

Congress of the United States
Washington, DC 20515

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CHAIRMAN'S
CORRESPONDENCE UNIT

April 25, 2011

The Honorable Mary Schapiro, Chairman
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Re: SEC Proposal for Permanent Registration System for Municipal Advisors

Dear Chairman Schapiro:

We write to express our concerns about the Securities and Exchange Commission's (SEC) proposed rule implementing Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The proposed rule would create new layers of bureaucracy and compliance costs for banks that are already subject to rigorous examination by bank regulators. The proposed rule is overly broad and could harm the ability of banks to meet the needs of their local communities.

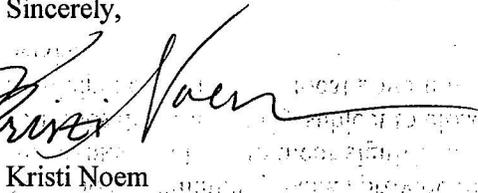
Many local community banks provide traditional products and services to local governments. Under this rule banks will have to incur significant costs to comply with the registration requirements for traditional activities that are already subject to close supervision. Banks that choose to register will pass on costs to municipal customers, or local governments will have to go outside their communities for their banking needs.

In addition, individual bankers often serve their communities on municipal boards and advisory committees, providing financial advice to local government entities. In small rural communities, local bankers are often essential sources of financial expertise for local officials. This proposal could result in bankers choosing to decline to offer advice or serve on municipal boards rather than having to register.

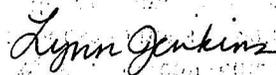
With this in mind, we encourage you to consider narrowing the scope of the proposal to clarify that traditional banking products are not covered by Section 975, exclude banks that are statutorily exempt from investment adviser registration from the registration requirement, and remove the requirement that appointed members of municipality boards register as municipal advisors.

Thank you for your consideration and we look forward to your response.

Sincerely,



Kristi Noem
Member of Congress



Lynn Jenkins
Member of Congress