Hancock
HOLDING COMPANY

John M. Hairston
Chief Executive Officer

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VIA ELECTRONIC MAIL
rule-comments@sec.gov
Ms. Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: Registration of Municipal Advisors; Proposed Rule Release No. 34-63576; File No. S7-45-10; 17 CFR Parts 240 and 249; January 6, 2011

Dear Ms Murphy,

Hancock Bank appreciates the opportunity to comment on the Securities and Exchange Commission's (SEC) proposed rule to implement the municipal advisor registration provisions of Section 15B of the Securities Exchange Act of 1934 (the Exchange Act), as amended by Section 975 of the Dodd-Frank Act.

Hancock Holding Company — parent company of Hancock Bank (Mississippi), Hancock Bank of Louisiana, and Hancock Bank of Alabama — had assets of approximately $8.1 Billion as of December 31, 2010. It operates in the states of Mississippi, Louisiana, Alabama and Florida with over 180 locations and 2,380 employees serving these communities. Like thousands of other banks and trust companies Hancock Bank provides a variety of traditional banking services to our thousands of municipal customers which include state agencies, quasi-public state entities, state universities, colleges and community colleges, city governments, county governments, public school districts, utility authorities, port authorities, economic development districts, water & sewer districts, fire protection districts, public hospitals, publicly owned airports, housing authorities and others. We would like to express our concerns with this rule.

Section 975 of the Dodd-Frank Act requires registration of any company or individual that gives "advice" to a municipality on, among other things, investment strategies defined as plans or programs for the investment of the ***proceeds*** of municipal securities. The term "advice" is not defined in the Dodd-Frank Act or in the proposed implementation rule.

We are concerned that the proposed rule expands coverage beyond the term "proceeds" in the Dodd-Frank Act, meaning that anyone providing any type of advice to a municipality regarding any of its funds whether or not from "proceeds" of municipal securities would require registration. Both the SEC and MSRB would require registration not only by the Bank but also by individual employees giving "advice," and would subject registrants to potential examination and other reporting requirements.

Hancock Bank engages in the following traditional bank activities that could potentially be covered by this rule:

- Bank deposits, including interest bearing and non-interest bearing checking accounts and certificates of deposit

- Cash management products including online money management capabilities, payroll services, ACH billing services, lockbox services, etc.

- Merchant services supporting the capability for municipal entities to accept credit and debit cards for the payments of taxes, fines, fees and other services

- Lending to municipalities directly or through third-parties for capital projects, equipment, and operating funds for purposes of, but not limited to, streets and drainage, police and fire protection municipal and other public buildings, public schools, recreational facilities, hospitals, airports, etc.

- Letters of credit supporting municipal bond offerings

- Advice to municipal pension plans (which are deemed to be municipalities themselves) or acting as a trustee to such plans

- Investment products such as money market funds or exempt securities

- Purchase of a municipal entity's securities for the Bank's own account

- Acting as indenture trustee or paying agent for municipal bond offerings

- Bank advisory activities provided pursuant to existing bank exemption from Investment Advisers Act

- Broker-dealer employees of the Bank providing investment advice (whether compensated or not) with respect to a municipality's investments, the investment of bond proceeds or the advisability of a municipal derivative

- Municipal advisory services provided by Investment Advisors employed by the Bank other than investment advice that subjects it to registration under the Investment Advisers Act

The above described activities reach across multiple lines of business of the bank including Institutional, Commercial, Retail, Personal Trust, Corporate Trust, Employee Benefits, Institutional Assets, Trust Investments, Insurance , Corporate Treasury and Funds Management and potentially could cover the activities of <u>thousands</u> of Bank employees.

In addition, many of our Bank employees provide financial advice to local government bodies such as school districts, local economic development organizations and the like because they serve on municipal boards, commissions and advisory bodies. Individual bankers also provide advice on a volunteer basis regarding traditional banking services to the individuals who serve on these boards. Often, bankers serving in these voluntary roles are acting in the spirit of community involvement and receive no direct benefit other than the betterment of the communities in which they live. In many communities, smaller ones in particular, these bankers are depended upon by the community for their expertise.

<u>Bank Regulators Already Regulate the Bank's Described Activities</u>. Traditional banking activities such as those described above have not been previously regulated by the SEC and banks were not the intended subjects of Section 975 of the Dodd-Frank Act. Hancock Bank and its employees are already subject to close supervision, rigorous and frequent examination and extensive regulation by the Office of the Comptroller of the Currency (OCC), the Federal Reserve Board, the Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision, by state treasury departments and by our state banking regulators. The extensive regulation and examination not only protect the interests of our customers but also ensure the safety and soundness of the institution for the public good.

With respect to fiduciary accounts, state and federal regulations address various aspects of these activities, including the fiduciary obligations of the Bank, potential conflicts of interest, and the Bank's management of transactional, strategic, compliance, and reputational risks. On-site examinations occur within the bank every year by one or more outside parties.

This rule will have a significant negative impact on the Bank and the communities it serves.

<u>Significant Costs to Comply with Requirements Could be Passed on to Municipal Customers</u>. If this rule adds regulation by three new agencies (the SEC, MSRB and FINRA) to already regulated traditional banking activities, there will be significant ongoing costs to comply with these requirements. The Bank may have no choice but to pass those costs on to its municipal customers in the form of higher loan rates, lower deposit interest rates and higher activity fees.

<u>Bank Employees will Stop Serving on Local Government Boards and/or Providing Free Advice to Such Boards</u>. If required to register as municipal advisors, bankers may decline to offer opinions or advice, or may even decline to serve on the local government boards. The consequences will be that these boards will be forced to either pay for advice for which they are currently receiving at no charge or, if unable to afford advice, will have to make financial decisions without it. We do not believe it was the intent of Congress to deny communities of all sizes the volunteered financial expertise of their own local financial professional community.

Access of Municipal Entities to Advice on Traditional Banking Services and Products will be Greatly Limited. Due to the regulatory burdens and costs of registration, the Bank will likely register only employees who have a significant role in providing advice to municipal entities. It would not be practical or cost effective to register every bank employee who currently assists municipal entities with their banking needs. The result will be that school boards, libraries and other small entities providing important public services will no longer be able to talk to their local branch bank representatives. Instead all communications will have to go through a limited number of bank employees who are registered as municipal advisors. Advice will be far less accessible, will cost more, and it will take longer for these entities to obtain the assistance they need to effectively manage their banking needs.

Duplicative and Conflicting Mandates. We are concerned that this rule will add other layers of regulation by the SEC, the MSRB and FINRA and will subject the Bank to duplicative and possibly conflicting regulatory mandates between these entities and the Bank's federal and state banking regulators, in particular the FDIC.

Cost to Taxpayers. Supporting the army of new regulators that would be required to subject every bank in this country to this unneeded, duplicative regulatory burden will come at either direct taxpayer expense or indirect taxpayer expense in the form of higher costs of banking services or reduced access to banking services.

Conclusion. We believe that the proposed rule is more far-reaching than what Congress intended or what is necessary to accomplish the laudable goals set out by Congress. In addition, the proposed rule if adopted may possibly curtail the availability of traditional bank products and services, including credit and cash management services, to municipal customers at a time when our economy can least afford it. For the reasons stated above we urge the SEC to exempt traditional banking activities from the rule and to exempt banks and bank employees who are providing these activities from registration under the rule. In addition we believe that individual bankers who give financial advice to boards on which they serve or who give advice to such boards on a volunteer basis should also be exempt from registration under the rule.

Sincerely

John M. Hairston

CEO and Chief Operating Officer