## It's Your Deal: Understanding The Roles And Responsibilities When Issuing Municipal Bonds

Financing a public project with municipal bonds is a team effort where many professionals work together to achieve the goals of a municipality. However, as government officials consider issuing municipal bonds in 2017, keep in mind that it is your deal.

You are the stewards of taxpayer dollars, and you make the decision to borrow. You decide whether to hire a municipal advisor to act as your fiduciary and you select the underwriter through the process, competitive or negotiated, of your choice. Throughout the life of any municipal bond, you assume responsibility for providing investors with information that is timely, accurate and complete.

While the issuance of municipal bonds is your deal, municipalities have an important ally in the Municipal Securities Rulemaking Board (MSRB), the national regulator responsible for promoting a fair and efficient municipal securities market. Protecting municipal bond issuers is a central aspect of the MSRB's mission. The MSRB does not regulate state or local governments; its rules are designed to make sure you are treated fairly by the underwriters and with the utmost good faith by municipal advisors you hire.

The MSRB also operates a public platform called the Electronic Municipal Market Access (EMMA®), website that is your key to accessing important information about the municipal market and communicating information to investors. Additionally, the MSRB provides free, objective educational materials for municipal issuers.

Since issuing bonds may be an occasional event for certain communities, it is helpful to understand how the MSRB can support you when you decide to issue bonds.

### The Decision To Borrow

The decision to access capital from the \$3.8 trillion municipal securities market is always handled at the state and local level. Government officials have a responsibility

to their taxpayers to make informed decisions about how to finance a public project. Understanding conditions in the municipal securities market and evaluating your locality's existing bonds are important steps in the decision to borrow.

The MSRB's EMMA website provides free access to information and data about the municipal market and nearly all existing municipal bonds. Before deciding to issue bonds, visit EMMA's Tools and Resources page to see what issues are scheduled to come to market and how they are priced, monitor the trade activity of your locality's existing bonds and view upcoming federal economic reports or other events that can have an impact on the municipal bond market.

### Working With Financial Professionals

Once a municipality has decided to issue bonds, an important step is assembling a team that may include municipal advisors and underwriters. Check the MSRB's website at [www.msrb.org](http://www.msrb.org) to ensure that any firm you are considering is properly registered with the MSRB and that individual professionals have passed the appropriate professional qualification examinations. Working with unregistered or unqualified financial professionals puts a municipality at risk.

MSRB rules and professional qualification requirements are designed to ensure the advice you receive from a municipal advisor is in the municipality's best interest. MSRB rules require underwriters working with a municipality to deal fairly, disclose potential conflicts of interest and honor your wishes about some of the ways bonds are marketed and distributed to investors. You can read more about protections for municipal bond issuers in the Education Center on the MSRB's website. If at any time you suspect a municipal finance professional of violating MSRB rules or acting unfairly, report it to the MSRB by phone at (202) 838-1330 or by email to [complaints@msrb.org](mailto:complaints@msrb.org). The MSRB will forward your complaint to the appropriate enforcement authority.

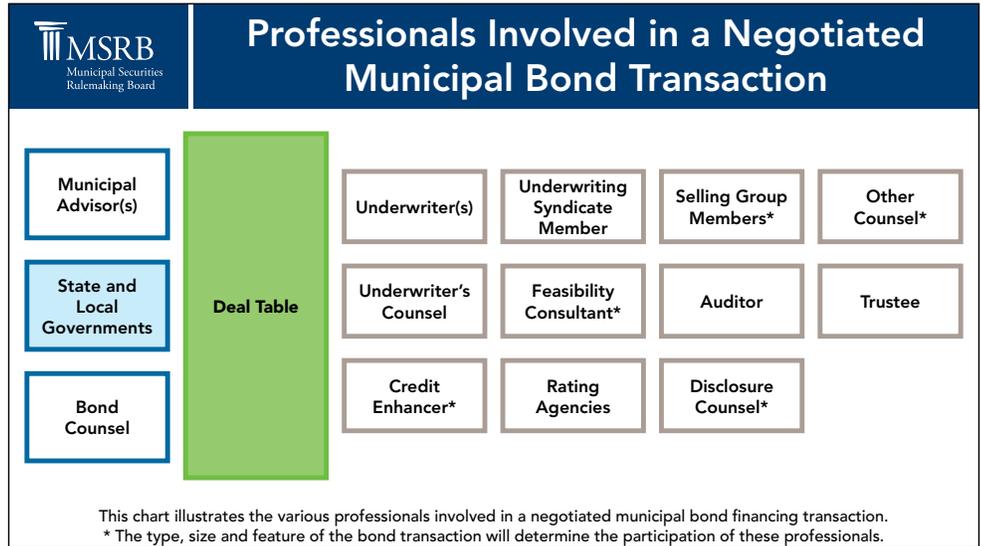
## Continuing Disclosure

Once a municipality's bonds have been issued, it is the municipality's responsibility to provide investors with required, ongoing material information in a timely and complete manner. Annual financial and operating information, notices of major events that may affect bondholders, and other information is essential to helping investors make fully informed decisions about buying, selling or holding a municipality's bonds. The MSRB's EMMA website serves as the official platform to disclose this information to investors.

Municipalities can schedule free email reminders from the MSRB to alert key individuals of upcoming filing deadlines. The MSRB also offers free phone support, how-to videos and educational resources to support state and local governments with understanding and fulfilling their continuing disclosure obligations.

Whenever a municipality decides to issue bonds, remember – it's your deal, and the rules and resources of the MSRB are there to help ensure the process is fair. Take

## Professionals Involved in a Negotiated Municipal Bond Transaction



**More information about issuing municipal bonds and making continuing disclosures is available in the MSRB Education Center at [MSRB.org](http://www.msrb.org).**

advantage of these tools and resources to help you make informed decisions about issuing municipal bonds and communicating with investors. 🍀

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