

THESE QUESTIONS AND ANSWERS ARE GIVEN SOLELY AS A GUIDE TO UNDERSTAND THE MECHANICS OF THE DISCLOSUREUSA SYSTEM AND PROVIDE BASIC INFORMATION REGARDING CONTINUING DISCLOSURE IN THE MUNICIPAL SECURITIES MARKETPLACE. THIS SHOULD NOT BE VIEWED AS THE SOLE POINT OF REFERENCE ON CONTINUING DISCLOSURE MATTERS. THE MUNICIPAL ADVISORY COUNCIL OF TEXAS AND MEMBERS OF THE MUNI COUNCIL ARE NOT RESPONSIBLE FOR THIS CONTENT. ALL ARE ADVISED TO SEEK PROFESSIONAL ASSISTANCE TO BEST ANSWER YOUR QUESTIONS REGARDING DISCLOSURE PRACTICES.

Operational questions

How do I use the system?

The system is very user-friendly and help screens are provided throughout the process to assist you with any questions you may have. First you must "Create an Account." Following this, the system will provide click-throughs for you to upload your documents and send them to DisclosureUSA.

A brief overview about how to use the system, with step by step instructions, may be found under the "Help" section on Disclosure USA's home page: <http://www.disclosureusa.org/pages/Help.aspx>

What if I do not want to make an electronic submission?

We recommend that you begin accumulating electronic copies of your documents from the various professionals involved in preparing them.

DisclosureUSA will be accepting paper filings for a \$45 per document scanning fee regardless of the size of the document. When making a paper filing, it is strongly advised that you complete a cover sheet with all of the necessary information for your filing. A cover sheet may be found: <http://www.disclosureusa.org/downloads/PaperCoverSheet.pdf>. You may submit a check with your filing or send credit card information. The payment must accompany your filing for the filing to be processed.

Please mail your filing to:

Mailing Address: DisclosureUSA.org
P.O. Box 684667
Austin, Texas 78768-4667

Physical Address: Disclosure USA.org
c/o Municipal Advisory Council of Texas
600 W. 8th Street
Austin, Texas 78701

May I fax documents to DisclosureUSA?

Although not preferred, especially for longer documents, you may fax your documents to DisclosureUSA at 512-476-6403. Please note that you will need to complete the cover sheet and send payment information, as a fax submission is a paper submission as noted above.

What types of documents will Disclosure USA accept, and will documents from an Apple-based (Macintosh) computer work with this system?

The system will forward all format types to the NRMSIRs and SIDs. It is recommended that you submit a common format such as PDF, MS Word, MS Excel or Word Perfect.

What do I do if my documents will not upload on the site?

If you have difficulty uploading documents, check with your tech support staff to determine if your network has restrictions on uploading documents. If your tech support staff cannot determine the problem, go to the "Comments" page of the website to let us know and someone will contact you.

What do I do if I have to leave/turn off my computer during the middle of making a filing?

DisclosureUSA allows you to stop in the middle of a filing, return to the incomplete filing at a later time and complete the filing.

After submitting my documents, how long will it take for the NRMSIRs to receive them?

Documents submitted electronically through the website are forwarded to the NRMSIRs immediately upon completion of a filing. The amount of time it takes for the NRMSIRs to receive them will depend on the file size. Larger files take longer to transmit to the NRMSIRs. Some of the largest files have taken 20 minutes to reach all NRMSIRs and SIDs. Smaller files take 15-20 seconds.

Paper documents, other than material event notices, may take up to five days from receipt to reach the NRMSIRs and SIDs, especially during heavy filing periods (e.g., June 30th).

How may I verify that the data I sent to DisclosureUSA was transmitted to the NRMSIRs/SIDs?

When a filer completes a filing on the DisclosureUSA website, the filer will receive an email that indicates that a filing has been completed and transmitted to the NRMSIR/SID. The email includes a link to the "Filing Summary Information" for the completed filing. This page includes a link to the "Distribution Status" page. The "Distribution Status" page can also be found by searching for your filing under the "Find a Filing" menu or by clicking "View a list of past filings you've submitted" under the "Your Account" menu. The "Distribution Status" link displays the date and time you completed your filing as well as the date and time DisclosureUSA transmitted or forwarded the filing to the NRMSIRs/SIDs. **DisclosureUSA does not obtain or display a confirmation of receipt of the filing from the NRMSIRs and SIDs for filings made through DisclosureUSA.**

Will there be a charge for the public to use the “Find a Filing” system? What can the public view through the DisclosureUSA site?

