

EXPANDED DISCLOSURE  
New SEC Rule 15c2-12 Amendments

New amendments to the list of material events that are to be filed are effective February 27, 2019.

For bond issues closed on or after February 27, 2019, the continuing disclosure undertaking (CDU) will include the requirement to disclose:

**New item:** 15. New material financial obligations

**New item:** 16. Financial difficulties for outstanding obligations

Financial obligations are typically loans and leases. Materiality is not defined and is a somewhat uncertain term, with a number of attorneys suggesting that it is better to assume something is material if there is any question.

Financial difficulty is thought to include default, loan acceleration and certain modifications of loan terms. This latter item has some uncertainty in it as to the extent of the modifications.

As with all filings of material events, there is a 10 business day period in which to comply.

Wherever materiality is involved, any uncertainty is usually cause to decide in favor of the item being material. As this is a legal issue, please consult with your attorney or bond counsel.

Government Finance Officers Association (GFOA) has provided more information on this subject which we encourage issuers to consult. Follow this link to access GFOA's information:

<http://www.gfoa.org/new-amendments-sec-rule-15c2-12-new-event-notices-related-material-financial-obligations-and-events>