



**National Association of Independent
Public Finance Advisors**

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November 30, 2011

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

Re: Municipal Advisory Services

The National Association of Independent Public Finance Advisors (“NAIPFA”) wishes to provide comments on the letter dated November 9, 2011, submitted by the Municipal Securities Rulemaking Board (“MSRB”) to the Securities and Exchange Commission (SEC) regarding Municipal Advisory Services. Generally, NAIPFA believes that the list of services put forth by the MSRB is a fair representation of those services. However, NAIPFA believes that some clarification is necessary.

Within the letter, the MSRB states that underwriters “appropriately perform many of [the] transaction-related services, in the course of their underwriting duties as integrally related activities necessary to fulfilling their function in a professional manner” and includes a full list of “Transaction-Related Services”. Although NAIPFA agrees that some of the transaction-related services may be performed by underwriters, NAIPFA does not believe that any of the transaction-related services are so “integrally related” to an underwriter’s duties to put them outside of the purview of the definition of municipal advisor if those services involve the provision of advice relating to the structure, timing, terms or similar matters relating to the issuance of securities by a municipal entity. Therefore, in consideration of the foregoing, NAIPFA believes that the following “transaction-related services”, if not able to be handled by qualified issuer staff, should be performed exclusively by municipal advisors:

- Advising issuers regarding the method of sale for a particular transaction, taking into account market conditions and other factors;
- Assisting issuers with the selection of underwriters, underwriter compensation issues, syndicate structure, and bond allocations;
- Assisting issuers with negotiated sales, including advice relating to the structure, timing, terms and other similar matters relating to the issuance of municipal securities, as well as advice relating to the analysis of comparables;
- Assisting issuers with competitive bond sales, including bid verification, TIC calculations and reconciliations/verifications of bidding platform calculations, preparation of notice of sale, obtaining CUSIP numbers;



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- Developing Requests for Proposals/Qualifications for underwriters;
- Negotiation of various deal documents with underwriters, and banks with respect to loans;
- Assistance provided to issuers/obligated persons in addressing citizen concerns related to proposed project and related financing; and
- Providing advice in conjunction with the preparation of preliminary cash flows or preliminary refunding analysis.

For further clarification, NAIPFA also offers the following observations:

- Under “Transaction-Related Services”, NAIPFA believes that the Underwriter or Municipal Advisor should prepare the refunding escrow cash flows but the verification of the refunding escrow should be done by an independent party.
- The “Strategic Services” listed are global advice services that are usually and should be provided by a Municipal Advisor.
- Under “Post-Issuance Services”, NAIPFA believes that the following service should be included: Assistance to issuers in the development of post-issuance arbitrage and tax-exempt compliance related policies.

NAIPFA hopes that this information will be helpful to the SEC as it works to finalize the definition of municipal advisor. If the Commission has any questions, or if we can provide additional information, please feel free to contact me.

Sincerely,

Colette J. Irwin-Knott, CIPFA
President, National Association of Independent Public Finance Advisors

cc: The Honorable Mary L. Schapiro, Chairman
The Honorable Elisse B. Walter, Commissioner
The Honorable Luis A. Aguilar, Commissioner
The Honorable Troy A. Paredes, Commissioner
The Honorable Daniel M. Gallagher, Commissioner
Liban Jama, Counsel to Commissioner Aguilar
Lynnette Hotchkiss, Executive Director, Municipal Securities Rulemaking Board