Bond Dealers of America
Government Finance Officers Association
National Association of Bond Lawyers
National Association of State Auditors, Comptrollers and Treasurers
National Association of State Treasurers
National Federation of Municipal Analysts
Securities Industry and Financial Markets Association

January 23, 2017

Colleen Woodell, Chair
Municipal Securities Rulemaking Board
1300 I Street NW, Suite 1000
Washington, DC 20005

Dear Ms. Woodell,

The above organizations have come together to offer suggestions that, we believe, would enhance the ability of issuers and users to more successfully utilize the MSRB's Electronic Municipal market Access (EMMA) platform. The MSRB has made great strides from its initial goal of establishing a central repository for municipal bond market disclosure, and EMMA has become an indispensable tool for all industry market participants. We urge the MSRB to take additional steps to upgrade both EMMA's technological capabilities and its functionality in order to improve the system's accessibility and usefulness to all industry participants. We offer a number of suggestions in this letter that address the organization, accuracy, consistency, transparency and functionality of EMMA and that will help improve EMMA's effectiveness, both in the short and long term.

As a general comment, we believe the MSRB can improve the user interface for how information is searched and displayed. We urge you to engage technology and user-experience professionals to work with market participants to design a more efficient and intuitive front end for information providers (issuers and issuer designees) and end users (investors and other interested parties). The MSRB has worked effectively with market groups on EMMA enhancements, such as bank transaction disclosure, and we believe this spirit of cooperation would help ensure additional successful improvements to the platform.

Our suggestions address improvements in four areas: searchability, ease of data input and uploading, improving linkages among related data, and the ability to correct information already on the platform.

- *Improve the system's search function.* Several enhancements in this area would make EMMA much less cumbersome to utilize. First, incorporate a smarter search function in which the system narrows down choices based on the string typed. Second, address the issue of multiple entries for the same entity by implementing a standardized naming convention. (There are often several

variations of the name in the system such as different word order, different abbreviations, etc., and it is often difficult to find the "right one" for a specific bond issue.) Third, allow searches on issuer, obligor and project. The ability to search on obligor or project would enable a more substantive enhancement described later that would link securities based on obligor and/or project in addition to issuer. Finally, provide an option to go to an issuer's home page initially versus a specific security page.

In addition, we suggest addressing issues on the Advanced Search screen. When information is entered into any of the search fields under "Security Information," executing the search by pressing the "Enter" key results in a red box popping up next to Quick Search asking to enter CUSIP or name information. The page forces the user to scroll down and click "Run Search" in order to get results. The Quick Search box is the only field that responds to the Enter key. This page should allow for the recognition of hitting Enter no matter what field has text entered.

- *Provide more descriptive information in alerts.* Alerts currently provide very limited information. Including the following information in the EMMA automated alert would improve the usefulness of the tool for investors: (a) issuer name, obligor, project (depending on what is available); (b) type of event; (c) document description; (d) who posted the information; and (e) the date of posting. This information should also be included on the issuer homepage. Additionally, providing additional EMMA automated information on alerts for Variable Rate Demand Obligations (VRDOs) and attaching a CUSIP number would be helpful since investors often do not have the Letter of Credit (LOC) number because it has been redacted from documentation.

- *Introduce procedures to reduce errors and enhance consistency.* For example, we suggest implementing a quality assurance process or enhanced uploading processes to reduce categorization errors. In particular, there is an overuse of the "Notice to Investor Pursuant to Bond Documents" and "Other Event-based Disclosures" categories. In most months, a high percentage of filings (excluding bond calls, defeasances and rating changes) are filed in these two non-descript categories. These notices have historically contained a range of information including draws on reserve funds, bankruptcy-related information, covenant breaches, etc. Designing and implementing a tiered question-and-answer-based system for submitting and classifying information would help address this problem. Also, the wording of the "Non-payment Related Default" category should be modified or further explained since it is often misunderstood (e.g., notices of payment defaults have been filed in this category). In addition, consider creating additional categories where warranted, particularly for voluntary filings. Finally, the MSRB should address situations where maturities for the same bond issue are split into links to multiple different filings. This seems to be an EMMA linkage problem. Therefore, the request would be to make sure that all maturities of the same series of bonds link to the same filings. Also, consider highlighting issuers' customized pages under each state's issuer listings.

In addition, one limitation in the searchability and usability of data on the platform is inconsistency in naming issuers and obligors. Inconsistent abbreviations and naming practices have resulted in

cases where the same issuer or obligor has different names associated with various bond issues. We encourage the MSRB to develop standard naming conventions for issuer and obligor names, and encourage users to adopt these conventions, particularly when establishing new records. In terms of labeling filings, there is a lot of variability in what documents are named, if they are even labeled at all. In addition, items are often filed with an incorrect document name and date. Providing drop-down lists in addition to a free form field if none of the options is applicable, as well as a requirement for each filing to include a description, would improve transparency of what has been filed.

Additionally, better visibility of period covered and date posted would be helpful, perhaps separate sortable fields instead of inclusion in a string with other text.

Finally, we suggest the MSRB improve the documentation, instructions and training materials available to issuers who post filings.

