



November 18, 2013

By Electronic Delivery

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: College Savings Foundation's Comments on File Number SR-MSRB-2013-04;
MSRB Proposed Rule G-45

Dear Ms. Murphy:

The College Savings Foundation ("CSF") is a not-for-profit organization with the mission of helping American families achieve their education savings goals by working with public policy makers, media representatives, and financial services industry executives in support of 529 college savings plans ("529 Plans" or "Plans"). CSF serves as a central repository of information about college savings programs and trends and as an expert resource for its members as well as representatives of state and federal government, institutions of higher education and other related organizations and associations. CSF's members include state 529 Plans, investment managers, broker-dealers, other governmental organizations, law firms, accounting and consulting firms, and non-profit agencies that participate in the sponsorship or administration of 529 Plans.

CSF appreciates the opportunity to provide comments in response to the Securities and Exchange Commission's Order Instituting Proceedings to Determine Whether to Disapprove Rule G-45 proposed by the Municipal Securities Rulemaking Board ("MSRB"). As we stated in our response to the MSRB's initial information collection proposal (MSRB Notice 2011-33), CSF and its members fully support a transparent 529 marketplace and broad dissemination of relevant information. We are equally dedicated to working with the MSRB in its efforts to gain a better understanding of the industry, its participants, and its customers.

However, for the reasons stated in the Investment Company Institute's comment letter on SR-MSRB-2013-04 dated November 8, 2013 (the "ICI Response Letter"), we believe that proposed rule G-45 should not be approved. CSF also believes that the SEC may gain a broader

understanding of our position on this matter by reviewing our responses to the MSRB's requests for comment on this issue:

CSF's response to MSRB Notice 2011-33 sought to call the MSRB's attention to the established and authoritative 529 industry sites which already collect data and distribute it in user-friendly formats. The response also noted concerns that certain data, if publically provided without the proper context, could have unintended negative implications. For instance, publishing portfolio asset levels and total quarterly portfolio contributions (as was proposed in 2011-33), could distract a customer from a disciplined approach to selecting a portfolio in favor of simply investing where they perceive the majority of others are investing. Similarly, providing information on total quarterly outflows could lead to incorrect conclusions about the desirability of a particular plan or portfolio. What some might perceive as unusual levels of outflows from a portfolio might instead only be normal seasonal distributions for qualified educational expenses.

Our response to MSRB Notice 2012-40 was done in collaboration with the College Savings Plan Network ("CSPN") and gave the MSRB the results of a member survey that expressed concerns over certain defined terms and Form G-45.

Finally, CSF's response to MSRB Notice 2012-59 applauded the MSRB's adoption of CSPN's Disclosure Principals Statement No. 5 for certain definitions and fee/expense reporting formats and also pointed out implementation issues. We also again raised concerns about customers receiving raw data like portfolio asset levels and contributions without accompanying information to facilitate informed, disciplined investment decisions.

For your convenience, we have included these responses with this letter.

CSF appreciates the opportunity to provide these comments and the attached responses. We look forward to working with the SEC and MSRB on proposed Rule G-45 to ensure that the rule's stated goals are carried out in an effective, efficient manner. Please do not hesitate to contact us with any questions or for more information. You may reach CSF by calling Kathy Hamor at (703) 351-5091.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger Michaud", with a stylized flourish at the end.

Roger Michaud
Chairman,
College Savings Foundation

Enclosures



August 31, 2011

Mr. Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, Virginia 22314

By Email: CommentLetters@msrb.org

Re: MSRB Notice 2011-33 (July 19, 2011) – *Request for Comment on Plan to Collect Information on 529 College Savings Plans* – Response of **College Savings Foundation**

Dear Mr. Smith:

The College Savings Foundation (CSF) is a not-for-profit organization with the mission of helping American families achieve their education savings goals by working with public policy makers, media representatives, and financial services industry executives in support of 529 college savings programs. CSF serves as a central repository of information about college savings programs and trends and as an expert resource for its members as well as representatives of state and federal government, institutions of higher education and other related organizations and associations. CSF's members include state 529 plans, investment managers, broker-dealers, other governmental organizations, law firms, accounting and consulting firms, and non-profit agencies that participate in the sponsorship or administration of 529 college savings plans.

