



DIVISION OF  
INVESTMENT MANAGEMENT

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

February 28, 2013

Abigail Bertumen  
Bingham McCutchen LLP  
2020 K Street NW  
Washington, DC 20006

Re: Nuveen New Jersey Investment Quality Municipal Fund, Inc. (the "Fund")  
File Numbers: 333-186410; 811-06264

Dear Ms. Bertumen:

We have reviewed the registration statement on Form N-2 for the Fund, filed on February 1, 2013. The filing was made for the purpose of registering Common Stock of the Fund. Based on our review of the registration statement, we have the following comments. The captions used below correspond to the captions the Fund uses in its registration statement. Please note, however, that the comments we give in one section are applicable to other sections of the registration statement that contain similar disclosure, unless otherwise indicated. All capitalized terms not otherwise defined herein have the meaning given to them in the registration statement.

**PROSPECTUS**

**Cover Page**

1. The first sentence of the paragraph under "Portfolio Contents" states that "[a]s a fundamental policy, under normal circumstances, the Fund invests at least 80% of its Managed Assets (as defined below) in municipal securities and other related investments the income from which is exempt from regular federal and New Jersey income taxes." Please disclose in this section that this policy may be changed only if approved by a vote of the outstanding shareholders.
2. The third sentence of the paragraph under "Portfolio Contents" states that "[a]s a non-fundamental policy, under normal circumstances, the Fund invests at least 80% of its Managed Assets in municipal securities that at the time of investment are investment grade quality." Please disclose in this section that this policy will not be changed without 60 days' prior notice to shareholders. See Investment Company Act Release No. 24828 [66 FR 8509, 8511 (Feb. 1, 2001)].
3. Please summarize on the Cover Page the Fund's policies with regard to the use of leverage. Note particularly that the Fund currently employs financial leverage primarily through its outstanding VRDP Shares and that for the six months ended October 31, 2012, the average

daily balance outstanding on VRDP Shares and annual dividend rate was \$144,300,000 and 0.30%, respectively. Please also note that the Fund may invest up to 10% of its Managed Assets in inverse floating rate securities.

#### **Prospectus Summary (Pages 1 – 21)**

4. The third sentence of the first paragraph under “Investment Objectives and Policies” on page 4 states that “[m]unicipal securities in which the Fund invests are securities, including municipal bonds and notes, other securities issued to finance and refinance public projects, and related securities and derivative investments creating exposure to municipal bonds, notes and securities, that provide for the payment of interest income that is exempt from regular federal and New Jersey income taxes” (emphasis added). Please tell us whether the Fund’s investments in derivatives will be counted towards the Fund’s 80% tests. If so, please confirm to us that the derivative investments will be included based on their market value and not their notional value.
5. The first sentence of the second paragraph under “Investment Objectives and Policies” on page 4 states that “[a]s a fundamental policy, under normal circumstances, the Fund invests at least 80% of its Managed Assets in municipal securities and other related investments the income from which is exempt from regular federal and New Jersey income taxes.” Consistent with Comment 1 above, please disclose in this section that this policy may be changed only if approved by a vote of the outstanding shareholders.
6. The first sentence of the fourth paragraph under “Investment Objectives and Policies” on page 4 states that “[a]s a non-fundamental policy, under normal circumstances, the Fund invests at least 80% of its Managed Assets in investment grade securities that, at the time of investment are rated investment grade or are unrated but judged to be of comparable quality by the Fund’s sub-adviser, Nuveen Asset Management.” Consistent with Comment 2 above, please disclose in this section that this policy will not be changed without 60 days’ prior notice to shareholders.
7. The first sentence of the seventh paragraph under “Investment Objectives and Policies” on page 5 states that “[a] security is considered investment grade quality if it is rated within the four highest grades by at least one of the nationally recognized statistical rating organizations (‘NRSROs’) that rate such security, or if it is unrated but judged to be of comparable quality by Nuveen Asset Management.” However, the second sentence of such paragraph states that “[b]elow investment grade quality municipal securities include those municipal securities that are rated investment grade by one or more NRSROs, but rated below investment grade by at least one NRSRO.” These sentences appear to be contradictory, as an investment that is rated as investment quality by one NRSRO and as below investment grade by another NRSRO would be deemed to be investment grade quality by the first sentence and below investment grade by the second sentence. Please revise this paragraph to disclose the Fund’s policy more clearly. Please also state, as you do elsewhere, that municipal securities of below investment grade quality are regarded as having predominately speculative

characteristics with respect to capacity to pay interest and repay principal, and are commonly referred to as junk bonds.