The "Find a Filing" menu option is an index that allows the public to look up a filing by issuer name, CUSIP number, DisclosureUSA filing number, or by date. The public cannot download the documents filed, but can view “Filing Summary Information” including document type, document title, document date. There is no fee for using the “Find a Filing” index.

In conduit bond issues, such as non-profit health care and higher education, the issuer is merely the governmental agency through whom the bonds are issued and not the party responsible for repayment of the bonds. The obligor (i.e., the health care provider or higher education institution) is responsible for repayment of the bonds. Under, the "Find a Filing" menu option you may search for filings by obligor name or issuer name. (See FAQ regarding conduit borrowers for more information)

What is the “Email Reminder System/Tickler”, and who may submit filings and use this?

The CPO no longer permits users to create email reminders. After June 30, 2008 the CPO will no longer send any Reminders even if a request for such a Reminder was previously created on the CPO. To edit your existing email reminders, click “Your Account” and “Reminder Emails”.

How does DisclosureUSA know if I am an authorized person to submit the filings?

The DisclosureUSA filing system is only intended for use by issuers and obligors and their representatives and their agents. DisclosureUSA, like the current NRMSIR system, has no way to determine if the person making a submission is an authorized person. However, unlike submissions made to the NRMSIRs, Issuers/Obligors that have registered or made a filing with DisclosureUSA will receive an email notification each time a new person registers to file or submits a filing for their bond issues. There is also a security link found under the “Your Account” menu option where you may view a list of others registered to submit a filing on behalf of your bond issues. You may also use the “Find A Filing Index” on the website to monitor filing activity associated with your bond issues.

If I use a paid service to make my filings, will they be able to use DisclosureUSA?

Yes. All of the advantages of DisclosureUSA, particularly the fact that it affords the opportunity to file in a single location, will be available not only to issuers directly, but also to paid services which issuers use to make filings on their behalf.

What is the importance of using a cover sheet?

When filing with paper at DisclosureUSA, you are required to complete a cover sheet. The cover sheet contains information the NRMSIRs and SIDs need to index the filing correctly. A link to the paper filing cover sheet is provided:

<http://www.disclosureusa.org/downloads/PaperCoverSheet.pdf>

When filing electronically through the DisclosureUSA website, the prompts of the system ask for and collect this indexing information or “Filing Summary Information” as you go through the filing process. The Filing Summary Information and the documents you upload are electronically forwarded to the NRMSIRs/SIDs.

Will DisclosureUSA post “failure to file” notification?

DisclosureUSA will not create failure to file notifications nor will it actively track which issuers have not filed. Issuers and obligors may submit notices of non-compliance through DisclosureUSA.

How do I change my account information?

You may change your account information under the “Your Account” menu option. Simply click the link “View or edit your contact information,” make the changes and click submit.

CUSIP Questions

What are CUSIP Numbers?

CUSIP® is the industry standard for securities identification and descriptive information. CUSIP's 9-character numbering system of universally accepted codes simplifies communication and recording of securities transactions. There are two parts to a CUSIP number: (1) a 6 digit issuer base number and (2) a 3 digit issue extension.

Municipal Issuers can have more than one 6 digit base CUSIP number assigned. Different 6 digit base CUSIP numbers are, for example, assigned to an issuer for each separate pledge. For example, an issuer's general obligation bonds will have a different 6-digit base CUSIP number from the issuer's water & sewer revenue bonds.

CUSIP is a proprietary system that was developed by the American Bankers Association over 35 years ago.

What does CUSIP stand for?

CUSIP stands for "Committee on Uniform Security Identification Procedures." The CUSIP Service Bureau is run through Standard and Poor's, and the American Bankers Association owns the trademark. More information about CUSIP numbers and the CUSIP Service Bureau may be found at: <http://www.cusip.com/NASApp/disclosureweb/com/sp/apps/disclosure/html/muniaccess.html>

Why is it important to include CUSIP numbers with my disclosure filings?