CSF is committed to providing information useful to those saving for higher education, to assist them in knowledgeably selecting a 529 program. Most importantly, CSF fully supports a transparent 529 marketplace and broad dissemination of relevant information. CSF and its members are equally dedicated to working with the Municipal Securities Rulemaking Board (MSRB) in its efforts to gain a better understanding of the industry, its participants, and its customers. MSRB Notice 2011-33 (the Notice) provides an excellent opportunity for the MSRB, CSF, and other 529 industry participants to begin a dialogue about a centralized information system. Given the importance of this issue and our desire to maximize the availability and accessibility of pertinent information, we would appreciate an opportunity to meet with the MSRB to discuss ways to best meet our mutual goals.

An item of particular interest to CSF and its members is the possibility of dissemination of primary market disclosure documents and continuing disclosure electronically at a central website, with printed versions provided upon request. Electronic dissemination facilitates faster updates to disclosure documents. A central repository, such as is currently maintained by the MSRB on EMMA, assists individuals searching for information one place to obtain information on most 529 programs. Electronic disclosure also permits a significant cost savings over the more expensive paper format and is environmentally friendly. Given the widespread reliance on the web and the fact that it has become, for a large portion of society, the medium in which news and information is obtained, electronic dissemination is the next logical evolutionary step in effective disclosure.

We understand and applaud the MSRB's goal of having a centralized system for data collection and dissemination for the 529 industry's market participants. Of course, once collected, the key to effectively sharing this data is to first and foremost consider the audience who will be using it. For purposes of responding, we assume that "Market Participants" as used in the Notice includes both 529 customers and investment professionals. Given that there are already established and authoritative 529 industry sites which collect data and distribute it to these audiences (two of which are briefly described immediately below), it will be useful to discuss whether existing sites could be relied on by the MSRB to more efficiently meet the Notice's goals. We note that EMMA currently refers viewers to the College Savings Plans Network's (CSPN) website for plan comparison materials.

CSPN's free website (www.collegesavings.org) permits those interested in college savings plans to customize reports which compare 529 programs by state or by features using a wide variety of criteria. Visitors can learn about state tax benefits and other inducements like matching programs. They can also use a slide bar to compare fees of both direct sold and advisor sold programs. Critically, the site has data from those states whose programs are not managed by dealers. Each state's plan is given a separate page where its program or programs are more fully outlined and a link is provided to each state's 529 website where disclosure documentation and other detailed information on particular programs may be found. We also note that the CSPN website includes information on all 529 programs, not just those regulated by the MSRB.

The Financial Research Corporation (FRC) (www.frcnet.com) provides both free and fee-based information geared more towards industry professionals. FRC provides, among other materials, quarterly executive-level reports and analysis on product, marketing, and distribution trends in addition to a report that provides analysis on 529 fees at the plan and investment option levels. FRC provides both qualitative and quantitative analyses of 529 plans based on industry surveys with financial advisors, investors, and interviews with senior executives. FRC also

periodically provides studies on issues relevant to 529 program managers. We believe these more technical papers and data could be useful to the MSRB in better understanding the industry and that they could be made available to the MSRB for internal use.

