PHONE 202-503-3300 601 Thirteenth Street, NW
FAX 202-637-0217 Suite 800 South
www.nabl.org Washington, D.C. 20005

National Association of Bond Lawyers

President
ANTONIO D. MARTINI
BOSTON, MA

President-Elect
KENNETH R. ARTIN
ORLANDO, FL

Treasurer
CLIFFORD M. GERBER
SAN FRANCISCO, CA

Secretary
ALEXANDRA M. MACLENNAN
TAMPA, FL

Immediate Past President
ALLEN K. ROBERTSON
CHARLOTTE, NC

Directors:

ANN FILLINGHAM
LANSING, MI

TERI GUARNACIA
BALTIMORE, MD

MICHAEL L. LARSON
CHARLESTON, SC

RICHARD J. MOORE
SAN FRANCISCO, CA

FAITH LI PETTIS
SEATTLE, WA

E. TYLER SMITH
GREENVILLE, SC

DEE P. WISOR
DENVER, CO

Chief Operating Officer
LINDA H. WYMAN
WASHINGTON, DC

Director of Governmental Affairs
WILLIAM J. DALY
WASHINGTON, DC

January 17, 2015

Pamela Dyson
Acting Director/Chief Information Officer
Securities and Exchange Commission
100 F Street NE.
Washington, DC 20549
VIA Email

RE: Collection of Information Provided For In Rule 15c2-12 under the Securities Exchange Act Of 1934

Dear Ms. Dyson:

The National Association of Bond Lawyers (*"NABL"*) respectfully submits the following comments to the SEC in response to the solicitation of comments on the existing collection of information provided for in Rule 15c2-12—Municipal Securities Disclosure under the Securities Exchange Act of 1934. The comments were prepared by an ad hoc subcommittee of the NABL Securities Law and Disclosure Committee comprised of those individuals listed on Exhibit A and were approved by the NABL Board of Directors. NABL appreciates the opportunity to respond to the SEC's request for comments.

NABL exists to promote the integrity of the municipal market by advancing the understanding of and compliance with the laws affecting public finance. A professional association incorporated in 1979, NABL has approximately 2,700 members and is headquartered in Washington, D.C.

If you have any questions concerning the comments, please feel free to contact Bill Daly, NABL's Director of Governmental Affairs at 202-503-3303 (or via e-mail at bdaly@nabl.org).

Thank you in advance for your consideration of these comments.

Sincerely,

Antonio D. Martini

COMMENTS OF THE NATIONAL ASSOCIATION OF BOND LAWYERS REGARDING COLLECTION OF INFORMATION PROVIDED FOR IN RULE 15c2-12 UNDER THE SECURITIES EXCHANGE ACT OF 1934

On November 18, 2014, the Securities and Exchange Commission (the "SEC" or the "Commission") published a notice, pursuant to the Paperwork Reduction Act of 1995, soliciting comments on the collection of information provided for in Rule 15c2-12 under the Securities Exchange Act of 1934. Rule 15c2-12 is intended to enhance disclosure in the municipal securities market, and thereby reduce fraud, by establishing requirements for obtaining, reviewing, and disseminating information about municipal securities by their underwriters.

The following comments are submitted to the SEC by the National Association of Bond Lawyers ("NABL") in response to the SEC's solicitation of comments in the November 2014 notice. The comments were prepared by an ad hoc subcommittee of the NABL Securities Law and Disclosure Committee composed of those individuals listed on Exhibit A and were approved by the NABL Board of Directors. NABL appreciates the opportunity to respond to the SEC's request for comments.

Requirements of Rule 15c2-12. Paragraph (b) of Rule 15c2–12 requires underwriters of municipal securities: (1) to obtain and review an official statement "deemed final" by an issuer of the securities, except for the omission of specified information, prior to making a bid for or purchase, offer, or sale of municipal securities; (2) in negotiated offerings, to send, upon request, a copy of the most recent preliminary official statement (if one exists) to potential customers; (3) to contract with the issuer to receive, within a specified time, sufficient copies of the final official statement to comply with Rule 15c2–12's delivery requirement and the rules of the Municipal Securities Rulemaking Board (the "MSRB"); (4) to send, upon request, a copy of the final official statement to potential customers for a specified period of time; and (5) before purchasing or selling municipal securities in connection with an offering, to reasonably determine that the issuer or the obligated person has undertaken, in a written agreement or contract, for the benefit of holders of such municipal securities, to provide certain information on a continuing basis to the MSRB in an electronic format and with identifying information prescribed by the MSRB. The information to be provided pursuant to the undertaking consists of: (a) certain annual financial and operating information and audited financial statements, if obtained ("annual filings"); (b) notices of the occurrence of any of 14 specific events ("event notices"); and (c) notices of the failure of an issuer or obligated person to make a timely annual filing ("failure to file notices").

