



STATE STREET.

Joseph L. (Jay) Hooley
Chairman, President and
Chief Executive Officer

State Street Financial Center
One Lincoln Street, 11th Floor
Boston, MA 02111-2900

telephone +1 617 664 1602
facsimile +1 617 664 1619

jhooley@statestreet.com
www.statestreet.com

February 24, 2012

The Honorable Mary L. Schapiro
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Chairman Schapiro:

On behalf of State Street Corporation, I am writing to convey our strong concern with the direction the Securities and Exchange Commission (SEC) is reportedly heading in connection to money market mutual fund reform.

State Street is a major global provider of asset management and servicing to money market mutual funds and similar collective investment vehicles. We believe these funds play an important role in today's financial markets, and that the SEC should proceed very cautiously in adopting reform proposals which may unnecessarily limit investors' access to these types of investment products.

We understand the systemic risk-related concerns that have prompted both the Commission's current review of money market mutual fund regulation and the higher level reviews of such products at the FSOC and FSB level. However, we are concerned that the proposals under consideration --- including the "floating NAV", "redemption holdback" and "capital buffer" proposals -- will greatly reduce the usefulness of money market mutual funds to investors. By driving investors to less well-regulated products, these proposals could increase, rather than decrease, systemic risk.

We are aware of the liquidity challenges faced by some money market mutual funds during the recent financial crisis. We believe, however, that the 2010 changes the Commission adopted to Rule 2a-7 significantly reduced the risks such funds present to the financial system and that any additional changes should be very carefully considered, with full consideration given to the needs of investors, and their likely alternative options for investing the \$2.7 trillion currently held in money market mutual funds.

The proposals apparently under consideration at the Commission -- including the "floating NAV", "redemption holdback" and "capital buffer" proposals --- appear likely to severely reduce the usefulness of money market mutual funds for investors, who use such funds primarily for cash management, and who rely on having full, liquid, and predictable access to their investments on a daily basis. Adoption of these proposals by the Commission would fundamentally change the characteristics of money market mutual funds, essentially eliminating a substantial portion of the market. We do not believe such a fundamental restructuring of global financial markets will reduce systemic risk, or benefit investors.

State Street urges the Commission to carefully consider any money market mutual fund regulatory changes, and to reject the reported "floating NAV", "redemption holdback" and "capital buffer" options that have been reported in the press.

Sincerely,

A handwritten signature in blue ink, appearing to read "J.L. Hooley". The signature is written in a cursive style with a large initial "J" and a distinct "Hooley" at the end.

Joseph L. Hooley
Chairman, President and
Chief Executive Officer