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January 27, 2011

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

Re: Release No. 34-63576; File No. S7-45-10

Dear Sir/Madam:

I write on behalf of the National Association of Local Housing Finance Agencies (NALHFA), a non-profit, national association of city and county government agencies that finance affordable single-family and multifamily housing in the broader community development context. Many of NALHFA's member agencies have governing bodies that contain either all local elected officials, all appointed officials or some combination of the two. Thus NALHFA members have a keen interest in, and deep concerns about, the Securities and Exchange Commission's proposed rule regarding "regulation of municipal advisors."

Pages 40 and 41 of the proposed rule references Section 15B(e)(4)(A) of the Securities Act of 1934, which provides that the term "municipal advisor" excludes employees of a municipal entity. The proposed rule provides the same exclusion from the definition of a "municipal advisor" for "employees of a municipal entity" but goes beyond it to provide an exclusion not just to paid employees but also to "an elected member of a governing body of the municipal entity to the extent that person is acting within the scope of his or her role as an elected member of the governing body of the municipal entity." However, the proposed rule stops short of extending this exemption to *appointed* members of the governing body of municipal entity. NALHFA sees no need for this artificial distinction between elected and appointed municipal entity governing board entities and strongly encourages the Commission to extend the exemption to appointed governing board members as well.

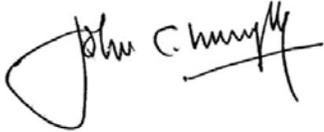
Governing board members of local housing finance agencies are appointed by local elected official(s) pursuant to state or local statute. Thus, such appointed persons are accountable to the local elected official(s), who in turn is accountable [through their election] for their performance to the citizens of the municipal entity. In this regard, such appointed officials are no different from employees except that they are unpaid volunteers. They have the same fiduciary responsibilities as employees and elected officials for their conduct and performance.

It is clear from our reading of the regulation and registration requirements for "municipal advisor" contemplated in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, and referenced in the proposed rule, that the requirements were intended to

apply to individuals or firms that provide *advice and assistance* to the employees and governing board of a municipal entity in connection with an issue of municipal securities and are *compensated* for such advise and assistance. These requirements should not be extended to appointed governing board members. Not only are they inappropriate but they would be overly costly, burdensome and very likely decrease participation by these officials.

NALHFA appreciates the Commission's favorable action on extending the exemption to *appointed* governing board members of municipal entities recommended in this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "John C. Murphy". The signature is written in a cursive style with a large initial "J" and a long horizontal stroke at the end.

John C. Murphy
Executive Director