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**August 28, 2009**

**Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090**

**Re: File Number S7-11-09 - Comments on Money Market Fund Reform**

Dear Ms. Murphy:

We commend the SEC for its detailed recommendations in the proposed Money Market Fund Reform. We are the Administrator for various rated public fund pools, either organized as trusts or cooperative joint agreements. Although the SEC is not currently regulating our clients, it is important for us to comment on a portion of the proposals. We have not commented on all issues only those that we have direct knowledge of and/or information from client Board members.

**A. PORTFOLIO QUALITY**

**1. Second Tier Securities**

Some of our clients already have more restrictive policies based on State restrictions on eligible securities. We agree that eliminating second tier securities as an option would be appropriate.

**2. Eligible Securities**

**a. Use of NRSROs**

As indicated above, our clients currently comply with more restrictive eligible securities requirements. All of our clients are currently rated by a rating agency and we support the continuation of these same rating agencies supplying the credit ratings to determine eligible securities.

**b. Long-Term Unrated Securities**

We have no comment on this issue.

**3. Credit Reassessments**

We agree that in light of the proposed elimination of the second tier securities from the definition of eligible security, then the only circumstance in which the fund's board of directors would be required to reassess whether a security continues to present minimal credit risks would be if, subsequent to its acquisition by the fund, the fund's money market fund adviser becomes aware that an unrated security has received a rating from any NRSRO below the highest short-term rating category.

**4. Asset Backed Securities**

We have no comment on this issue.



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## **B. PORTFOLIO MATURITY**

### **1. Weighted Average Maturity**

Our clients are already required to comply with a 60 day weighted average maturity to maintain the highest rating from the rating agencies. We feel that this would level the playing field among all money market funds.

### **2. Weighted Average Life**

We agree that a money market fund should maintain a weighted average maturity not to exceed 120 days.

### **3. Maturity Limit for Government Securities**

We have no comment on this issue.

### **4. Maturity Limit for Other Portfolio Securities**

We have no comment on this issue.

## **C. PORTFOLIO LIQUIDITY**

### **1. Limitations on Acquisition of Illiquid Securities**

We have no comment on this issue.

### **2. Cash and Securities That Can Be Readily Converted to Cash**

#### **a. Minimum Daily Liquidity Requirement**

We have no comment on this issue.

#### **b. Minimum Weekly Liquidity Requirement**

We have no comment on this issue.

#### **c. General Liquidity Requirements**

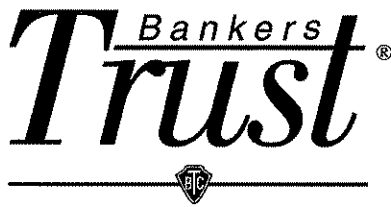
We agree that money market fund Boards should adopt policies and procedures to assure that appropriate efforts are undertaken to identify risk characteristics of particular types of shareholders.

### **3. Stress Testing**

Most of our clients have adopted a process of stress testing. Stress testing is not the only analysis being completed. The investment adviser is performing the stress testing and the Boards feel it is a helpful tool. We agree that minimum liquidity requirements based on the results of a particular stress test should be imposed and that they should be the same for retail and institutional funds.

## **D. DIVERSIFICATION**

We agree that the Commission should provide guidance to money market funds to assist them in determining the adequacy of their policies and procedures. However, we believe that the current diversification restrictions are adequate.



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#### **E. REPURCHASE AGREEMENTS**

Our clients currently are investing in repurchase agreements collateralized by government securities. We agree with this recommendation.

#### **F. DISCLOSURE OF PORTFOLIO INFORMATION**

##### **1. Public Website Posting**

Most of our clients periodically post the portfolio holdings. We agree that posting the monthly portfolio holdings to a website is a practical proposal.

##### **2. Reporting to the Commission**

Our clients currently are not required to make filings with the SEC, however we agree that disclosing information to the SEC in a monthly electronic filing of more detailed portfolio holdings information is appropriate.

##### **3. Amendment to Rule 30b1-5**

Our clients currently are not required to make filings with the SEC; however, we agree that the funds should be exempt from Rule 30b1-5's reporting requirements.

#### **G. PROCESSING TRANSACTIONS**

We believe that our clients' Boards should only be determining if the policies and procedures of the transfer agent, and all service providers, are adequate. The Boards should not be playing a role in the actual determination of the capacity to sell and redeem shares at prices that do not correspond to the stable net asset value or price per share.

#### **H. EXEMPTION FOR AFFILIATE PURCHASES**

##### **1. Expanded Exemptive Relief**

We agree that a fund should be permitted to sell a portfolio security that has defaulted, and is still an eligible security, to an affiliated person.

##### **2. New Reporting Requirement**

We agree that notice should be required not only for the fact of the purchase, but also the reasons for the purchase.

#### **I. FUND LIQUIDATION**

##### **1. Proposed Rule 22e-3**

We agree with the Proposed rule 22e-3 that would permit all money market funds, and other types of open-end investment companies, to suspend redemptions upon breaking a buck, if the board, including a majority of independent directors, approves liquidation of the fund, in order to liquidate in an orderly manner. The proposed rule is intended to reduce the vulnerability of investors to the harmful effects of a run on a fund, and minimize the potential for disruption to the securities markets. We believe that the maximum length of the suspension period should be 60 days.

##### **2. Request for Comment on Other Regulatory Changes**

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**a. Temporary Suspensions for Exigent Circumstances**

Under this approach, the fund could suspend redemptions for up to five days, during which time the fund could attempt to restore its net asset value (e.g., by securing credit support agreements). In the event that the fund could not restore its net asset value within that period, the fund would be required to begin the liquidation process. A fund would be permitted to exercise this option only once every five years. This "time out" could give money market funds some time during turbulent periods to assess the viability of the fund. We agree that this additional relief should be granted.

**b. Options for Shareholders in Liquidating Funds**

We believe that there should be no special treatment based on the type of shareholder and that all orders should be processed in the order received.

**II. REQUEST FOR COMMENT**

**A. Floating Rate NAV**

We oppose eliminating the ability of money market funds to use the amortized cost method of valuation that allows for a stable net asset value. Most of our clients would be unable to invest in a floating rate NAV fund since they would be precluded by law or regulation from using such a security.

**B. Redemptions In Kind**

We believe that redemptions in kind would be very difficult for the investor to value the security upon liquidation and that this proposal is not advisable.

We thank the SEC for the opportunity to provide comments on the proposed Money Market Fund Reform. Please contact me directly for any further information.

Sincerely,

A handwritten signature in cursive script that reads "Jeri Le Henry".

Jeri Le Henry, Vice President  
Director of Corporate Trust, Public Funds and Trust Operations  
Bankers Trust Company, N.A.