

March 2, 2017

## SEC Proposes Requiring Material Event Notices for Municipal Bank Loans and Other Private Placements

On March 1, the Securities and Exchange Commission (SEC) voted to propose amendments to Rule 15c2-12. The proposed amendments call for issuers to add two new events to the list of those for which they must agree to provide continuing disclosure. These include:

- Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material; and
- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties.

The proposed amendments would require issuers to file Notices of Material Events upon incurring material debt obligations, such as bank loans, bonds or notes privately placed with banks or other investors, or Clean Water or Drinking Water Obligations.

There is a 60-day comment period following publication of the proposing SEC release in the Federal Register. We intend to keep you apprised as things develop.

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