



**National Association of Independent  
Public Finance Advisors**

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November 13, 2009

The Honorable Christopher Dodd  
Chairman, Senate Banking, Housing, & Urban  
Affairs Committee  
534 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Richard C. Shelby  
Ranking Member, Senate Banking, Housing, &  
Urban Affairs Committee  
534 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Senators:

The National Association of Independent Public Finance Advisors (NAIPFA) supports Congressional efforts to improve the regulatory structure of the financial markets. NAIPFA is a professional trade organization comprised of independent municipal finance advisor firms located across the nation. Our member firms solely and aggressively represent the interests of issuers of municipal securities – and earn income through fees paid by issuers.

NAIPFA believes that current Congressional initiatives to register, certify, and regulate all municipal financial advisors are appropriate and representative of good public policy. NAIPFA agrees, and its bylaws reflect, that municipal financial advisors have a fiduciary duty to their municipal securities issuer clients. Always and solely on the side of issuers, NAIPFA member firms provide balance that is free of conflict and critical to the proper function of the municipal marketplace.

NAIPFA believes that provisions of the discussion draft of the Restoring American Financial Stability Act of 2009 providing for oversight of municipal finance advisors by the Municipal Securities Rulemaking Board (MSRB) are inappropriate. The MSRB is an organization primarily comprised of firms with obligations to investors – no matter how the Board of MSRB is reconfigured – the composition of the regulated firms would remain heavily weighted in the favor of firms with obligations to investors. We believe such an oversight structure would serve to compromise the fiduciary duty of a municipal finance advisor to issuers and work to imbalance the municipal credit markets.

NAIPFA believes that regulation and oversight of the municipal finance advisor should be constructed in a manner that provides for clear lines of separation with respect to the interests of issuers versus investors. NAIPFA believes it to be untenable for municipal financial advisors to be regulated by either the MSRB or the Financial Industry Regulatory Authority (FINRA) – organizations regulating firms to protect investor interests versus those of public issuers.

NAIPFA endorses registration and oversight of municipal financial advisors by the Securities and Exchange Commission (SEC) where the interests of issuers may be served in the absence of conflict to the regulatory interests of investors. We believe, if properly structured and implemented, the regulation of municipal finance advisors will enhance public finance services, practices, and standards to

benefit issuers of municipal securities and promote balance essential to the proper function of the municipal marketplace.

Respectfully submitted,



Steve Apfelbacher, CIPFA  
President, National Association of Independent Public Finance Advisors

CC:

The Honorable Michael Bennet  
The Honorable Daniel K. Akaka  
The Honorable Mike Crapo  
The Honorable Evan Bayh  
The Honorable Jim Bunning  
The Honorable David Vitter  
The Honorable Jon Tester  
The Honorable Mike Johanns  
The Honorable Judd Gregg  
The Honorable Robert Menendez  
The Honorable Charles E. Schumer  
The Honorable Sherrod Brown  
The Honorable Jeff Merkley  
The Honorable Jack Reed  
The Honorable Jim DeMint  
The Honorable Tim Johnson  
The Honorable Bob Corker  
The Honorable Kay Bailey Hutchison  
The Honorable Robert F. Bennett  
The Honorable Mark Warner  
The Honorable Herb Kohl

