

MA Rule Compliance Continued...

Two quarters into the MA Rule, it seems the effect of the rule that can be felt most by municipal entities is the establishment of the MA definition itself and the need for municipal securities dealers/underwriters to exempt themselves from the definition when conducting business with a municipal entity. Any person that solicits and/or provides advice to, or on behalf of, a municipal entity regarding a municipal financial product or securities issuance is considered to be a MA and has a fiduciary duty to that municipal issuer. Firms wishing to serve as municipal securities dealer/underwriter cannot have a fiduciary duty to a municipal entity and thus must operate within certain defined MA exemptions. Generally, underwriters are restricted to providing only general information unless they are specifically engaged on a transaction, they are asked for information in a qualified request for proposal, or if the municipal entity has represented in writing that it will rely on the opinion of an Independent Registered Municipal Advisor. Municipal entities may have noticed that the type and frequency of information received from underwriters has changed since July 1, 2014.

Going forward, MAs are eagerly awaiting the MSRB's release of the MA examination. The MSRB is in the process of establishing minimum professional qualification requirements, including testing, for MAs. The MSRB intends on finalizing the content of the exam and issuing a pilot exam sometime in 2015.

NAIPFA becomes NAMA



Effective January 1, 2015 the National Association of Independent Public Finance Advisors (NAIPFA) became the National Association of Municipal Advisors (NAMA). This important step fills a need for an organization to represent Municipal Advisors, a newly defined term under the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act.

You might ask “why is this important to your organization?” Did you know that Speer Financial, Inc. was a founding member of the NAIPFA organization in 1989? NAIPFA has tested its members since inception with stringent standards. Speer employees have served in various capacities with this national organization; most recently two employees have served as Secretary to the Board of Directors and currently one Speer employee serves as a NAMA Board Member.

NAMA is recognized by the Municipal Securities Rulemaking Board (MSRB) and Securities and Exchange Commission (SEC) as a strong voice for Municipal Advisors. Meetings with these organizations and federal legislators are happening on a regular basis for the NAMA Public Affairs Committee. NAMA boasts a membership of more than 40 companies nationwide who work as Municipal Advisors.

One goal of the organization is to increase membership by opening up more membership options that include associates, academics and other members. More members allow for greater feedback amongst all municipal advisory firms around the nation, feedback that can be shared with organizations like the MSRB and SEC as they make decisions that affect your organization and Speer Financial.

For more information about NAMA and new MA Regulations, please ask your Speer representative.

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