NACUBO

September 8, 2009

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

RE: File Number S7-11-09, Release No. IC-28807
Money Market Fund Reform

Dear Ms. Murphy:

On behalf of the National Association of College and University Business Officers (NACUBO), I am writing to offer comments on the notice of proposed rulemaking (NPRM) published in the July 8th *Federal Register* making amendments to the rules governing money market funds. NACUBO represents chief financial officers at more than 2,100 colleges and universities.

As part of the notice, the SEC requested comments on the possibility of eliminating the ability of money market funds to use the amortized cost method of valuation. The use of this valuation method allows money market funds to maintain a stable $1.00 net asset value (NAV). The Commission's notice acknowledged that the stable NAV has been "one of the trademark features of money market funds." NACUBO strongly agrees with this observation; these funds play a central part of the cash management strategies of virtually every college and university in the United States. Money market funds play this role because they offer colleges and universities the low-risk investment option that these institutions demand. Money market funds are widely used to effectively manage the institution's cash flow, to hold a certain portion of the institution's investable assets to meet the institution's liquidity needs as defined in their investment policies, to be in compliance with certain legal and regulatory requirements, and to fulfill the terms of certain debt instruments.

As institutions that periodically enter the debt market with both short- and long-term debt, colleges and universities count on the capital that is provided by money market funds to meet their operating and campus facilities requirements. Depending on the market reaction to the loss of a stable NAV investment option, this proposal could alter both the number of investors and the amount of capital that could be invested in debt issued by colleges and universities, potentially raising the cost of capital for our members.

We recognize that the Commission has identified scenarios where the underlying market value of fund shares may vary from the $1.00 NAV that the fund maintains, and that shareholder trading can exacerbate such variations. However, we encourage the Commission to explore whether there are alternative strategies to specifically mitigate these effects, rather than considering repealing the hallmark feature that has made money market funds a central feature of our investment landscape in recent decades.

Thank you for the opportunity to provide comments on this matter of importance to our member institutions.

Sincerely,

John D. Walda
President and CEO

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