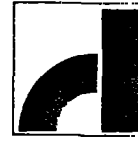


CHAIRMAN'S OFFICE
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SEC. & EXCH. COMM.



GOVERNMENT FINANCE
OFFICERS ASSOCIATION

SUITE 200
1750 K STREET, N.W.
WASHINGTON, DC 20006
202/429-2750

October 8, 1987

Mr. David Ruder
Securities and Exchange Commission
450 5th Street N.W.
Washington, DC 20549

Dear Chairman Ruder:

The Government Finance Officers Association (GFOA), formerly Municipal Finance Officers Association would, like to respond to some of your recent Congressional testimony concerning regulation of the municipal securities market. GFOA is a professional association of state and local finance officials that has long been concerned about providing meaningful information to investors. In 1976 we adopted voluntary disclosure guidelines for issuers of municipal securities. These guidelines have become an accepted industry standard and are presently being revised to reflect changes in the marketplace.

Recent events, including the Mathews and Wright investigation, the pending release of the SEC report on WPPSS, and the Municipal Securities Rulemaking Board's expressed interest in something other than voluntary municipal disclosure have piqued congressional interest in increased federal regulation of municipal securities. GFOA understands the importance of these events, but maintains its position in opposition to mandatory federal regulation of municipal issues. We are writing to reaffirm that opposition and to request a meeting with you to further explain our position.

In 1974 the GFOA issued a policy statement opposing federal regulation of municipal issuers, while recognizing the necessity for some regulation. The statement read in part:

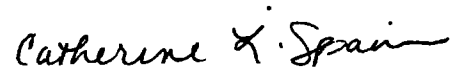
1. Regulation, if any, should be confined to those private persons and entities who purchase and sell state and local government obligations in the course of their business as dealers in municipal securities and should not, directly or indirectly through such dealers in municipal securities or otherwise, affect the marketing of such securities by state or local government.
2. State and local governments and officials should remain free from federal regulation and control.
3. No federal regulatory body should have power to suspend trading in any state or local government obligations.

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Mr. David Ruder
October 8, 1987

We understand that you are preparing to present the keynote address to the Public Securities Association on October 24. We would appreciate the opportunity to meet with you, next week if your schedule permits, to discuss our concerns and answer any questions you may have as you are preparing your speech.

We will contact your office to make arrangements for a meeting.

Sincerely,



Catherine L. Spain
Director
Federal Liaison Center

/ddv