CUSIP numbers are used by broker-dealers and bond investors. Bonds are bought and sold in the secondary market using CUSIP numbers. Submitting CUSIP numbers with your filings permits your filings to be indexed accurately so that investors and others can retrieve them. When making a filing it is important for you to include all appropriate CUSIP numbers.

If you do not know the CUSIP numbers for the bonds you are making a filing for, please visit the CUSIP Service Bureau's website, www.cusip.com - [Municipal Issuer Access](#) for instructions on how to obtain your CUSIP numbers. Note that over time additional 6 digit base CUSIP numbers may be assigned for new bond issues for maturities that have been partially refunded. When making future filings, it is important to verify that you have included all applicable CUSIP numbers with your filing.

How do I find the CUSIP numbers for my bond issues?

FROM CUSIP - All valid CUSIP numbers for an issuer are available through the Municipal Issuer Access website. Issuers may contact the CUSIP Service Bureau to obtain a user ID for Municipal Issuer Access that will provide direct access to the CUSIP database. The ID can be shared, but cannot be used simultaneously by more than one user. To request a user ID, contact CUSIP at: disclosure_support@standardandpoors.com

Once an account has been established, you will be able to enter CUSIP's issuer access system and retrieve your CUSIP number/s by inserting the issuer name. Additionally, this site will allow you to conduct advance searches and exclude items from your search. You may also call the Municipal Issuer Access office at (212) 438-6518. The site noted above also provides an online tour and demonstration of the website's functions.

How do I use my CUSIP numbers on the DisclosureUSA.org website to make an Annual or other filing?

You will be prompted at the DisclosureUSA site to enter your 6 digit CUSIP number(s). After you have entered all 6-digit CUSIP numbers that pertain to the filing you are making, you will see a list of all bonds associated with the 6-digit CUSIP number(s) you entered. You must indicate the bond issues you wish to include with this filing.

A link titled "CUSIPs" will appear next to each bond issue listed. You may click to the link to select or deselect particular maturities of that bond issue. The 9-digit CUSIPs selected will be included in the filing you are making.

The DisclosureUSA site will always remember what numbers you have included/excluded with each particular filing, so that you will not need to start from scratch each year. However, please note that in forthcoming years, you may need to add CUSIP numbers for new bond issuances.

How do I use my CUSIP numbers on the DisclosureUSA.org website to make a Material Event filing?

If you are making a material event filing, you have the option of filing by 9-digit CUSIP for filings that pertain to a small number of maturities of a bond issue. If the material event you are filing pertains to several bond issues, you may file by 6-digit CUSIP by selecting the bonds you want to associate with the filing as described in the question above.

How will Disclosure USA deal with the question of CUSIP numbers on tender option bond programs and other securities created in the secondary market by dealers using issuer bonds?

The database of CUSIP numbers provided to DisclosureUSA by the CUSIP bureau will exclude the new, parallel CUSIP numbers assigned to new securities created by dealers in the secondary market. In such cases the original CUSIP of the issuer's bonds remains in existence parallel to the new CUSIP of the dealer's secondary market derivative. In this case where there are double CUSIP numbers in place, the nine digit CUSIP numbers which DisclosureUSA will offer to issuers once the issuer types in his six digit CUSIP number will automatically have excluded the second parallel

CUSIP so that secondary market filings by issuers will only be associated with the CUSIP number on the issuer's own securities.

However, in the case of bond insurance put on the issuer's bonds in the secondary market, where the underlying bond, trustee, paying agent and CUSIP is not changed, the unchanged CUSIP number will continue to be in the data base of CUSIP numbers provided to DisclosureUSA and to the issuer for filings. For consistency, the same will be true for new CUSIP numbers on the portion of a split maturity where bond insurance is put on a partial maturity in the secondary market. There is still only one CUSIP on each portion of that maturity and so the single CUSIP numbers, including the new CUSIP, will be included in the database of CUSIP numbers provided for secondary market filings.

If I have questions about my CUSIP numbers, who may I contact at the CUSIP Service Bureau?

A dedicated phone number has been set up to assist issuers with questions about CUSIP security assignments. Disclosure Assistance Line: (212) 438-6518

Primary contacts: Vinny DeCarluccio, Product Manager and Maria Latorraca, Product Director can be reached at the number above.