Collection of Information and Proper Performance of SEC Functions. The SEC has invited written comments on whether the proposed collection of information under Rule 15c2-12 is necessary for the proper performance of the functions of the SEC, including whether the information has practical utility. NABL believes that collection of information under Rule 15c2-12 is not necessary for, but generally does enhance, the proper performance of the functions of the SEC in regulating the municipal securities market. However, Rule 15c2-12 was adopted (and amended to require continuing disclosure) before the widespread adoption of the internet as a means of exchanging information permitted issuers of municipal securities to quickly and efficiently provide pertinent updates to holders of those securities. Many issuers today maintain publicly accessible websites on which they include information of the type that is required to be provided to the MSRB pursuant to the contractual filing requirements mandated by Rule 15c2-12, and their information can easily be located by using Google or another readily available search engine. For these issuers, the continuing disclosure provisions of Rule 15c2-12 do not provide a substantial benefit in terms of protecting investors against securities fraud, and the limited amount of benefit should be weighed against the burdens on issuers and underwriters when assessing whether Rule 15c2-12 should be retained, modified, or repealed.

Accuracy of SEC Estimates. The SEC has invited written comments on the accuracy of the SEC's estimates of the burden of the proposed collection of information under Rule 15c2-12. NABL believes that

the estimates of issuer and underwriter compliance times are significantly lower than actual average compliance times. NABL offers the following comments in support thereof:

- Annual Filings. A number of issuers typically disclose operating data in their offering documents and so must undertake to update that data annually. While financial data is typically included in audited financial statements that issuers must prepare even in the absence of a continuing disclosure agreement entered into pursuant to Rule 15c2-12, operating data is not. To comply with the contractual filing requirements mandated by Rule 15c2-12, issuers therefore must generate, collect, and present data about their operations annually. For larger issuers, this requires outreach to various departments and other time-consuming steps. In addition, as the SEC noted in its 1994 Interpretive Release, when an issuer files information pursuant to its Rule 15c2-12 contractual undertakings, it is making a statement in connection with the purchase or sale of securities, so the statement is governed by the antifraud provisions of the Securities Exchange Act of 1934. To comply with those provisions, issuers must exercise care in generating, presenting, and checking the data that they report. They must also exercise care that the data provided under their Rule 15c2-12 contractual undertakings is not misleading as a result of the omission of other information (for example, a subsequent event that makes the data no longer indicative of future results). Partly in response to recommendations by the SEC and to comply with their duties under the antifraud provisions, many issuers have adopted procedures to assess the accuracy and completeness of annual filings, and the procedures involve reviews by various officers and, often, outside counsel. Consequently, we believe a more accurate estimate of the time to comply with the annual filing requirements effectively imposed by Rule 15c2-12 would be much longer than 45 minutes. While smaller issuers may be able to comply in a few hours, a large, multi-faceted issuer may need 150 hours (or more) to prepare its annual data.

- Event Notices. Rule 15c2-12 requires undertakings to file notices of many types of events, some of which are due only if the event is material and others of which are due without regard to materiality even if the events are not necessarily known immediately to issuers (for example, insurer rating changes). To comply with these filing requirements, issuers must establish and operate verification and reporting mechanisms to ascertain whether a reportable event has occurred. Since events must be reported within 10 business days of occurrence (not discovery), Rule 15c2-12 forces issuers to search frequently for information that may not be readily known to them. Many issuers will spend a substantial amount of time to monitor for the occurrence of events that might require consideration for disclosure so that, even in years in which no event occurs, an issuer will be devoting significant time to ensure compliance with the event notice requirement. If an event occurs and is discovered, issuers then have to determine whether the event is material (if the filing requirement is conditioned on materiality) and will have to describe the event in a way that is accurate, is not misleading, and does not make the event seem more or less alarming to investors than it should. As noted above, making these determinations and crafting these descriptions involves reviews by various officers and, often, outside counsel. Consequently, in NABL's experience, an estimate that issuers spend an average of 45 minutes per reported event in complying with their event filing requirements is a substantial underestimation. For example, as noted in the comments NABL furnished to the Commission in connection with proposed Rule 15c2-12 amendments in 2009, in order to ensure compliance with just one of the event disclosure requirements (ratings changes), an issuer would have to check with each rating agency for any change in rating of the insurers of its bonds on at least a weekly basis (52 times a year), which on average (given three rating agencies, internet access for the issuer and appropriate training), one would expect to take at least 30 to 60 minutes per week (or 26 to 52 hours a year).

