

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

Dear Sir or Madam:

I am writing on behalf of the Virginia Bankers Association (the “VBA”) to comment on the above proposal. The VBA represents the interests of nearly all of the commercial banks and savings institutions (collectively, “banks”) doing business in the Commonwealth of Virginia. The VBA currently has approximately 140 bank members.

The VBA is very concerned about the impact of this proposal on traditional banking activities. The proposal would require a person or entity to register with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board before giving “advice” about “funds held by or on behalf of a municipal entity.” The registration requirements would apply to an entity and all employees of such entity involved in giving such advice. In addition, education and conduct requirements would apply to those who were registered.

This is a much broader standard than the standard set forth in the section of the Dodd-Frank Act (the “Act”) that the rules would implement: Section 975 of the Act generally requires registration in connection with advice given to a municipal entity about the **proceeds** of municipal securities. We believe the proposed expansion of activities that would trigger municipal advisor registration and other MSRB requirements would adversely affect banks and the municipal entities they serve.

In this regard, the offering of deposit products and cash management services by banks to municipal entities could potentially trigger the municipal advisor registration and other SEC and MSRB requirements under the proposal. Likewise, bank loans and letters of credit provided to municipal entities could come within the meaning of “advice” under the proposal’s broad interpretation, thereby requiring registration. A host of other traditional products and services that banks have long provided to municipal entities, including hospitals, airports, and public pension programs, could also suddenly be subject to SEC and MSRB rules.

This obviously would expose banks to significant new compliance costs for activities that are already subject to extensive regulation and supervision under the banking laws. We believe these additional compliance costs would cause some banks to stop taking municipal deposits and offering other products and services to municipal entities, much to the detriment of those

municipal entities. Other banks might be forced to simply pass on the additional compliance costs to their municipal customers.

In sum, at a time when banks are already straining under a significant regulatory burden, which will only get worse as regulations under the Dodd-Frank Act are implemented, they should not be subject to examination by a new regulator and new municipal advisor compliance requirements. For this reason, we urge the SEC to exempt banks entirely from the application of these rules.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, reading "Bruce T. Whitehurst". The signature is written in a cursive style with a prominent initial "B".

Bruce T. Whitehurst
President and Chief Executive Officer