



February 23, 2011

Carol Parry
Chairperson
Corporate Social
Responsibility Associates

Richard Houseworth
Vice Chairperson
Capitol Bancorp, Ltd.

Robert Gardiner
Treasurer
Northern Trust, NA

Manny Gonzalez
Secretary
Pinal County

Paul DeSanctis
AZ Lending Specialists, LLC

Randall L. Pullen
Oasis Partners, LLC

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

Re: File Number S7-45-10
Comment to 17 CFR Parts 240 and 249 – Registration of Municipal
Advisors

Dear Ms. Murphy:

I am writing on behalf of the Arizona Housing Finance Authority and wish to comment on the proposed rules (the "Proposed Rules") related to the Dodd-Frank Wall Street Reform and Consumer Protection Act issued on December 20, 2010. In particular, we are concerned that the Proposed Rules would require the registration of appointed (as opposed to elected) board of director members of Municipal Entities that provide "advice" with respect to the issuance of municipal securities.

According to the Proposed Rule, the SEC "is concerned that appointed members, unlike elected officials and elected ex-officio members, are not directly accountable for their performance to the citizens of the municipal entity." We strongly disagree with this assertion as our board members are appointed by the Governor, serve on a voluntary basis, and are subject to applicable state laws governing their conduct. Neither the Dodd-Frank legislation nor the legislative history gives any suggestion that Congress intended for the SEC to mandate the registration of appointed Board Members of Municipal Entities. Likewise, the suggestion that the SEC is authorized to require the registration and qualified to perform the corresponding regulation of the advice that may be given by an appointed Board Member of a municipal entity appears to be a substantial usurpation of the state law that already governs the duties and responsibilities of appointed Board Members to municipal entities.

1110 W. Washington • Suite 310
Phoenix, AZ 85007

PHONE (602) 771-1091
FAX (602) 771-1002

February 23, 2011

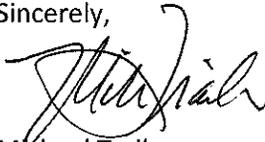
Page 2

The requirement that an appointed Board Member register if advice is provided would open the Board deliberative process to regulatory audit and inspection, chill the deliberative process for fear of invoking the registration requirement, limit the pool of qualified and willing candidates and impose expense without any discernible benefit.

It is also far too difficult to determine if board deliberations might result in the provision of "advice" regarding a bond issuance or a municipal financial product. Board members represent the municipal entity and therefore typically deliberate as to whether or not to accept a municipal advisor's advice. Is deliberating over advice itself the rendering of advice? Does a board member have to question himself or herself at every juncture about whether a statement he or she would make constitutes advice? This approach just does not make sense.

One need not look any further that the title to Dodd-Frank—namely a Wall Street reform and consumer protection act. The proposal that appointed Board Members for municipal entities register and be subjected to the regulatory burden and authority of the SEC is neither Wall Street reform nor consumer protection. We respectfully request that the reform and consumer protection called for in Dodd-Frank be limited to those persons and entities that are in the business of performing advisory services.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Trailor", written in a cursive style.

Michael Trailor
Executive Director