

Congress of the United States
Washington, DC 20515

December 19, 2011

Mary L. Schapiro
Chairman, Security and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Chairman Schapiro,

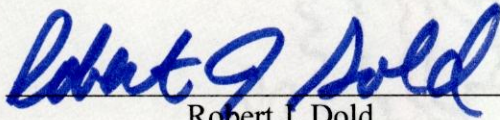
On December 20, 2010 the Securities and Exchange Commission released proposed rules (SEC File Number S7-45-10) to implement provisions of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act related to registration of municipal advisors. We believe that the Commission's proposed rules go far beyond the statute's intent and scope by capturing, in the "municipal advisor" definition, parties and activities that were not anticipated by Congress or authorized by the statute. As proposed, the rules would impose wholly unnecessary and duplicative layers of regulation on parties that are already heavily regulated and would impose undue burdens and costs for many market participants. Because the proposal would likely drive some parties out of the municipal market or limit the services they provide to states and localities, it would actually be harmful to state and local governments by reducing competition.

In enacting the Dodd-Frank Act's municipal advisor provisions, congressional focus was intentionally narrow — to bring under the regulatory umbrella of the Commission and the Municipal Securities Rulemaking Board (MSRB) those parties who provide advice to municipal entities regarding, among other things, securities issuance and the investment of the proceeds of municipal securities *and* who also were not already regulated by a federal or state regulatory body. Specifically, Congress intended Section 975 to apply to parties known in the municipal securities market as independent financial advisors, swap advisors, GIC brokers, and other parties who were not already regulated by the Commission, the MSRB, federal or state bank regulators, state insurance regulators, or other established regulatory bodies. Congress did not intend to impose additional layers of regulation on parties that are already well regulated.

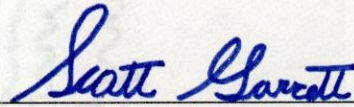
However, the Commission's proposed municipal advisor rules go much farther than that. Those rules would impose duplicative and unnecessary layers of regulation on already heavily regulated parties by capturing many entities not intended or authorized by the statute and would apply to services beyond those that involve issuing municipal securities and investing the resulting proceeds. In many cases, these improperly captured groups include brokers, dealers, their registered representatives, municipal securities dealers and their associates, banks and their employees, insurance companies, accounting firms, investment advisers, investment adviser representatives, appointed volunteer public servants, and others. As you yourself recognized in recent testimony before the House Financial Services Committee, the proposed municipal advisor rules are "inappropriately wide" and apply to "persons who probably we ought not include."

We strongly believe the Commission should promptly scale back the scope and application of the proposed rules to define the term "municipal advisor" as Congress intended. Accordingly, we believe that the Commission's final rules should exempt from the "municipal advisor" definition those parties who are already regulated by the Commission, the MSRB, the Financial Industry Regulatory Authority, federal or state bank regulators, state insurance regulators, or other established regulatory bodies, as well as elected or appointed members of the governing bodies of municipal entities.

