

**RE: File Number S7-45-10**

We are writing to comment on the exclusions from the definition of “municipal advisor” as proposed in Release 34-63576. The Vermont Housing Finance Agency (“VHFA”) is a public instrumentality established by the State of Vermont. VHFA’s board of commissioners consists of nine members – four “ex officio” commissioners (or their designees) and five commissioners directly appointed by the Governor with the advice and consent of the state senate for limited terms. 10 V.S.A. § 611(b). Of the “ex officio” commissioners, one is the elected Treasurer of the State of Vermont, two are directly appointed by the Governor with the advice and consent of the state senate and one is the executive director another state agency appointed by a board that is similarly made up of various appointees of elected members of the administration and/or the state legislature. The five non-“ex officio” commissioners receive a per diem of \$50.00 for each board meeting they attend (totaling approximately \$600 per year). The “ex officio” commissioners receive no additional compensation beyond their existing state salaries.

VHFA’s Board of Commissioners is similar in function to the Board of Directors of a public company – they appoint VHFA’s executive director, secretary and treasurer, they review and approve budgets, programs and policies, they review and approve various transactions and they review and approve securities offerings. In connection with exercising these functions, the Commissioners discuss and provide their insights on these matters and receive advice and comments from paid professionals and from members of the public. To VHFA’s knowledge, the structure and function of its Board of Commissioners is similar to that of the Boards of any number of state housing finance agencies across the United States.

In its new proposed rules 15Ba-1 through 15Ba-7 to implement the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), the Securities and Exchange Commission (the “SEC”) has defined “municipal advisors” in a manner that would include any members of our Board of Commissioners who are not elected (i.e., all of our Commissioners other than the State Treasurer), even if their only activities with respect to VHFA securities issuances relate solely to their roles as Commissioners. This requirement is completely inconsistent with the requirements of directors of publicly traded companies, who do not have to register as “investment advisors” or make any other registration with the SEC solely as a result of their role as directors.

Given that our Commissioners (other than the State Treasurer) are either directly appointed by the Governor with advice and consent of the State Senate, or are designees of such appointees, VHFA does not understand why they should be distinguished from the directly elected officials who appoint them (and can remove and/or non-renew them) and believes that if the non-elected commissioners are required to follow these registration requirements, given the fact that they are basically volunteers, it is likely that the non-“ex officio” commissioners would resign from the Board rather than incur these new obligations, and that VHFA would find it difficult if not impossible to find individuals to replace them.

We agree wholeheartedly that to the extent VHFA engages outside advisors to provide guidance with respect to the securities markets generally or VHFA securities specifically, such advisors should be required to register with the SEC and maintain certain credentials as the SEC may require, but we do not believe that the original intent of the Dodd-Frank Act was to include appointed commissioners under the rubric of “municipal advisors”, and we are hard-pressed to see why a VHFA Commissioner should be required to do these things merely in connection with his or her acting in the role of commissioner,

when directors of public companies do not have similar registration requirements. Any final rule should specifically exclude Commissioners acting in their roles as commissioners from the definition of “municipal advisors”.

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