



## What is Continuing Disclosure?

In order to sell most types of bonds, the municipal issuer must enter into a written agreement or undertaking to make certain annual financial information about the issuer publicly available for as long as any bonds remain outstanding. The contractual obligation by the municipal issuer to make information available on an annual basis is referred to as “continuing disclosure,” and the written document the issuer signs is usually called the “Continuing Disclosure Undertaking” or the “Continuing Disclosure Instructions.” Municipal issuers and certain other “obligated persons” are required to post this continuing disclosure information on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (EMMA) website ([www.emma.msrb.org](http://www.emma.msrb.org)). The exact type of information required to be updated annually and publicly disclosed through EMMA differs depending on the type of bond issue, but generally consists of the annual financial statements of the issuer and certain specific operating data. In addition, issuers are required to provide prompt notice to EMMA of certain material events, as described below.

### SEC Rule 15c2-12 requires that the following types of information be disclosed on EMMA

#### A. *Financial or operational information:*

- Annual financial statements and other operating data of the issuer or obligated person as set forth in the Continuing Disclosure Undertaking or Instructions for the bonds, which Undertaking or Instructions can be found in the bond transcript.

#### B. *Occurrence of any of the following material events, within 10 days after the occurrence of such event:*

- principal and interest payment delinquencies;
- non-payment related defaults, if material;
- unscheduled draws on debt service reserves reflecting financial difficulties;
- unscheduled draws on credit enhancements reflecting financial difficulties;
- substitution of credit or liquidity providers, or their failure to perform;
- adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- modifications to rights of security holders, if material;
- bond calls, if material, and tender offers;
- defeasances;
- release, substitution or sale of property securing repayment of the securities, if material;
- rating changes;
- bankruptcy, insolvency, receivership or similar event;
- merger, consolidation, or acquisition, or entry into a definitive agreement relating to any such actions, if material;
- appointment of a successor or additional trustee, or the change of name of a trustee, if material; and
- notice of failure to provide to EMMA on a timely basis the annual financial information described above.

**If you have any questions about EMMA or any other continuing disclosure concerns, please contact your Gilmore & Bell bond attorney or ask to speak with a member of Gilmore & Bell’s compliance service group at 816-221-1000.**