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May 14, 2014

Ronald W. Smith
Corporate Secretary
MSRB
1900 Duke St
Suite 600
Alexandria, VA 22314

Re: MSRB Regulatory Notice 2014-08/Establishing Professional Qualifications for Municipal Advisors

Dear Mr. Smith

I appreciate the opportunity to comment on the MSRB's draft proposal for qualification requirements for municipal advisors.

Uniform Testing Requirement – Grandfathering

The MSRB should establish a set of requirements for municipal advisors to ensure the advisor has a required level of market and regulatory knowledge in order to ensure market integrity and to protect issuers. However, as currently proposed, testing requirement could be an economic hardship and would not acknowledge certification that the MSRB and other regulatory agencies already acknowledge.

Fees to take the test as currently proposed would unnecessarily add to a firm's expenses. Because the MSRB proposal does not recognize any other certification, paying to take the proposed test would force firms to pay for something that has already been paid for. This approach would also increase an Advisor's workload by spending time to study and take duplicative and unnecessary parts of the proposed test.

It would be more efficient if the MSRB adopted a modular exam, one that recognizes certifications that have already been earned. For example, the exam could be structured to be a series of exams that test the municipal advisor's knowledge of regulations, finance and ethics. Advisors who have passed the FINRA Series tests related to the municipal bond market would be given credit for market knowledge and not have to take the module that tests for the same knowledge. Advisors who hold the CFA designation would not have to take the modules that test financial knowledge or ethics because being awarded the CFA designation shows that one has mastered a body of knowledge that encompasses

finance, ethics, analysis, and portfolio management. If the CFA Charterholder has not passed the existing FINRA Series tests for municipal markets, then they would need to pass that module of the MSRB exam for Municipal Advisors. Advisors could have the option to take all modules at one sitting or in stages.

Grace Period

A one year grace period to **start** taking the exam after the format has been finalized is reasonable, but there are three problems with the current proposal. First, the current proposal requires all Municipal Advisors to pass the test within the first year after the effective date. This could create an undue stress on the MSRB systems if all the existing Advisors are taking the exam and trying to pass within the first year. Second, the proposal does not address time limits after the first year. Third, the proposal requires passing the all-inclusive exam within one year but it also adopts the existing re-testing time line which could stretch beyond 12 months. Under the existing time line three fails (3 months) requires a six month hiatus before trying again. This would leave just 3 months to pass the test. This is not a big window if the test is as robust and detailed as the CFA exams. I would recommend allowing 12 months after the effective date as the period to start the process and use the existing re-testing timelines with a deadline of 2 years after the first test.

Summary

In summary, I support the effort to establish an exam that ensures that Advisors have the requisite knowledge of finance, ethics, the municipal bond market and regulations. The exam should consist of modules to recognize the tests that the Advisor has already passed and avoid the unnecessary time and expenses that comes with redundant testing. Advisors must start taking the test within the first year after the effective date and successfully pass all the modules within a specified reasonable period (i.e. 18-24 months) and use existing re-testing timelines.

Sincerely,
Rick Wayman, CFA, CTP