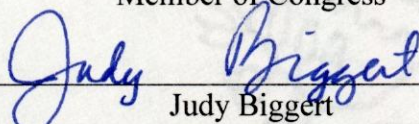
Sincerely,



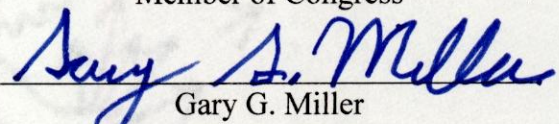
Robert J. Dold
Member of Congress



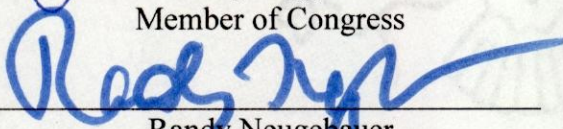
Scott Garrett
Member of Congress



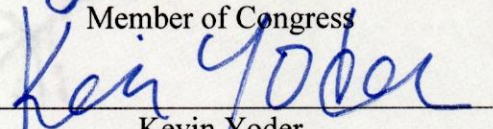
Judy Biggert
Member of Congress



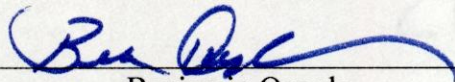
Gary G. Miller
Member of Congress



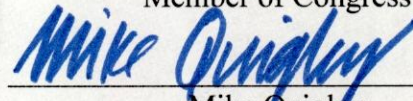
Randy Neugebauer
Member of Congress



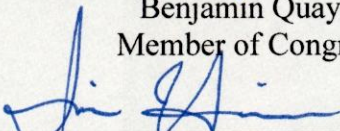
Kevin Yoder
Member of Congress



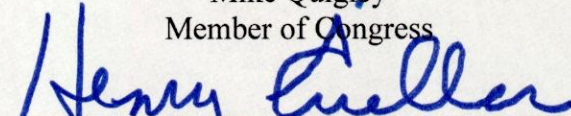
Benjamin Quayle
Member of Congress



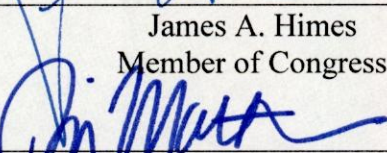
Mike Quigley
Member of Congress



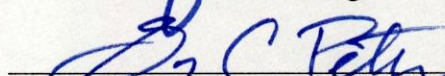
James A. Himes
Member of Congress



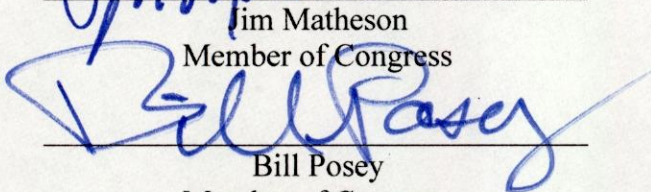
Henry Cuellar
Member of Congress



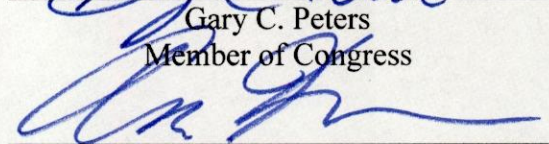
Jim Matheson
Member of Congress



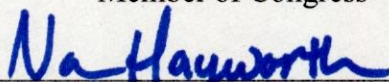
Gary C. Peters
Member of Congress



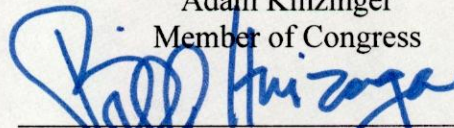
Bill Posey
Member of Congress



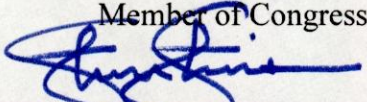
Adam Kinzinger
Member of Congress



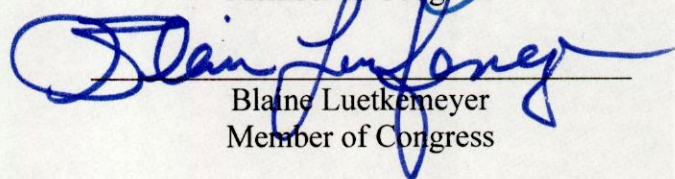
Nan A. S. Hayworth, M.D.
Member of Congress



Bill Huizenga
Member of Congress



Steve Stivers
Member of Congress



Blaine Luetkemeyer
Member of Congress

Donald A. Manzullo

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Reid J. Ribble

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Tim Walberg

Tim Walberg
Member of Congress

Tim Huelskamp

Tim Huelskamp
Member of Congress

Billy Long

Billy Long
Member of Congress

Paul C. Broun

Paul C. Broun, M.D.
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James Lankford

James Lankford
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John Campbell

John Campbell
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Christopher P. Gibson

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Lynn Jenkins

Lynn Jenkins
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David Schweikert

David Schweikert
Member of Congress

Leonard Lance

Leonard Lance
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Ed Perlmutter

Ed Perlmutter
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Brad Sherman

Brad Sherman
Member of Congress