



# LouisianaBankers

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A S S O C I A T I O N

February 22, 2011

Ms. Elizabeth Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

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

Dear Ms. Murphy:

The Louisiana Bankers Association (LBA) appreciates the opportunity to comment on this proposal regarding registration of municipal advisors. The LBA is the only banking trade association in Louisiana and represents 156 banks and thrifts in the state.

Section 975 of the Dodd-Frank Regulatory Reform and Consumer Protection Act of 2010 requires registration as a “municipal advisor” of any entity or person that provides advice to a municipal entity with respect to “municipal financial products” or the issuance of municipal securities. The statute defines “municipal financial products” as: municipal derivatives; guaranteed investment contracts; or investment strategies.

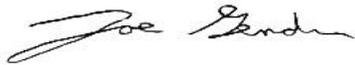
The term “investment strategies” is defined by statute to “include plans or programs for the investment of the proceeds of municipal securities ... and the recommendation of and brokerage of municipal escrow investments.” It is our understanding that in the regulatory proposal, the Commission has expanded the definition of “investment strategies” to require registration if advice is given about “funds held by or on behalf of a municipal entity.”

With such a broad interpretation, LBA is concerned that banks and thrifts that accept public funds and provide other traditional banking services and products to municipalities could be required to register. For example, a bank that simply gives advice and accepts public funds could be required to register. Traditional activities engaged in by banks are already subject to close supervision by bank regulators. If required to now register, banks will incur significant costs to comply with the Municipal Securities Rulemaking Board (MSRB) requirements. Further, local community banks might not take municipal deposits if they have to deal with the costs and burden of registration, meaning that local governments, schools, etc. may go outside their communities for bank accounts. Banks that do register to conduct

traditional activities will necessarily pass those costs on to municipal customers. Additionally, banks will be subject to examination by yet another regulator and subject to duplicate and possibly conflicting regulatory mandates.

Based on the above, LBA strongly urges the Commission to definitively declare that all traditional banking products and services provided by banks to municipalities are not within the scope of Section 975, and do not trigger any registration requirements for banks that provide these services to municipalities. Thanks for your consideration in this matter.

Sincerely,

A handwritten signature in black ink that reads "Joe Gendron". The signature is written in a cursive, flowing style.

Joe Gendron  
Director of Government Relations