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New Debt Disclosure Requirements Now in Effect

In August, the Securities and Exchange Commission (SEC) approved new Amendments to Rule 15c2-12. This Rule governs disclosure requirements associated with municipal securities.

The new Amendments, effective yesterday (2/27/19), are an effort to provide additional financial information to investors where an issuer may have material financial obligations that could impact bond holders. Governments will have to state in continuing disclosure agreements (CDAs) entered on or after the effective date that they will disclose to the market any new and material financial obligations. They will also be required to notify the market when an outstanding or new financial obligation reflects material financial difficulties.

Material financial obligations are related to debt and debt type products and not normal business operations. The types of financial obligations that are captured under the Amendments include: bank loans, capital leases, swaps, variable rate obligations, and other types of financial products that "operate as vehicles to borrow money." Language must be included in CDAs for municipal bond issues moving forward. Material events must also be filed on the [Electronic Municipal Market Access \(EMMA\) website](#).

National GFOA encourages governments to discuss the Amendments with their deal teams to determine what impact they will have on their jurisdiction's disclosure policies and procedures.

Additional information from National GFOA on the new debt disclosure requirements can be downloaded via the following link:

[**Information on the New Debt Disclosure Requirements**](#)
