



New Hampshire Housing

Bringing You Home

Dean J. Christon
Executive Director
e-mail: dchriston@nhhfa.org

February 22, 2011

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:

The New Hampshire Housing Finance Authority (“NHHFA”) is offering its comments on the definition of “municipal advisor” as proposed by the Securities and Exchange Commission (“SEC”) in Release No. 34-63576 (the “Release”). The Release is the SEC’s proposal to implement provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) relating to the registration of municipal advisors.

In the Dodd-Frank Act, the definition of municipal advisor expressly excludes municipal entities and municipal employees. In the Release, the SEC has chosen to apply the employee exclusion both to regular employees and to elected members of a municipal governing body, but not to appointed members of such a body. NHHFA is very concerned with the implications of what we see as an artificial distinction between elected and appointed board members.

NHHFA is a public benefit corporation formed under the authority of the State of New Hampshire and is an instrumentality of state government. Under that statute, NH RSA 204-C, the powers of NHHFA are vested in a nine-member board of directors, all of whom are appointed by the Governor of New Hampshire with the consent of the Executive Council, an independently elected body. Some NHHFA board members represent industry sectors, such as construction of single-family homes, real estate, and residential mortgage banking, while others represent neither bankers, builders, nor the real estate sale industry but instead represent the general public. The governor annually appoints the chairman from among the directors. Board members receive no compensation for their service, other than reimbursement of their expenses as directors.

By statute, while some members of NHHFA’s board of directors are selected for their specific industry experience, none of them are chosen because of their municipal finance experience. Yet under the definition of municipal advisor proposed in the Release, all of NHHFA’s board members would be required to register as municipal advisors. NHHFA respectfully disagrees with the proposed rules and believes that its appointed board members should be excluded from the definition of municipal advisor.

New Hampshire Housing Finance Authority

32 Constitution Drive Bedford, NH 03110 Mailing Address: P.O. Box 5087 Manchester, NH 03108 (603) 472-8623 TDD: (603) 472-2089

Littleton Office: 41 Cottage Street Littleton, NH 03561

www.nhhfa.org

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The Dodd-Frank Act provides in part that a municipal advisor includes, among other persons, financial advisors, guaranteed investment contract brokers, third-party marketers, placement agents, solicitors, finders, and swap advisors that, among other things, provide advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities. While NHHFA board members make decisions as members of its governing board, they do not provide advice to NHHFA as outside professionals. As board members they receive advice from municipal advisors to help them in their decision making process.

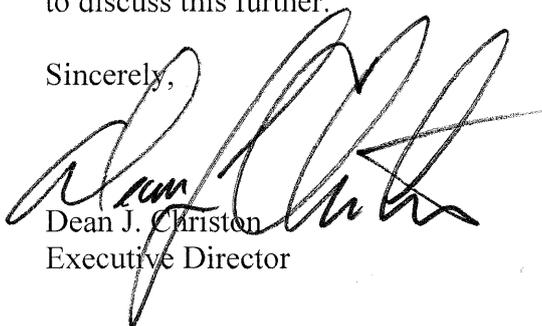
Board Member Accountability. In the Release the SEC claims that appointed members, unlike elected members, are not directly accountable for their performance to the citizens of the municipal entity. For the purposes of the proposed rules, this seems to be a distinction without a difference. Under the New Hampshire "right-to-know" law, all meetings of the NHHFA board must be conducted publicly and with advance notice, and NHHFA records are open to the public. All members of NHHFA's board are directly accountable to the state's Governor and elected Executive Council, and may be removed from office by them. We strongly believe that the Governor and Executive Council are in a better position to evaluate the credentials and performance of NHHFA board members than the SEC. Additionally, those who appoint NHHFA board members are themselves directly accountable to the citizens of New Hampshire.

Chilling Effect on Volunteers. The proposed rules will likely have a chilling effect on the ability of the state of New Hampshire to find qualified individuals willing to serve on NHHFA's board. Volunteers will be reluctant to serve if they are subject to SEC registration and regulation with the potential additional liabilities that will flow from such requirements. Reducing the pool of qualified volunteers to serve on NHHFA's board would impair its ability to provide affordable housing for the people of the state of New Hampshire and fulfill its statutory purposes.

Board Members are an Essential Component of NHHFA. Finally, NHHFA is not authorized to take action with respect to municipal financial products or the issuance of municipal securities without board approval. The makeup of NHHFA's board was established specifically to make certain there is representation of housing industries and the public, and that it not be a political board. Arguably, the NHHFA board as a whole, composed of its individual members, is in fact the "municipal entity," and should be exempt from the definition of municipal advisor either as individual employees or as constituting the entity itself.

In conclusion, NHHFA respectfully requests that the SEC modify the proposed rule to also exclude appointed board members from the definition of municipal advisor. Please contact me if you wish to discuss this further.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dean J. Christon', is written over the typed name and title.

Dean J. Christon
Executive Director