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February 22, 2011

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

Attn: Comments - **Sent Via Electronic Delivery**

RE: S7-45-10 – Regulation of Municipal Advisors

Dear Ms. Murphy:

On behalf of the Oregon Bankers Association (OBA) and its membership of Oregon's state and national banks, we appreciate the opportunity to comment on the above-referenced proposal that would establish a permanent registration system for municipal advisors under Section 975 of the Dodd-Frank Act. OBA has several concerns with respect to the proposed rule.

Section 975 establishes a system of dual registration with the Commission and the Municipal Securities Rulemaking Board that will require covered municipal advisors to comply with rules of fair dealing, ongoing education requirements, and a fiduciary duty to their municipal entity clients.

Section 975 was intended to establish a regulatory framework for unregulated persons providing advice to municipalities with respect to municipal derivatives, guaranteed investment contracts, investment strategies or the issuance of municipal securities. The SEC, however, has expanded the definition of "investment strategies" to encompass any funds "held" by a municipal entity, regardless of whether such funds are related to the issuance of municipal securities or investment of bond proceeds. Further, the definition of what constitutes "advice" is not provided in the statute or in the proposed implementation rule.

The SEC's interpretation would cover traditional bank products and services such as deposit accounts, cash management products and loans to municipalities, meaning banks would have to register as municipal advisors and add a new layer of regulation on bank products for no meaningful public purpose. This duplicate regulation will raise costs and limit availability of financial services, ultimately harming state and local governments. The Commission should state clearly that neither Section 975 nor its implementing regulation reach traditional bank products and services.

The Commission should extend the exemption for registered investment advisers to banks that are exempt from Investment Adviser Act registration.

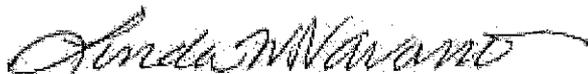
OBA is also concerned about the effect the proposed rule could have on bankers who are actively involved in their communities. Appointed members of a municipality's governing board should be deemed to be "employees" of the municipality and thus exempt from registration. Many bank employees act as citizen volunteers offering their financial expertise for the benefit of their communities. In very small communities, local bankers may be the only source of much-needed financial expertise for city or county officials. If these volunteers were to be required to register as individuals with the Commission and the MSRB, many well-qualified volunteers would be discouraged from subjecting themselves to these requirements.

Finally, it should be noted that this proposal conflicts with President Obama's initiative to avoid regulation that impedes economic growth and job creation.

OBA would strongly urge the SEC to reconsider the rules put forward in this proposal. These rules, if implemented, will add significant compliance burdens to banks, create disincentives for bankers to serve their communities, result in local community banks refusing to take municipal deposits and force banks to pass these increased costs on to its municipal customers.

OBA stands ready to work with the SEC to devise a plan that would best serve the interests of Oregon banks and the customers and communities they serve. If you have any questions, please feel free to contact me.

Very best regards,

A handwritten signature in cursive script that reads "Linda W. Navarro".

Linda W. Navarro
President & CEO
Oregon Bankers Association &
Independent Community Banks of Oregon