Catherine A. Provencher
STATE TREASURER

THE STATE OF NEW HAMPSHIRE
STATE TREASURY
25 CAPITOL STREET, ROOM 121
CONCORD, NH 03301
(603) 271-2621
FAX (603) 271-3922
EMAIL: cprovencher@treasury.state.nh.us
TDD Access: Relay NH 1-800-735-2964

January 10, 2011

Ms. Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Subject: Comment Letter to the Securities and Exchange Commission on the President's Working Group on Financial Markets

Dear Ms. Murphy:

As you know, money market mutual funds are both an important source of financing and investment option for state agencies and municipalities. In fact, as an industry, money market mutual funds purchase about 65% of all short-term public debt. A number of regulatory and industry changes since 2008 have made the funds safer and more resilient to market disruptions, but regulators continue to evaluate further reforms. Some of these reform ideas are of serious concern to many States, and we believe, should be of concern to you as well.

The New Hampshire State Treasury (NH Treasury) opposes the proposal of the President's Working Group on Financial Markets that money market funds maintain a floating Net Asset Value, rather than a stable $1 per share as has been the standard. The NH Treasury believes that such a change would not be in the interests of either public-sector investors or debt issuers and could potentially destabilize the market. Furthermore, the NH Treasury believes that a floating NAV could decrease investor demand and transform the current money market funds into short-term bond funds with its inherent risk, volatility and liquidity problems.

Thank you for your attention to this matter.

Sincerely,

Catherine A. Provencher
New Hampshire State Treasurer