

## SEC Proposes to Exempt Municipal Securities From Risk Retention Rules

03.30.2011

The Securities and Exchange Commission (the “SEC”) today approved for public comment proposed rules implementing the risk retention provisions (Section 941) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”). The proposed rules would provide a complete exemption for municipal securities. The proposed rules also provide a complete exemption for qualified scholarship funding bonds as defined in the federal tax code. This Advisory supplements and updates the Hawkins Advisory of January 25, 2011, entitled “SEC ADOPTS RULES FOR ASSET-BACKED SECURITIES.” In that Advisory, we noted that whether Section 941 would apply to municipal securities would be determined by subsequent rulemaking.

### Practice

- Disclosure Counsel