8. The last sentence of the third paragraph under “Distribution Through At-the-Market Transactions” on page 8 states that “[u]nless otherwise indicated in a further Prospectus supplement, Nuveen Securities will act as underwriter on a reasonable efforts basis.” Please tell us what is meant by the term “reasonable efforts” basis and how it differs from a “best efforts” basis. Please also include in the appropriate section the information required for a best efforts offering by Item 1 of Form N-2.
9. The fifth paragraph under “Leverage Risk” on page 16 states that “[t]he Fund may invest in the securities of other investment companies, which may themselves be leveraged and therefore present similar risks to those described above.” Please also disclose in this section that this additional leverage serves to magnify the risk.
10. The first sentence of the second paragraph under “Derivatives Risk, including the Risk of Swaps” on page 18 states that “[t]he Fund may enter into various types of derivatives transactions, including futures, options, swaps (including credit default swaps, interest rate swaps and total return swaps), among others.” Please confirm that the derivatives listed in this sentence are all the derivatives that the Fund will invest in as a principal investment strategy. With respect to the Fund’s investments in total return swaps, please note that when the Fund does engage in total return swaps it must set aside an appropriate amount of segregated assets. See generally Investment Company Act Release No. 10666 (Apr. 18, 1979). Please also note that the Commission recently issued a concept release exploring issues relating to the use of derivatives by funds, including whether current market practices involving derivatives are consistent with the leverage provisions of the Investment Company Act of 1940. See Investment Company Act Release No. 29776 (Aug. 31, 2011). Accordingly, please be aware that the Commission or its staff could issue future guidance related to derivatives (such as total return swaps) and leverage, including guidance related to coverage requirements, which could impact the manner in which the Fund operates.
11. Will any distributions made by the Fund be a return of capital? If so, please state this fact in the section entitled “Distributions” on pages 20-21. Please also explain in this section that a return of capital reduces the shareholder’s tax basis, which will result in higher taxes when the shareholder sells his shares. Also note that this may cause the shareholder to pay taxes even if he sells his shares for less than he originally bought them.

#### **Summary of Fund Expenses (Pages 22-23)**

12. Please state in the narrative following the table that “Other Expenses” are based on estimated amounts for the current fiscal year. See Instruction 6 to Item 3 of Form N-2.

**Trading and Net Asset Value Information (Page 27)**

13. Please also disclose in this section: (a) whether the Fund's Common Shares have historically traded for an amount less than, equal to, or exceeding net asset value; (b) any methods undertaken or to be undertaken that are intended to reduce any discount; and (c) the effects that these measures have or may have on the Fund. See Item 8.5.d. of Form N-2.

**The Fund's Investments (Pages 28 – 38)**

14. The fourth sentence of the eighth paragraph under "Investment Policies" on page 31 states that "during temporary defensive periods (e.g., times when, in NFALLC's opinion, temporary imbalances of supply and demand or other temporary dislocations in the tax-exempt bond market adversely affect the price at which long-term or intermediate-term municipal securities are available), and in order to keep the Fund's cash fully invested, the Fund may invest any percentage of its net assets in short-term investments including high quality, short-term debt securities that may be either tax-exempt or taxable (or in securities of other open- or closed-end investment companies that invest primarily in municipal securities of the types in which the Fund may invest directly)." Please state in this section that the Fund may not achieve its investment objectives during this period.
15. The last paragraph prior to "Municipal Securities" on page 32 states "See Appendix A to this prospectus for a general description of the economic and cred characteristics of municipal issuers in New Jersey." Please revise "cred" to read "credit."
16. The last paragraph prior to "Municipal Leases and Certificates of Participation" on page 33 discusses the concept of duration. Please also disclose in this section the Fund's average duration as of a recent date. Provide an example of duration.
17. The fourth to last sentence under "Limitations on the Use of Futures, Futures Options and Swaps" on page 37 states that "[t]he Fund either must comply with amended Regulation 4.5's requirements, or, if required, NFALLC and/or Nuveen Asset Management will register with respect to the Fund as a commodity pool operator with the CFTC." Please disclose in this section what the Fund will do.
18. The first sentence of the first paragraph under "Other Investment Companies" on page 38 states that "[a]s a non-fundamental policy, the Fund may invest up to 10% of its Managed Assets in securities of other open- or closed-end investment companies (including exchange-traded funds ('ETFs')) that invest primarily in municipal securities of the types in which the Fund may invest directly." Please confirm to us that no acquired fund fees and expenses are required to be included in the fee table on page 22.