How much historical data is available on Municipal Issuer Access?

All valid CUSIP numbers are available through Municipal Issuer Access. Additions and changes to the database are updated in real time.

General Questions

What is SEC Rule 15c2-12?

In broad terms, SEC Rule 15c2-12, as amended in 1994, states that underwriters are prohibited from purchasing bonds unless the issuer commits to an undertaking that provides specified continuing disclosure. In the undertaking, the issuer must provide for:

- annual financial information by a certain date;
- timely notice of material events; and
- failure to file notification.

(adapted from *Making Good Disclosure* by Robert Dean Pope, 2001, published by the Government Finance Officers Association)

See the 1994 SEC Release adopting amendments to Rule 15c2-12:

<http://www.sec.gov/rules/final/adpt6.txt>.

What am I obligated to disclose under SEC Rule 15c2-12?

Required disclosure is governed by Rule 15c2-12 and the issuer's continuing disclosure undertaking or agreement. This likely includes annual filings and material event notices. You may wish to contact your bond or disclosure counsel for interpretation.

Has the SEC approved the use of this system?

The SEC has provided The Municipal Advisory Council of Texas with a letter of interpretation of SEC Rule 15c2-12, which states that making a filing through DisclosureUSA “is acting in a manner consistent with the intent of the Rule.”

What are Annual filings?

For most bond transactions, 15c2-12 calls for the issuer to enter into an undertaking for the benefit of the bondholders. This undertaking calls for the issuer to provide yearly disclosure of annual financial information (e.g., mirroring the information provided in the final official statement), and this information must be sent to the NRMSIRs.

What are material event notices?

It is a notice of the occurrence of certain events specified in Rule 15c2-12 which is required to be filed with NRMSIRs. In case of doubt you may wish to check with your bond counsel or disclosure counsel. A filing with DisclosureUSA will satisfy the requirement to file with the NRMSIRs.

The Rule requires a promise from the issuer to disclose any of the following events, if material, that relate to the bonds in question.

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the security;
7. Modifications to rights of security holders;
8. Bond calls;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities; and
11. Rating changes.

If you have specific questions about these eleven events, you should contact your bond or disclosure counsel.

What is a NRMSIR?

A NRMSIR is a Nationally Recognized Municipal Securities Information Repository. Prior to 1994, the NRMSIRs were appointed by the SEC to accept final official statements. After the Rule change in 1994, the role of the NRMSIR expanded to include not only the dissemination of final official statements but also the dissemination of secondary-market continuing disclosure information. A NRMSIR does not verify the information that is given to it by the issuer to disseminate. A business may be deemed a NRMSIR only by the SEC. Currently, in 2007, there are four NRMSIRs:

<http://www.sec.gov/info/municipal/nrmsir.htm>

(this was adapted from *The Fundamentals of Municipal Securities: Fifth Edition*, 2001, published by The Bond Market Association)

Who is responsible for disclosure in conduit bond issues: the issuer or the obligor?

In conduit bond issues, such as non-profit health care and higher education, the issuer is the party who issues the bonds, while the obligor (health care provider or higher education institution) is the party responsible for repayment of the bonds. An obligor is any person who, directly or indirectly, under a lease, loan, sale, or other agreement or arrangement, is obligated to make payments to the issuer, which cash payments are the source of the cash flow servicing the obligations on municipal securities. The goal of the Rule is to make available to the municipal securities market, at the time of issuance and on an annual basis, information on persons who ultimately are responsible for the cash flow servicing the municipal securities – the obligor. The required disclosure is governed by Rule 15c2-12 and the obligor's continuing disclosure agreement. You may wish to contact your bond counsel or disclosure counsel for interpretation.

Who looks at my filings?

Analysts, Broker/Dealers, investors and others in the public finance community subscribe to services where filed documents may be obtained and reviewed.

May my filing be retrieved from DisclosureUSA?

DisclosureUSA will serve solely as a “mail service”, sending your documents to the NRMSIRs/SIDs, and the documents themselves will not be able to be retrieved from DisclosureUSA. Individuals will need to contact one of the NRMSIRs or document services to obtain filed documents.

What is a State Information Depository (SID)? Does my state have its own repository?

