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February 21, 2011

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

Re: File Number S7-45-10 – Registration of Municipal Advisors

Dear Ms. Murphy,

The Iowa Bankers Association (IBA) is a trade association representing over 350 banks and savings and loan associations across the state of Iowa. IBA membership is primarily composed of traditional community banks with an average size of about 100 million in assets. The IBA appreciates the opportunity to be able to comment on the notice of proposed rulemaking issued by the Securities and Exchange Commission (SEC) to establish a permanent registration system for municipal advisors under Section 975 of the Dodd/Frank Act.

This section of the Dodd/Frank Act establishes a system of dual registration with the SEC and the Municipal Securities Rulemaking Board that will require covered municipal advisors to comply with rules of fair dealing, ongoing education requirements, and have a fiduciary duty to their municipal entity clients.

Many IBA member community banks provide a variety of products and services to local municipalities, such as deposit and cash management functions, as well as loans. Section 975 of the Dodd/Frank Act was primarily intended to cover unregulated entities providing advice to municipalities with respect to derivatives, guaranteed investment contracts or the issuance of municipal securities. The proposal has presumably expanded the definition of “investment strategies” to encompass 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.

SEC Municipal Advisor Registration

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This expansion would harm smaller community banks across Iowa as it would cover traditional bank deposit and lending products – thereby requiring banks to register as municipal advisors and add another layer of regulation on bank products for no meaningful public purpose.

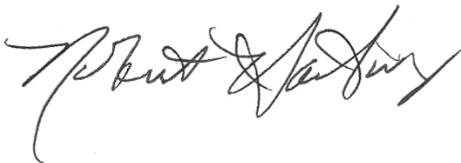
This duplicate regulation will cause many banks to exit the municipal deposit and lending market, and will severely limit availability of financial services for state and local governments. Many local governments depend on deposit and lending services from their local community banks and this rule if made final could consolidate services in this area to larger regional institutions – reducing choices for local municipalities.

The IBA requests the SEC state in its final rule that neither Section 975 nor its implementing regulation reach traditional bank products and services. The Commission should also extend the exemption for registered investment advisers to banks exempt from Investment Adviser Act registration.

We appreciate the opportunity to comment on the SEC's Notice of Proposed Rulemaking, and hopefully the comments as stated above will be helpful to the Commission.

If you have questions about these comments, please contact the undersigned at 515-286-4211 or via e-mail, [rhartwig@iowabankers.com](mailto:rhartwig@iowabankers.com). Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert L. Hartwig". The signature is fluid and cursive, with the first name being the most prominent.

Robert L. Hartwig  
Legal Counsel