- Underwriter Compliance. Rule 15c2-12 requires that underwriters obtain and confirm the adequacy of a continuing disclosure undertaking and obtain and review an official statement that describes each instance of material noncompliance with an issuer's or obligated person's prior undertakings. To comply with their duties with respect to the undertaking, underwriters must conduct a review to determine whether there is a commitment on the part of each obligated person for whom financial or operating data is included in the official statement to provide data of the same general type at least annually. That requires a time-consuming review of the official statement to make sure that the data undertaken to be updated is sufficient, in addition to a review of the undertaking itself, for which underwriters often hire outside counsel. To comply with their duties to receive an official statement with disclosure of prior noncompliance, the SEC has said (in its 2010 release adopting amendments to Rule 15c2-12) that underwriters must make a reasonable investigation into whether, over the five years preceding each offering, events occurred that might require a notice and whether required annual reports and event notices were filed in a timely manner. Consequently, to comply with Rule 15c2-12's requirement to receive a qualifying official statement, underwriters must spend substantial "due diligence" time that they would not otherwise be required if Rule 15c2-12 did not require continuing disclosure undertakings or disclosure of past noncompliance. The November 2014 notice estimates total compliance time of 300 hours for all underwriters. According to the MSRB, there were more that 12,000 new issues of municipal securities last year. Assuming that 10,000 were primary offerings subject to Rule 15c2-12, the November 2014 notice estimates that underwriters can comply in less than two minutes per issue. That estimate is clearly inadequate.

Enhancement of Quality, Utility, and Clarity of Collected Information/Minimization of Burden of Collection of Information. The SEC has also invited written comments on (1) ways to enhance the quality, utility, and clarity of the information to be collected under Rule 15c2-12 and (2) ways to minimize the burden of the collection of information under Rule 15c2-12 on respondents, including through the use of automated collection techniques or other forms of information technology. NABL believes there are a number of revisions to Rule 15c2-12 and methods of collection and posting information which minimize the burden of the collection of information under Rule 15c2-12, and which will enhance the quality, utility and clarity thereof. NABL anticipates that it will submit separate comments to the SEC incorporating suggestions with respect thereto as part of its comments to the SEC's 2012 Report on the Municipal Securities Market.

EXHIBIT A

MEMBERS OF NABL SECURITIES LAW AND DISCLOSURE COMMITTEE PARTICIPATING IN PROJECT

Virginia D. Benjamin
Calfee, Halter & Griswold LLP
Cleveland, OH
(216) 622-8367
vbenjamin@calfee.com

Daniel M. Deaton
Nixon Peabody LLP
Los Angeles, CA
(213) 629-6050
ddeaton@nixonpeabody.com

Teri M. Guarnaccia
Ballard Spahr LLP
Baltimore, MD
(410) 528-5526
guarnacciat@ballardspahr.com

Jeffrey O. Lewis
Ice Miller LLP
Indianapolis, IN
(317) 236-2334
jeffrey.lewis@icemiller.com

Alexandra ("Sandy") MacLennan
Squire Patton Boggs (US) LLP
Tampa, FL
(813) 202-1353
sandy.maclennan@squirepb.com

Carol J. McCoog
Hawkins, Delafield & Wood, LLP
Portland, OR
(503) 402-1323
cmccoog@hawkins.com

Joseph ("Jodie") E. Smith
Maynard, Cooper & Gale, P.C.
Birmingham, AL
(205) 254-1109
jodie.smith@maynardcooper.com

Joan N. Stern
Eckert Seamans Cherin & Mellott, LLC
Philadelphia, PA
(215) 851-8442
jstern@eckertseamans.com

Mark H. Vacha
Cozen O'Connor
Philadelphia, PA
(215) 665-6975
mvacha@cozen.com

Fredric ("Rick") A. Weber
Fulbright & Jaworski LLP
Houston, TX
(713) 651-3628
fredric.weber@nortonrosefulbright.com

Kevin A. White
Kaufman & Canoles, P.C.
Richmond, VA
(804) 771-5770
kawhite@kaufcan.com