



March 4, 2008

The Honorable Charles Rangel
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Jim McCrery
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Rangel and Ranking Member McCrery:

The Securities Industry and Financial Markets Association (SIFMA) urges you to include H.R. 2091 in any legislative package related to the current challenges facing the credit markets. Introduced by Representatives Sander Levin, Phil English, Paul Kanjorski and Deborah Pryce, this bipartisan legislation would add the Federal Home Loan Banks (FHLBanks) to the list of government sponsored enterprises (GSEs) that can provide credit enhancement to tax-exempt municipal bonds.

State and local governments are facing mounting fiscal pressures due to overall challenges in the housing and credit markets and the current disruption in the bond insurance market. H.R. 2091 would offer limited relief to issuers as they look for additional tools to affordably finance necessary infrastructure projects such as water treatment facilities, fire stations, long-term care for the elderly and medical clinics. By allowing FHLBanks to partner with their member banks to provide credit support for tax-exempt bonds, the cost of borrowing is reduced thereby saving taxpayers necessary resources. Importantly, H.R. 2091 would also expand access to credit for rural communities and urban areas that have struggled in the past to raise funds for education and health facilities.

The impact of recent problems in the capital markets has made enactment of H.R. 2091 a top priority. As Congress deliberates on additional measures to revitalize the economy we urge your strong consideration and adoption of this measure.

Sincerely,

Scott DeFife
Senior Managing Director
Government Affairs

Richard Hunt
Senior Managing Director
Government Affairs

Cc: Ways and Means Committee