

February 21, 2011

Ms. Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File Number S7-45-10

Dear Ms. Murphy:

Thank you for the opportunity to comment on the proposed rule to establish a permanent registration system for municipal advisors under Section 975 of the Dodd-Frank bill.

As you know, Section 975 could require community banks such as ours to register with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board as we provide various deposit services and short term loans to local municipalities.

We understand that Section 975 was intended to establish a regulatory framework for unregulated persons providing advice to municipalities with respect to much more sophisticated services than we would ever offer. It appears the SEC has expanded the definition of "investment strategies" to include any funds "held" by a municipal entity, regardless of whether such funds are related to the issuance of municipal securities or investment of bond proceeds. This interpretation would cover traditional bank products and services such as deposit accounts, cash management products, and loans to municipalities. If left intact, this would mean that banks such as ours would have to register as municipal advisors and add more regulation and costs on simple bank products. We can't see that this will provide any meaningful benefit to our local municipalities and in fact will raise their costs and limit services that can be provided locally.

Ms. Murphy, local municipalities in small communities such as ours depend on local banks to provide their deposit and loan services. When the local city or county government has need for a short term loan to continue services prior to year-end tax receipts, it's the local banks they turn to. If they have excess funds they want to invest it's often the local banks from which they ask about what can be paid on short term certificates of deposit. To require banks such as ours to qualify and register as municipal advisors will probably mean that a lot of small communities will not have a local financial institution to turn to for much needed, basic services.

We would ask that your commission state clearly that neither Section 975 nor its implementing regulation reach traditional bank products and services.

Sincerely,

Jack W. Strother, Jr.,
President/CEO