



National Association of Municipal Advisors

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VIA ELECTRONIC MAIL

January 27, 2015

Mr. Brent J. Fields
Secretary
100 F Street, NE
Washington, DC 20549

Re: File No. SR-MSRB-2014-08: Notice of Filing of a Proposed Rule Change Consisting of Proposed Amendments to MSRB Rules G-1, on Separately Identifiable Department or Division of a Bank; G-2, on Standards of Professional Qualification Requirements; and D-13, on Municipal Advisor Activities

Dear Mr. Fields:

The National Association of Municipal Advisors (“NAMA”) appreciates the opportunity to comment on the Municipal Securities Rulemaking Board’s (“MSRB”) filing with the Securities and Exchange Commission (the “Commission” or the “SEC”) on the draft proposal for amendments to MSRB Rules G-1, G-2, G-3 and D-13 (“Draft Rule”) setting professional qualification standards for municipal advisor professionals and requiring municipal advisors and their associated persons engaging in municipal advisory activities to be qualified in accordance with MSRB rules.

NAMA supports the efforts of both the Commission and the MSRB to set professional qualification standards for municipal advisor professionals and appreciates the changes that the MSRB has made to the Draft Rule that we believe continue to provide municipal entities and obligated persons with the level of protection envisioned by Congress when it directed the MSRB to establish such examinations¹ without unduly burdening regulated entities. NAMA appreciates the MSRB’s clarification of the length of the grace period allowed for test takers to pass the examination and changes to Rule G-3 that clarify that persons providing support or similar functions would not be defined as municipal advisor representatives.

NAMA also supports the decision by the MSRB to have a uniform competency requirement for all persons deemed to be municipal advisor representatives regardless of whether such persons have passed other MSRB or MSRB recognized examinations (such as the Series 52 or Series 7 examinations). NAMA is appreciative of the significant

¹ See Section 15B(b)(2)(A) of the Exchange Act.



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amount of time and energy that the MSRB has devoted to developing an appropriate qualification exam and NAMA members have played a part in that process.

NAMA believes that any attempt to grandfather in persons who have passed other MSRB or MSRB-recognized examinations would not be consistent with the provisions of the Exchange Act that direct the MSRB to ensure standards of competence for the protection of municipal entities or obligated persons. That standard of competence is tied to the level of protection that Congress has mandated of persons acting as municipal advisors. As an example, one of the most important elements of that protection of municipal entities is the fiduciary duty that municipal advisors have to their municipal entity clients and that duty is not a topic that is covered in either the Series 52 or Series 7 examinations. As a further example, in its adopting release with respect to the definition of a municipal advisor, the Commission identified a laundry list of activities engaged in by municipal advisors that are “outside the scope of an underwriting.”² Therefore, NAMA agrees with the MSRB that the job responsibilities of a municipal advisor professional and the regulations governing such individuals are clearly distinct from the responsibilities and regulations of other MSRB regulated entities and that a separate examination is required in order to implement the intent of Congress.

NAMA is sympathetic to the costs of time and money imposed on individuals who engage in more than one regulated activity, such as NAMA member firms that own and operate investment companies regulated by the provisions of the Investment Company Act of 1940, or whose municipal advisory activities cover only a narrow range but believes that the MSRB has taken the most cost-effective approach at this time. However, NAMA believes that the MSRB should continue to analyze the feasibility and wisdom of some of the supplemental exams or targeted subject area exams that were proposed by other commenters. Many municipal advisor firms now must adhere to more than one regulatory regime and although NAMA is sympathetic to the arguments that the MSRB made regarding the current upfront costs of developing numerous varied tests dependent on various combinations of regulatory responsibilities, such costs may become more manageable in the future once individual tests are developed.

CONCLUSION

NAMA sincerely appreciates this opportunity to comment to the Commission on the MSRB’s filing on the Draft Rule. As discussed above, NAMA supports the MSRB’s efforts to set professional qualification standards for municipal advisor professionals and requiring municipal advisors and their associated persons engaging in municipal advisory activities to be qualified in accordance with MSRB Rules. Please do not hesitate to

² See Exchange Act Release No. 70462, 78 Fed. Reg. 67468 (November 12, 2013) at 67513-67514.



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contact me if you would like to discuss these comments further.

Sincerely,

A handwritten signature in black ink that reads "Terri Heaton". The signature is fluid and cursive, with the first name "Terri" and last name "Heaton" clearly distinguishable.

Terri Heaton, CIPFA

President, National Association of Municipal Advisors

cc:

Lynnette Kelly, Executive Director, Municipal Securities Rulemaking Board

Lawrence P. Sandor, Deputy General Counsel, Municipal Securities Rulemaking Board