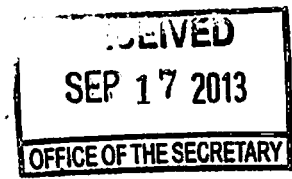


ES150565



Peter E. Madden
Chairman of the Independent Trustees of the Federated Funds
4000 Ericsson Drive
Warrendale, Pennsylvania 15086-7561

September 16, 2013

The Honorable Mary Jo White, Chair
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Proposed Rule on Money Market Fund Reform, Amendments to Form PF;
File No. S7-03-13 (The "Proposal")

Dear Chair White:

I am writing on behalf of the Independent Directors of those money market funds advised by subsidiaries and affiliates of Federated Investors, Inc. ("Federated") in order to express our support for the Proposal's Alternative Two, with modifications, as advocated by Federated in a comment letter dated September 11, 2013 which provided an overview of Federated's planned comment letters. (Letter to SEC dated September 11, 2013 from John D. Hawke, Jr. on behalf of Federated) ("Federated Comment Letter"). While we agree with Federated's observation that the 2010 amendments to Rule 2a-7 have enhanced the resiliency of money market funds and do not believe that a credible case has been made for the need for further structural reforms, we also strongly agree with Federated's comment that if structural reforms are enacted, Alternative Two, as modified, is the appropriate approach.

Specifically, we oppose requiring a floating net asset value for any money market funds and oppose splitting retail and institutional funds as outlined in Alternative One. This Alternative would in our view lead to significant flows out of prime money market funds and would do nothing to prevent runs.

The modifications to Alternative Two suggested by Federated would expand Board authority to temporarily suspend redemptions, in circumstances in addition to the proposed liquidity trigger, to prevent material dilution or other unfair results to shareholders. We agree with Federated that any suspension of redemptions should be for no more than 10 calendar days and that the liquidity trigger should be set at 10% of weekly liquid assets, rather than the proposed 15%. We submitted a similar comment in connection with the Financial Stability Oversight Council Section 120 draft

The Honorable Mary Jo White, Chair
September 16, 2013
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recommendations in support of voluntary gating. (Letter to FSOC dated February 13, 2013 from Peter E. Madden on behalf of the Independent Directors of the Federated Funds). It is our view that voluntary gating is the only proposed reform that would in fact stop runs and, based on our experience with the Putnam transaction in 2008, it has been tested and it works. Board discretion as to whether to impose a liquidity fee or redemption gate, or to take no action (if in the best interest of shareholders) should be retained so the Board could tailor the remedy to the specific situation without precipitating further problems.

In addition to our strong support of Alternative Two, as modified in the Federated Comment Letter, we also want to express our strong opposition to the Proposal's elimination of amortized cost pricing for all money market funds as it would only increase costs, operational complexity and risk in daily processing without any corresponding benefits.

In addition, we strongly favor treating municipal money market funds the same as government funds for purposes of exempting them from Alternatives One or Two. Municipal money market funds exhibited none of the issues giving rise to the policy concerns expressed in the Proposal and don't involve even the appearance of systemic risk. There is, therefore, no reason to injure or disrupt the short term municipal markets.

We commend the SEC and its Staff for a very thoughtful and detailed proposal and reclaiming proper jurisdiction in an area where the SEC has a demonstrated history of 40 years of successful regulation. We encourage a thoughtful reading of the comment file before adopting any structural changes to money market funds.

Sincerely,

A handwritten signature in cursive script that reads "Peter E. Madden (pdm)".

Peter E. Madden
Chairman
Federated Funds