- *Connect remarketings of securities to original issue.* Create a linkage between a VRDO issuance and subsequent remarketings so that the relationship is more readily trackable in EMMA.

- *Fix input bugs that clutter the system and provide options to reduce the number of entries visible in a category.* Address data input problems that force duplication of entries when more than one document is submitted but each has unique period end dates (e.g., fiscal year-end for audit and calendar year-end for annual information).

  Allow data display for continuing disclosure to be customized so it would be possible for users to view only current information or information posted within the past five years, versus a longer list—the list for a specific filing category can be rather long after many years of filings. Also, allow multiple email addresses to be entered on one screen when submitting disclosure notifications.

- *Improve the handling of archived filings.* Ensure that archived filings are searchable. There are concerns that archived items may be "lost" when reviewing EMMA for compliance with disclosure filing requirements. Some issuers have reported that filings older than several years appear not to be available. In addition, a better archiving system could ensure that the most recent and relevant issuer information is most obvious and available to users. Any given bond issue page may have a tremendous amount of uncategorized information. While each "section" has a most recent shaded and flagged area, users must scroll through many pages of entries to see the most recent "listed events," raising the concern that the most important issuer information may not be readily accessible.

- *Taxable municipal securities*. Provide an option for taxable municipal securities to be excluded from trade activity queries.

- *Link bonds not only by issuer but by borrower and project.* The high number of conduit issuers, which may also issue debt on their own, makes a search function by issuer difficult to use because a high number of obligors are often included in the search, leading to a time-consuming process to examine each listing to find the right bond transaction. Develop the ability to search by obligor. Organize filings in such a way that it is possible to easily distinguish filings among different credits of the same issuer. Creating these linkages would make the EMMA system much more functional for investors.

  In addition, we urge the MSRB to provide support on EMMA for Legal Entity Identifiers (LEIs). LEIs are a post-financial-crisis innovation designed to clarify the identity of security issuers and other parties to financial transactions in the context of financial documentation and filings. While most municipal securities issuers do not currently obtain or utilize LEIs in the context of issuance or continuing disclosures, the broader use of LEIs has the potential to enhance the usability of financial information and reduce confusion and errors in identifying issuers and obligors on municipal securities. We encourage the MSRB to give EMMA the capability to accept LEIs from issuers, obligors, credit enhancers and other entities who may choose to use them and to make information on EMMA searchable by LEIs.

- *Clean up sector classifications.* Currently there are minimal sectors listed, and the methodology for assigning sector designations is unclear (purpose vs. sector). Expand the number and types of sectors used, and develop a procedure for assigning or utilizing sector classifications by another data provider and disclose such. Some authority should "own" these designations; the variety of approaches utilized by market participants (*Bond Buyer*, Bloomberg, rating agencies, etc.) can create confusion.

- *Provide standardized templates.* Giving the users an option of standardized templates for submission of financial information, customized by sector, would encourage more uniform electronic submissions of data.

- *Improve data access.* An update of useful information could be accessed with connectivity to other data subscriptions such as DTC. As an example, for items like calls where the information already exists on DTC, EMMA should connect to those systems in a seamless, technological way. In addition, credit rating information should be automated from source to source in a seamless, efficient manner—again, systems communicating with other systems. We also urge the MSRB to digitize information about bond calls, defeasances and agent changes. Called, redeemed and defeased bonds annotated at the CUSIP level would eliminate the need to open and read documents (one or many) to assess if a particular CUSIP was affected.

- *Improve the handling modified filings.* First, add the ability to correct mistakes after filings have been made. Second, establish a way for the EMMA system to indicate whether a filing that has been

made is complete or resolved. For example, if a bank loan was bought out or paid in full, or if a reserve fund that was drawn on has been replenished, that should be clearly indicated. An information filing category for resolved issues would help organize this information in a more usable way. Finally, there should be an automatic indicator for items that have been modified. For example, when a remarketing and refunding of an original issue occurs, the CUSIP might change, but these changes do not always transfer onto the EMMA system.

- *Correct erroneous information already on the system.* For example, there are many mislabeled and misfiled postings to EMMA by all users who file. Audited financials can be found in the "Event Notice" section and "Unaudited Annual Information Statements" are sometimes listed in the Audited Financials section. In general, we believe the MSRB should undertake a system-wide effort to correct data errors and misclassifications.

- *Make data downloadable.* Permit information derived from EMMA queries, including issuer filing information and trade data, to be downloadable to Excel or other usable format. Allow issuers to submit charts/tables in documents in a data manipulable form such as Excel or other usable format.

- *Improve access to EMMA system for smaller firms.* Undertake a survey of small and medium-size institutions to determine those firms' specific needs and how best to address them.

- *Provide ratings histories in addition to current bond ratings.* For each security, provide a history of credit rating agency changes over the life of a bond in addition to the currently assigned rating.

We recognize that some of these suggestions would be easier to implement than others. However, we believe all deserve consideration. The EMMA system has improved information transparency in the municipal market significantly. With these suggestions and improvements, we believe the utility of the EMMA platform would be even greater. Thank you for your consideration. We would be happy to discuss these suggestions further at your convenience.