**Risk Factors (Pages 42 – 54)**

19. The second sentence of the paragraph under "Certain Affiliations" on page 54 states that "[a]bsent an exemption from the SEC or other regulatory relief, the Fund is generally

precluded from effecting certain principal transactions with affiliated brokers, and its ability to purchase securities being underwritten by an affiliated broker or a syndicate including an affiliated broker, or to utilize affiliated brokers for agency transactions, is subject to restrictions.” Please disclose in this section whether the Fund has applied for or intends to apply for any such exemptive relief. If the Fund has applied for or intends to apply for any such relief, please disclose in this section that there is no guarantee that any such relief will be granted.

#### **Description of Shares (Pages 62 -- 64)**

20. In the section entitled “Common Shares” please disclose how common shares are voted (e.g., one vote per share).

#### **Repurchase of Fund Shares; Conversion to Open-End Fund (Pages 65 -- 66)**

21. The last sentence of the last paragraph under “Repurchase of Fund Shares; Conversion to Open-End Fund” on page 66 states that “[t]o date, the Fund has not repurchased any Common Shares under the program.” Please confirm to us that there is no current intention to repurchase Common Shares under the program.

### **STATEMENT OF ADDITIONAL INFORMATION**

#### **Investment Restrictions (Pages 1 - 3)**

22. The last paragraph on page 3 states that “[a]t least six months prior to the scheduled redemption of all outstanding VRDP Shares in 2040, the Fund will maintain segregated assets rated at least investment grade (and including Deposit Securities in an amount equal to 20% of segregated assets, with 135 days remaining to the redemption date, increasing to 100% with 15 days remaining) with a market value equal to at least 110% of the liquidation preference of all outstanding VRDP Shares until the redemption of all such outstanding VRDP Shares” (emphasis added). Please define the term “Deposit Securities” in this section.

#### **Investment Policies and Techniques (Pages 4 - 20)**

23. The first sentence of the second paragraph under “Segregation of Assets” on page 15 states that “[t]he Fund generally will use its assets to cover its obligations as required by the 1940 Act, the rules thereunder, and applicable positions of the Securities and Exchange Commission and its staff” (emphasis added). Please disclose in this section what is meant by the term “generally” in this context.

#### **Investment Adviser, Sub-Adviser and Portfolio Manager (Pages 40 – 45)**

24. The first sentence of the second paragraph under “Annual cash bonus” on page 42 states that “[a] portion of the Portfolio Manager’s annual cash bonus is based on the Fund’s investment performance, generally measured over the past one- and three or five-year periods unless the

Portfolio Manager's tenure is shorter." Please disclose in this section whether the bonus will be based on pre-tax or after-tax performance. See Item 21.2 of Form N-2.

**Proxy Voting Policies (Page 44)**

25. The first sentence of the second paragraph under "Proxy Voting Policies" on page 45 states that "[i]n the rare event that a municipal issuer held by the Fund were to issue a proxy, or that the Fund were to receive a proxy issued by a cash management security, Nuveen Asset Management would either engage an independent third party to determine how the proxy should be voted or vote the proxy with the consent, or based on the instructions, of the Fund's Board of Directors or its representative." Because the Fund does not invest exclusively in non-voting securities, please state that information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available (i) without charge, upon request, by calling a specified toll-free (or collect) telephone number; or on or through the Fund's website at a specified Internet address; or both; and (ii) on the Commission's website at <http://www.sec.gov>. See Item 18.16 of Form N-2.

\* \* \* \* \*

You are reminded that the burden of full and fair disclosure rests with each registrant, its counsel, and others engaged in the preparation of the registration statement. As a matter of law, this burden cannot be shifted to the Commission or its staff.

Notwithstanding our comments, please furnish a letter with respect to the Fund acknowledging that:

- the Fund is responsible for the adequacy and accuracy of the disclosure in its filings;
- should the Commission or the staff, acting pursuant to delegated authority, declare the filing effective, it does not foreclose the Commission from taking any action with respect to the filing;
- the action of the Commission or the staff, acting pursuant to delegated authority, in declaring the filing effective, does not relieve the Fund from full responsibility for the adequacy and accuracy of the disclosure in the filings;
- the Fund may not assert this action as a defense in any proceeding initiated by the Commission or any person under the Federal securities laws of the United States.

In addition, please be advised that the Division of Enforcement has access to all information you provide the staff of the Division of Investment Management in connection with our review of your filing or in response to our comments on your filing.

We will consider a written request for acceleration of the effective date of the registration statements as confirmation that those requesting acceleration are aware of their respective responsibilities.

Please respond to this letter in the form of a pre-effective amendment for the Fund. Please respond to all comments in a letter filed in the form of EDGAR correspondence. Where no changes will be made in response to a comment, please so state in your letter and explain the basis for your position. The staff may have further comments after reviewing your responses.

Any questions you may have regarding the above-referenced filings or this letter may be directed to the undersigned at (202) 551-6773.

Sincerely yours,

Kieran G. Brown  
Senior Counsel