

**REQUEST FOR PUBLIC COMMENT ON  
PROPOSAL TO REPEAL, REVOKE, OR OTHERWISE MAKE INACTIVE,  
A NASAA STATEMENT OF POLICY**

FROM: Dennis N. Britson  
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**Introduction**

NASAA charged the Corporation Finance Policy Project Group with the evaluation of every NASAA Statement of Policy and Guideline in the corporation finance area that are not strictly within the purview of another specific project group, for the purpose of amending, updating, or eliminating outdated policies and guidelines.

The Corporation Finance Policy Project group solicits comments on a housekeeping proposal to eliminate the **NASAA Health Care Facility Offerings Statement of Policy**.

**Recommendation**

The Health Care Facility Offerings policy statement is to be used for the review of offerings of debt securities by non-profit health care issuers. However, a survey of all NASAA member states revealed that this policy is not in use at all. Instead, modern health care facility offerings are facilitated, structured and offered as municipal debt instruments under organizations created and approved by state legislatures.

The existing policy appears to be obsolete. As a result, The Corporation Finance Policy Project Group recommends repeal of the statement of policy.

**Background and Discussion**

In conducting a survey of NASAA members, we asked three questions:

- 1) Have you ever used this policy statement in recent years?
- 2) Have you recently dealt with any non-profit health care facility offering by an issuer?
- 3) Have you had any issuers contact you, or your staff, with questions in regard to health care facility offerings?

Twenty five states replied to our questions. All of the responses indicated a negative answer to each of the three questions asked. No one indicated that the policy statement was used in recent years. Additionally, Kansas informed us that the Nonprofit Debt Project Group surveyed states in regard to this particular policy statement and determined that there was no need to update the policy statement, since it was rarely used.

While the policy statement may serve as a helpful guide for such offerings, it is largely obsolete due to changes in bond issuing practices. Healthcare debt offerings are no longer primarily made by these

issuers as traditional bonds; instead they are structured as municipal bonds through bond issuing authorities.

If NASAA retains this statement of policy, a number of updates should be made to address and adequately provide for modern registration issues.

**NOTICE OF RELEASE FOR COMMENTS ON PROPOSAL TO  
REVOKE, REPEAL, OR OTHERWISE MAKE INACTIVE,  
A NASAA STATEMENT OF POLICY**

**JULY 25, 2011**

The Board of Directors of the North American Securities Administrators Association, Inc. (NASAA), has authorized release for public comment on a proposal to repeal, revoke, or otherwise make inactive, the NASAA Health Care Facility Offerings Statement of Policy.

The membership comment period will remain open for 30 days. Comments on the proposed repeal of the Health Care Facility Offerings statement of policy are invited. In order to facilitate consideration of comments, please send comments to each Project Group member and the NASAA Legal Department. An addressee roster is set forth below. We encourage comments to be submitted by e-mail.

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