



**Government Finance Officers Association**  
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January 7, 2025

Austin Gerig  
Director/Chief Data Officer  
Securities and Exchange Commission  
c/o Tanya Ruttenberg  
100 F St. NE  
Washington, DC 20549

**RE:   Municipal Securities Disclosure (Exchange Act Rule 15c2-12)**  
**[SEC File No. 270-330, OMB Control No. 3235-0372]**

The Government Finance Officers Association (GFOA) appreciates the opportunity to share with the Securities and Exchange Commission (SEC) our comments regarding proposed collection (File No. 270-330) (Proposed Collection) related to municipal securities disclosure (Exchange Act Rule 15c2-12). GFOA represents public finance officers throughout the United States. The association's more than 24,000 members are state and local finance officers deeply involved in planning, financing, and implementing thousands of governmental operations in each of their jurisdictions. Our members issue tax-exempt debt as the primary financing vehicle to raise capital for vital public projects, infrastructure, and other fiscal needs. As our members are the primary compilers and providers of continuing disclosures, these comments are of central concern to the variety of issuers of municipal securities ("Issuers") that GFOA represents.

The GFOA believes that the SEC has underestimated the overall burden on Issuers to comply with continuing disclosure undertakings entered into pursuant to Exchange Act Rule 15c2-12. In particular, the GFOA identifies the following areas that we believe are not factored into the SEC's cost and time estimates in the Proposed Collection:

- Large and medium-sized Issuers frequently need to retain dedicated staff or an increased number of dedicated staff to address the ongoing compliance demands of its continuing disclosure obligations. The GFOA does not believe that the costs of this burden are included in the SEC's estimates.
- The SEC does not appear to factor in the significantly increased burden on Issuers when new listed events *(15) incurrence of a financial obligation* and *(16) events under the terms*

*of a financial obligation of the obligated person, any of which reflect financial difficulties* were added to the Rule. These newly listed events imposed substantial burdens on Issuers by requiring more time to consider what obligations fall within the scope of the event notices, discussing the appropriate content of the notices, procuring/consulting with counsel, and preparing the event notices themselves. These newly listed event notices required many Issuers to integrate a substantially larger scope of staff to ensure that all obligations covered by the Rule could be captured. Even now, these event notices impose regular ongoing compliance burdens on Issuers – especially larger Issuers who issue a wide variety of debt in their ordinary course of business.

- The SEC does not appear to have incorporated the ongoing burdens of activities that are necessarily ancillary to compliance with undertakings. Issuers are required to regularly train their staff, develop policies and procedures, and retain ongoing counsel. In addition, since the SEC's MCDC Initiative, the existence of the Rule requires Issuers and underwriters to conduct due diligence on past continuing disclosure filings and make necessary curative filings. The compliance regime required by the Rule inevitably leads to disconnects in both when and how filings are made that leads to interpretative disagreements, various views on whether and how curative filings should be made, and what prospective disclosure should contain. All of these efforts are time and cost-consuming and do not appear to be included in the SEC's estimates.
- The SEC does not appear to factor into the compliance burden and challenges Issuers face with interfacing with the MSRB's EMMA system. EMMA can be challenging for Issuers to correctly file each necessary filing to each CUSIP, ensure that all filings have been properly filed to each CUSIP and each appropriate portal and selection on EMMA. The SEC's estimates appeared to focus on the amount of time Issuers dedicate to preparing a notice but the burden on Issuers also includes the work they routinely do to ensure they understand EMMA and know how to navigate EMMA to ensure they are properly making their filings.
- GFOA encourages the SEC to consider eliminating redundancies within SEC Rule 15c2-12 such as Rule 15c2-12(b)(5)(c)(11) which requires the Underwriter to contract with the issuer to disclose in a timely manner "Rating Changes". Rating Changes are performed by NRSRO's which are separately required to report rating changes. In some instances, the Issuer may not be aware of rating changes because the change relates to another entity, the rating on the financing is tied to the other entity, and the NRSRO does not inform the issuer of the rating change. The collection of the "(11) Rating Change" information from the issuer is not necessary as it is already collected separately from the NRSRO itself. The information from the issuer does not have practical utility since it duplicates the information provided directly from the NRSRO.

The GFOA understands that the SEC needs to develop these estimates as a matter of statutory requirements, but we are less clear about the process by which these estimates were compiled. The GFOA believes that most of the estimates appear to be based on how much outside counsel will be involved and not enough about the increasing staff time of Issuers needed to comply with their undertakings, the costs that process and staff attention imposes on Issuers, and how that impact affects large-, medium- and small-sized Issuers, respectively. The GFOA believes that

these kinds of estimates should be obtained through more effective surveying of a wide variety of Issuers who have a wide variation of experiences with compliance.

GFOA is pleased to be a resource should the SEC utilize our suggestion for such a variety of perspectives when accounting for the costs incurred with compliance. We look forward to providing continued input to the SEC on this and other matters of mutual interest.

Sincerely,

A handwritten signature in black ink that reads "Emily S. Brock". The script is cursive and fluid, with the first letters of each word being capitalized and prominent.

Emily S. Brock  
Director, Federal Liaison