



District of Columbia Housing Finance Agency

815 Florida Avenue, NW Washington, DC 20001-3017

February 22, 2011

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: File Number S7-45-10

Dear Ms. Murphy:

I appreciate the opportunity to comment on the definition of "municipal advisor" as proposed by the Securities and Exchange Commission ("SEC") in Release No. 34-63576 (the "Release"). New rules are being proposed in the Release to implement the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") specifically related to the registration of municipal advisors. The term "municipal advisors" is defined in the Dodd-Frank Act to exclude employees of municipal entities. In the SEC proposal, regular employees of a municipal entity and elected members of a governing body of a municipal entity are covered by the exclusion for employees of municipal entities. However, appointed members of a governing board that are not elected as ex officio members are not covered. Consequently, under the proposed SEC rules as contemplated in the Release, appointed members of a governing board that are not elected as ex officio members would be required to register as municipal advisors. The District of Columbia Housing Finance Agency ("DCHFA") is deeply concerned about the inclusion of appointed members of a governing board in the definition of municipal advisor.

DCHFA is a corporate body which has a legal existence separate from the government of the District of Columbia ("District"), but which is an instrumentality of the government of the District. The governing board is comprised of five board members with varying and required backgrounds and experiences. The DCHFA statute requires that two of the board members have experience in mortgage lending or finance, two have experience in home building, real estate, architecture, or planning, and one represent community or consumer interests. There is no requirement that any board member have experience in municipal finance. All five members of the governing board are appointed by the Mayor of the District, with advice and consent of the City Council. As currently proposed, the rules would require that all of the DCHFA board members register as a municipal advisor. The DCHFA believes that this places an unfair burden on our board members and requests that the SEC reconsider its decision to include appointed members of a governing board in the definition of municipal advisor for the reasons enumerated below.

Initially, the Dodd-Frank Act specifies that a municipal advisor provides advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products. In their

roles as members of the board, the DCHFA board members do not provide advice to DCHFA as outside professionals. They receive advice from staff and municipal advisors during their decision-making processes.

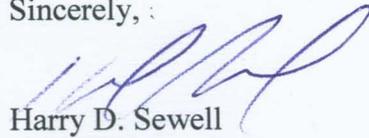
Secondly, the SEC states as one of its concerns in the Release that appointed members, unlike elected members and elected ex officio members, are not directly accountable for their performance to the citizens of the municipal entity. However, District laws require that all board members are accountable to its citizens. For instance, the District's Administrative Procedures Act requires that all DCHFA meetings be conducted as open and public meetings. Also, District laws require that minutes be taken at those meetings and that they are available to the public for review and inspection. Further, all of DCHFA's board members are appointed by the Mayor and accountable to him for their actions. The District of Columbia Housing Finance Agency Act provides that the appointing authority or the Board may remove a member of the Board for inefficiency, neglect of duty or misconduct in office. An affirmative vote of three members of the Board is required. Finally, the Mayor who appoints the board members is accountable to the citizens of the District.

Thirdly, the proposed rules will likely have a chilling effect on the ability of the District to find qualified individuals willing to serve on DCHFA's board. Volunteers will be reluctant to serve if they are subject to SEC registration and regulation with the potential liabilities that will flow therefrom. Reducing the pool of qualified volunteers to serve on DCHFA's board would impair its ability to provide affordable housing for the people of the District and fulfill its statutory public purposes.

Finally, DCHFA must obtain board approval before it utilizes municipal financial products or issues municipal securities. Additionally, the DCHFA must provide notice to the Mayor and the City Council of any ensuing securities issuance, and conduct a TEFRA hearing at which the public can testify in support of or in opposition to the proposed financing. The DCHFA's statute requires that the board comprise board members with expertise in the housing industry and that represent the public. It is not a political board. It is a board that is established to increase the supply and lower the cost of funds available for residential mortgages and construction loans and thereby help alleviate the shortage of adequate housing. Its accomplishments are evidence that it is achieving the purposes for which it was created.

For the reasons cited above, DCHFA respectfully requests that the SEC modify the proposed rule to also exclude appointed board members from the definition of municipal advisor. Should you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,



Harry D. Sewell
Executive Director