



# GEORGIA HOUSING & FINANCE AUTHORITY

*Programs Administered by The Georgia Department of Community Affairs*

Mike Beatty  
EXECUTIVE DIRECTOR

Nathan Deal  
GOVERNOR

February 16, 2011

**VIA EMAIL: rule-comments@sec.gov**

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 proposed Rule 15Ba1 through 15Ba7 of the Securities and Exchange Commission (the "Commission"). As we understand it, the proposed regulations are promulgated under Section 975 of Title IX of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), which amended Section 15B of the Exchange Act of 1934 (as amended, the "Exchange Act") to require that "municipal advisors", defined to include persons serving as appointed directors of municipal boards and public corporations, register with the Commission by providing extensive personal and professional information and to comply with certain regulatory requirements. It is also our understanding that the intent of this rule is to create accountability to public citizens. For the reasons set forth below, the Georgia Housing Finance Authority (the "GHFA" or "Authority") believes that this definition is too broad and will produce results contrary to the goals of the Dodd-Frank Act.

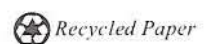
As evidenced by O.C.G.A. § § 50-26-1 et. seq., GHFA is established and regulated by the State of Georgia (the "State"). It is a body corporate and politic which is an instrumentality of the state, and not a state agency, and a public corporation performing an essential governmental function. As with other state housing agencies, one of GHFA's purposes is to issue tax-exempt bonds to provide financing for its single-family mortgage loan program or to provide financing for affordable multifamily housing projects, both of which provide housing for low and moderate income families.

All powers of the Authority are vested in an eighteen member voluntary board of directors (the "Board") that is appointed by the Governor. GHFA is assigned to the Georgia Department of Community Affairs (the "DCA") for administrative purposes only and the same persons who comprise the DCA Board of Commissioners comprise the GHFA Board. The members are subject to the code of ethics covering members of boards, commissions, and authorities as contained in O.C.G.A. §§ 45-10-3 through 45-10-5 and are subject to removal for violation of the code of ethics as provided in those Code sections. O.C.G.A. § 50-26-5(c). The appointed members of the Board serve without salary. In addition, GHFA is subject to various provisions of state law, including the Open Records Act (O.C.G.A. § § 50-18-70 through 50-18-76) and the Open Meetings Act (O.C.G.A. §§ 50-14-1 through 50-14-6). In addition, GHFA is a self-

60 Executive Park South, N.E. • Atlanta, Georgia 30329-2231 • (404) 679-4940 • (800) 359-4663

[www.dca.ga.gov](http://www.dca.ga.gov)

*An Equal Opportunity Employer*



supporting organization and not a constituent part of the state budget. The debts and obligations of GHFA are not the debts and obligations of state government. State law requires annual and periodic audits and reports (O.C.G.A. § 50-26-15).

The definition of "municipal advisor" in the Dodd-Frank Act expressly excludes "a municipal entity or an employee of a municipal entity". However, in Release No. 34-63576; File No. 5745-10, the SEC chose to apply the employee exclusion only to elected members of a governing body and not to non-elected or appointed members. It is our opinion that categorizing volunteer board members as "municipal advisors" is not in the spirit of the Dodd-Frank Act. If the proposed rules are approved, they would have a potentially chilling and harmful effect on the ability of GHFA to recruit and retain volunteers willing to serve on our Board, thus impairing our ability to provide our essential governmental function. As with many other state housing agencies, GHFA Board members are appointed to shape and direct GHFA policy decisions and paid professionals are used to provide specific financial advice. No member of the Board provides "advice" to GHFA other than evaluating information received from its financial advisors, who are contracted by GHFA to assist in the operation of our bond program. In fact, Board members are the clients of financial advisors, but they are not the advisors. With this being said, it is our belief that the members of the Board do not perform the types of functions for GHFA that Congress intended to address when it passed the Dodd-Frank Act.

Lastly, we understand that the Commission is concerned that appointed board members, unlike elected officials and elected ex officio members, are not directly accountable for their performance to the citizens of the State. However, the State of Georgia, as detailed above, has statutory provisions and guidelines in place to ensure transparency and create a high degree of accountability for appointed board members. It is our belief that regulation at the federal level is not needed.

In conclusion, we respectfully request that you amend the proposed rule to exclude appointed board members from the definition of municipal advisor.

Thank you for your consideration. Please contact the undersigned by telephone at 404-679-0583 or by electronic mail at [mike.beatty@dca.ga.gov](mailto:mike.beatty@dca.ga.gov).

Sincerely,



Mike Beatty  
Executive Director  
Georgia Housing and Finance Authority