Longhouse Capital Advisors, LLC
1240 W. Barry Avenue
Chicago, IL 60657
P: (312) 307-4736 F: (312) 268-1109
www.longhousecapital.com

December 5, 2019

Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20546-1090

Re: File Number 20549-1090, Proposed Exemptive Order Granting a Conditional Exemption from Broker Registration Requirements of Section 15(a) of the Securities Exchange Act of 1934 for Certain Activities of Registered Municipal Advisors

Dear Secretary Countryman:

I am a Managing Director and Founding Partner of Longhouse Capital Advisors, LLC ("LCA"), an MSRB and SEC registered Municipal Advisory Firm headquartered in Chicago, Illinois. Founded in 2011, LCA is a small independent municipal advisory firm with three registered MAs and our primary client base is made up of 501(c)3 organizations including colleges, universities, social service agencies, museums and other cultural institutions, private K-12 schools and charter schools. We also serve public universities.

I strongly support the SEC's Proposed Exemptive Order and believe it allows municipal advisors to provide a complete scope of advisory services to best serve our clients without unnecessary restrictions. We have no interest in becoming a placement agent or replacing the important role that broker-dealers play in municipal finance. We understand our role as municipal advisors is to serve only the interests of our clients and if the Proposed Exemptive Order is turned down, we will continue to be limited in our ability to do just that.

As our clients evaluate their financing options, one structure that is almost always included in the discussion is a bank loan or direct placement. As municipal advisors we can advise our clients about the pros and cons, risks and benefits of this structure and others they are considering but must stop short at being able to negotiate the most favorable terms available in the market directly with our clients' lenders. This often times leaves our clients without the ability to achieve more favorable terms and rates. Unfortunately, it is the least sophisticated and smallest issuers and borrowers who are typically hurt the most. We find that clients who have municipal advisors working on their behalf receive better terms and rates than those borrowers or issuers who work directly with their banks alone. If municipal advisors' abilities to help in these situations were less restricted we know that the issuers and borrowers would be in an even better position.

By way of example, a social service agency client (a conduit borrower, which the proposal considers as part of the definition of a municipal entity) was seeking to extend the terms of its existing tax-exempt direct placement with its bank. Management at the agency initially tried to work directly with their relationship banker to come to an agreement on terms. The banker was advising the borrower that they should refinance their tax-exempt bonds with a taxable loan because it would be easier and would "not be a much higher rate". Not taking the banker's advice right away, management reached out to LCA to see if we agreed with the bank's suggested approach.

Upon review, it became clear that the banker was not well-versed in tax-exempt financing and was leaving out many of the benefits of remaining in a tax-exempt structure and overemphasizing the burden that comes along with tax-exempt debt. LCA was able to advise this particular client about how to go back to the bank and request a proposal for an extension of its tax-exempt financing and eventually a favorable result was achieved. Had LCA been able to work side-by-side with the borrower, rather than a step removed from the bank, the result could have been reached more efficiently and possibly even more positively.

The example given highlights a situation where the value of a municipal advisor is undeniable – an advocate for the borrower that had only the social service agency's interests in mind. There was no need for a placement agent when the borrower knew they wanted to work with their selected bank and wanted to keep costs of issuance low.

Municipal advisors know their clients and their clients rely on them to provide the best advice given their expertise, knowledge and information available to them. When that information is limited by the inability to work directly with a bank, or sophisticated municipal market professional that is seeking to do business with our client, we cannot fulfill our responsibilities completely.

I very much appreciate the SEC's attention to this matter and thank you for your consideration of this exemption which would let municipal advisors be municipal advisors.

Sincerely,

Lindsay M. Wall
Managing Director and Partner

Longhouse Capital Advisors, LLC
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