A State Information Depository (SID) serves the same purpose as a NRMSIR, but only for information within a particular state. Currently, only three states have SIDs: Michigan, Ohio and Texas:

<http://www.sec.gov/info/municipal/nrmsir.htm#state>

If I use DisclosureUSA to make my continuing disclosure filings, will I be in accordance with my written agreement/contract where it states that I will send the documents to all of the NRMSIRs?

Generally, a filing with DisclosureUSA will be deemed a filing with the NRMSIRs under your continuing disclosure agreement. The National Association of Bond Lawyers has posted some additional information regarding this question (www.nabl.org) that may be helpful in reviewing your agreements.

Also, you should discuss with your bond counsel to have forthcoming contracts include language allowing the use of DisclosureUSA as a method of delivery to the NRMSIRs.

Is it mandatory that filers use DisclosureUSA at this time?

No, it is not, but using the system is strongly encouraged.

Do the NRMSIRs accept documentation in addition to annual filings and material event notices?

Yes, the NRMSIRs accept voluntary filings, and you need to check with bond and/or disclosure counsel about what should be submitted. Additionally, DisclosureUSA will accept filings of documents other than annual filings and material event notices.

What if I do not make my filings on time?

A late filing with DisclosureUSA is no different than a late filing with the NRMSIRs. Bond counsel or disclosure counsel should be consulted about the appropriate way to remedy the situation.

What if I have not made my annual filings in previous years? May I send them to DisclosureUSA?

Bond counsel or disclosure counsel should be consulted. A late filing may be made with DisclosureUSA and will be treated as if it was filed late with the NRMSIRs.

If I have a question or comment about the DisclosureUSA system, who should I contact?

Technical questions and comments about using the DisclosureUSA website may be sent to us through the "Comments" page of the website. However, if you have a question regarding your entity's filings or obligations, you should seek advice from bond or disclosure counsel, or other finance professionals. DisclosureUSA staff will only be able to assist with technical issues pertaining to the use of this web site.

Other Information

Groups of the Muni Council:

American Bankers Association:	www.aba.com
American Bar Association – Section of State and Local Government Law:	http://www.abanet.org/statelocal/home.html
American Institute of Certified Public Accountants:	www.aicpa.org
CFA Institute: (formerly the Association of Investment Management and Research)	www.cfainstitute.org
Council of Infrastructure Financing Authorities:	www.cifanet.org
Government Finance Officers Association:	www.gfoa.org
Healthcare Financial Management Association:	www.hfma.org
Investment Counsel Association of America:	www.icaa.org
Investment Company Institute:	www.ici.org
National Association of Bond Lawyers:	www.nabl.org
National Association of Independent Public Finance Advisors:	www.naipfa.com
National Association of State Auditors, Comptrollers & Treasurers:	www.nasact.org
National Association of State Treasurers:	www.nastnet.net
National Council of Health Facilities Finance Authorities:	www.nchffa.com
National Association of State Housing Agencies:	www.ncsha.org
National Federation of Municipal Analysts:	www.nfma.org
Regional Municipal Operations Association:	
The Bond Market Association:	www.bondmarkets.com

Regulatory Entities:

Securities and Exchange Commission:	http://www.sec.gov/info/municipal.shtml
Municipal Securities Rulemaking Board:	www.msrb.org

Reference section

- CUSIP link:
<http://www.cusip.com/NASApp/disclosureweb/com/sp/apps/disclosure/html/muniaccess.html>
- GFOA's *Making Good Disclosure* by Robert Dean Pope: www.gfoa.org
- GFOA's *Recommended Practices on Using a Web Site for Disclosure*:
<http://www.gfoa.org/services/rp/debt/debt-using-web.pdf>
- MSRB's *Glossary of Municipal Securities Terms*:
<http://www.msrb.org/msrb1/glossary/default.asp>
- NABL's *Providing Information to the Secondary Market Regarding Municipal Securities*:
<http://www.nabl.org/library/comments/pdf/secmktmunisec.pdf>
- NFMA's *Disclosure Guidelines*: <http://www.nfma.org/disclosure.php>
- TBMA's *The Fundamentals of Municipal Bonds*:
<http://www.bondmarkets.com/story.asp?id=788>
- TBMA's *InvestingInBonds.com* - <http://www.investinginbonds.com>