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## SOUTHEAST TEXAS HOUSING FINANCE CORPORATION

February 22, 2011

Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-1090

Re: Release No. 34-63576  
File No. 57-45-10

Dear Ms. Murphy:

I am writing to you on behalf of the twenty (20) member Board of Directors of The Southeast Texas Housing Finance Corporation (the "HFC"), organized as a public non-profit housing finance corporation under the Local Government Code of the State of Texas Statutes. HFC's are created to finance affordable single-family and multifamily housing within each of the local jurisdictions. The Southeast Texas HFC is comprised of nine (9) counties and eleven (11) cities.

The members of the Board are appointed by the Mayor/City Council if the jurisdiction is a City and by the County Judge/Commissioners' Court if the jurisdiction is a County. Therefore, the Members of the Board of Directors are accountable to the local elected official(s), who are in turn accountable (through their election) for their performance to the citizens of the local 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.

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 a 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 a municipal entity. There is no need for this artificial distinction between elected and appointed municipal entity governing board entities and strongly

encourage the Commission to extend the exemption to appointed governing board members as well.

The requirements under the proposed rule are 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 advice and assistance. **These requirements should not be extended to appointed volunteer governing board members.** Not only are they inappropriate but they would be overly burdensome, increase the costs to the HFC's and likely decrease participation by local *volunteer* officials.

Therefore, we request extending the *exemption* to *appointed* governing board members.

Sincerely,



Ron Williams  
Executive Director/Secretary

On Behalf of:

Ms. Carolyn Bilski—Austin County, Texas  
Mr. I.O. Coleman, Jr.—Wharton County, Texas  
Ms. Winnie Corsaro—City of Santa Fe, Texas  
Mr. Troy Cothran—City of Deer Park, Texas  
Mr. George Deshotel—Matagorda County, Texas  
Mr. Richard Ferguson—Chambers County, Texas  
Ms. Andrea Greer—City of Dickinson, Texas  
Mr. H.G. Harrington—City of Tomball, Texas  
Mr. Jason Leopard—City of Shoreacres, Texas  
Mr. Gary Meyer—Cities of Texas City & La Marque, Texas  
Mr. Daniel Sandoval—City of Baytown, Texas  
Mr. John Towner—County of Galveston, Texas  
Mr. Ken Unfried—City of Pasadena, Texas  
Mr. E. Rusty Vidrine—City of League City, Texas  
Mr. Milton Whiting—Waller County, Texas  
Mr. Brian Woodward—Walker County, Texas  
Mr. Andy Zumwalt—Brazoria County, Texas