

# First Federal Savings Bank

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Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090  
Re: File Number S7-45-10

We appreciate the opportunity to comment on the notice of proposed rulemaking issued by the Securities and Exchange Commission to establish a permanent registration system for municipal advisors under Section 975 of the Dodd-Frank.

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.

First Federal Savings Bank provides a variety of products and services to state and local governmental bodies. For example, we offer deposit and cash management accounts, as well as loans to municipalities.

Section 975 was intended to establish a regulatory scheme 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 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. 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. 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.

This proposal conflicts with President Obama's initiative to avoid regulation that impedes economic growth and job creation.

Sincerely,



B. Keith Johnson  
Chief Executive Officer