New York Life Investment Management LLC

Mr. Kenneth Quann
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September 14, 2009

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Amendments to Rule 2a-7 of the Investment Company Act

Dear Ms. Murphy:

New York Life Investments is pleased to comment on the Securities and Exchange Commission's proposed amendments to Rule 2a-7 of the Investment Company Act. Under the current regulations, money market mutual funds are permitted to keep up to 10% of the portfolio value in "illiquid assets", collectively known as the illiquid bucket. Money market mutual funds use this provision to invest in insurance company funding agreements, which are contracts that are considered pari passu with the policyholders in the most senior position in the capital structure. The proposed amendment would end the active use of the illiquid bucket, and insurance company funding agreements, by requiring that securities be liquid at the time of purchase. We believe that eliminating the ability of money market mutual funds to purchase funding agreements would be detrimental to both the funds' yield and its diversification. Historically, this has been the primary product money market mutual funds have utilized to access the New York Life credit. Additionally, funding agreement contracts were not a contributing factor to the credit and liquidity issues experienced by the funds.

In addition, a shortening of the "Maturity Limit for Other Portfolio Securities" to something less than 397 days would hinder the diversification and yield that funds would be able to return to their shareholders. Shortening the maximum maturity guidelines would likely have an impact on New York Life's ability to continue to offer this product. Our clients, past and present, have shown a propensity to invest in funding agreements slightly shorter than 397 days which maximizes their ability to attract yield with an asset that fits their maturity profile. Money market mutual funds have exhibited an ability to successfully manage under these maturity limits and the current limit did not contribute to the credit and liquidity issues.

New York Life Insurance Company is the largest mutual insurance company in the United States. We have the highest financial strength ratings from the life insurance industry's principal rating agencies which have been reaffirmed in 2009; Moody's (Aaa), Standard & Poor's (AAA), Fitch (AAA) and A.M. Best (A++). New York Life has been writing funding agreement contracts to money market mutual funds since 1995 and in 2007 we had $6.8 B outstanding. We currently have $1.8 B outstanding and are seeing an increase in demand as the capital markets recover.

New York Life Investments believes that there is value in permitting up to 10% of the portfolio' value in illiquid assets, including funding agreement contracts. The additional diversification and yield achieved via the utilization of the illiquid bucket and maturity limit out to 397 days will continue to enhance the performance of money market funds as has been the case historically. We also believe the other proposed liquidity requirements should offset any concerns about a minimal exposure to illiquid assets.

We look forward to working with the Commission as it continues to examine these issues. In the meantime, if you have any questions, please feel free to contact me directly at (973) 394-3208.

Sincerely,

Ken Quann

Kenneth Quann
Managing Director
New York Life Investments

Cc:

The Honorable Mary L. Schapiro, Chairman
The Honorable Kathleen L. Casey, Commissioner
The Honorable Elisse B. Walter, Commissioner
The Honorable Luis A. Aguilar, Commissioner
The Honorable Troy A. Paredes, Commissioner

Andrew J. Donahue, Director, Division of Investment Management
Robert E. Plaze, Associate Director, Division of Investment Management