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December 21, 2010

Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: (File Number S7-24-10 Section 943 of the Dodd-Frank Act)

Dear Ms. Murphy:

In the submission made by the National Association of Bond Lawyers ("NABL") regarding the above-referenced section (File No. S7-24-10), it was stated that "The municipal securities markets did not experience the failures or defaults and municipal investors have not experienced the losses that prompted the remediation provisions of the [Dodd-Frank] Act as to Exchange Act-ABS [asset-backed securities as defined in the Dodd-Frank Act]." This reflected the collective experience of those NABL members who participated in preparing the submission (see Exhibit I to the submission).

This letter provides additional support for the statement quoted above, particularly in the contexts of single-family housing, student loan bonds, and tobacco financings. In doing so, I called upon the experience of Hawkins' partners with particular expertise with such financings. With respect to the tobacco financings, please note that the underlying security, the payments from the tobacco companies pursuant to the Master Settlement Agreement, is not a "self-liquidating financial asset" because such payments continue into perpetuity, and therefore the tobacco financings do not involve an "asset-backed security" as defined in new Section 3(a)(77) of the Securities Exchange Act of 1934.

With respect to single-family financings, we reviewed material event notices that are currently available through EMMA and that are indexed as disclosing payment delinquencies. The series of currently available filings begins in June 2009 and certain filings are indexed mistakenly as containing disclosure of payment delinquencies on the basis of inclusion of recitations that no such delinquency exists. Accordingly, we do not consider this source of information to be definitive at this point. However, no meaningful evidence of single-family payment delinquencies that might have resulted from deficient underwriting resulted from this review. This result is consistent with our direct experience. Our firm has served as bond counsel during the period 2001-2010 for 551 single-family financings for 18 issuers, such financings aggregating over $22.5 billion. During that same period, Hawkins has served as underwriter's counsel for 300 single-family financings aggregating over $16.2 billion. None of those financings has experienced to date any failure to pay in full principal and interest when due.

The strength and safety of the single family financing market is attributable to a number of factors, including (i) creation of State housing finance agencies by State law, with a public purpose of providing below-market mortgages to first-time home buyers, and governed by *ex officio* and experienced appointees, (ii) oversight of such mandate and financial viability by applicable State departments or officials, (iii) generally strict underwriting and federal tax law standards, including first lien mortgages (e.g., no subprime loans or refinancings or investor properties) and the requirement of fully-documented loans (e.g., income and job verifications), (iv) working relationships with banks through which the loans are made and either internally supervised servicing of the mortgages or regular evaluation of the outside servicers, and (v) pledge of the mortgages to the bondholders.

We also reviewed material event notices that are currently available through EMMA and that are indexed as disclosing payment delinquencies to determine whether there were any related to student loan issues and found none. Again, this result is consistent with our direct experience. Hawkins has served as bond counsel on 32 student loan issues aggregating over $3.2 billion during the 2001-2010 period. During that same period, Hawkins has served as underwriter's counsel for 20 student loan financings aggregating over $2.8 billion. None of those financings have experienced to date any failure to pay in full principal and interest when due. We have also contacted a number of other industry participants and have not been referred to such a failure or to a material failure to apply underwriting standards that was discovered during the past 20 years. It should be noted that the fact that certain student loan financings have now been bearing interest at penalty rates for an extended period of time as a result of the collapse of the auction rate market has substantially increased the risk of future eventual payment defaults, should these financings remain subject to such penalty rates. This risk, however, is not related to compliance with underwriting standards.

Proceeds of tax-exempt bonds issued to finance student loans must be used for public purposes under the federal tax code in a manner that is directly analogous to tax-exempt single family loan programs. Public entity student loan issuers include state agencies, public authorities and similar public bodies, as well as nonprofit corporations formed at the request of the State whose activities are constrained by compliance with Section 150(d) of the federal tax code. As with single family housing issuers, all are creatures of State law that operate for public purposes. The large majority of student loan bonds that have been issued to date by such public entity issuers are entirely, or principally, to finance loans that were originated under the Federal Family Education Loan Program. The comprehensive regulation of this program by the federal Department of Education under of Title IV of the federal Higher Education Act includes detailed requirements concerning the origination and servicing of FFELP loans. FFELP loans are not intended to be credit-based loans and their holders may receive federal interest related payments and federal guaranty payments (ranging from 97% to 100% of principal and interest) upon borrower default. A minority of such public entity issuers finance student loans originated under State-approved programs that are intended generally to supplement other federal and State loans and grants. Such programs are typically established by State legislation and governed by politically appointed boards. Although these programs vary in particulars, such supplemental loans are typically underwritten through application of credit based underwriting criteria that are approved by rating agencies on the basis of their review of cash flow projections that reflect the availability of material public cash or credit subsidies. We are unaware of any indication of recent material noncompliance with such underwriting criteria in this sector.

In light of the public purpose and safety of these financings, we respectfully suggest that they should be exempt from regulation as asset-backed securities. Such characterization would add considerable expense and potentially time delays to both single-family and student loan financings, while adding no measure of additional security to investors.

Sincerely,

John M. McNally

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