Using EMMA as a one stop data collection/dissemination source for both the parent who has no investment experience and the investment professional may frustrate the effectiveness of the Notice's educational goals. At present, EMMA does not include the user-friendly features of CSPN's site, such as the ability to customize reports which a parent may then tailor for his or her search for a suitable plan. Nor does it offer the commentary or reports found in FRC's online content which are valuable to, among others, the investment professional. Further, while MSRB's important role in the 529 industry is well known among state participants and investment professionals, that awareness may not extend to the general public. Accordingly, the MSRB may be a less obvious choice for individuals searching the web for information on 529 savings options. Relying on currently established, recognized, and authoritative sites for data collection and dissemination to each of these audiences permits the MSRB to avoid duplicating existing online resources, maximizes the probability that the intended audience will understand and use the data presented, and leverages the existing websites' content and know-how.

Equally important, for those searching for information about how to effectively save for higher education through a 529 plan, the data available should be directly relevant and helpful as to which plan is most appropriate for that particular person. Investment strategies, performance histories, time horizons, portfolio types, fees, state tax advantages and other similar information speak directly to the customer's risk tolerances and savings goals and are some of the data points critical to a disciplined, well-informed selection of both a 529 plan and an investment portfolio. However, other data points, such as those identified in the Notice, could prove misleading without context. Publishing portfolio asset levels and total quarterly portfolio contributions could distract a customer from a disciplined approach to selecting a portfolio in favor of simply investing where they perceive the majority of others are investing. Similarly, providing information on total quarterly outflows could lead to incorrect conclusions about the desirability of a particular plan or portfolio. What some might perceive as unusual levels of outflows from a portfolio may simply be normal seasonal distributions for qualified educational expenses.

As to the MSRB's goal of bettering its own understanding of the 529 market, CSF is eager to work with the MSRB in its efforts to achieve a higher level of understanding of our industry. As most, if not all plans, are subject to state freedom of information laws, we believe that very little of the data described in the Notice would be considered confidential. However, as described above, there is some concern that some of the data, if published, particularly without discussion or context, could be misleading to customers and would prevent them from making informed decisions. Consequently, the MSRB and 529 market participants should meet and discuss the collection and dissemination of information by the MSRB.

Mr. Ronald W. Smith
August 31, 2011
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We sincerely appreciate the opportunity to provide these comments to you and hope we can meet to discuss these issues in the near future.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger Michaud". The signature is fluid and cursive, with the first name "Roger" being more prominent than the last name "Michaud".

Roger Michaud
Chairman
College Savings Foundation



By Electronic Delivery

September 14, 2012

Ronald W. Smith, Corporate Secretary
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, VA 22314

Re: Comments Concerning MSRB Notice 2012-40
Request for Comment on Draft Proposal to Collect 529 College Savings Plan
Data

Dear Mr. Smith:

The College Savings Plans Network (CSPN) and the College Savings Foundation (CSF) are national not-for-profit organizations which work with their members to enhance 529 plans and assist American families to plan and save for higher education. CSPN and CSF members include state officials and state-sponsored 529 plans, as well as program managers, investment managers, and many organizations providing services to 529 plans, including legal, accounting and general consulting.

As the two national associations representing the 529 industry, we appreciate the opportunity to comment on MSRB Notice 2012-40, Request for Comment on Draft Proposal to Collect 529 College Savings Plan Data issued August 6, 2012 (the "Notice" or "Notice 2012-40"). We appreciate the Municipal Securities Rulemaking Board's (the "MSRB") continuing commitment to assist investors seeking to purchase 529 College Savings Plans ("529 Plans" or "Plans") and its interest in the collection of market information regarding 529 Plans. We are dedicated to working with the MSRB in its efforts to gain a better understanding of the industry, its participants, and its customers and want to ensure that it receives appropriate, consistent information to assist in its regulatory oversight of 529 Plan dealers. In addition, as noted in our responses to both MSRB Notice 2011-33 and MSRB Notice 2012-10, we fully support a transparent 529 marketplace and broad dissemination of relevant information.

CSPN remains very supportive and committed to provide meaningful free public access to information about 529 Plans and continues to believe that its website already provides such a resource. CSPN continues to enhance the information available to the public regarding 529 Plans as evidenced by the recent addition of Plan performance information. CSPN continues to believe that an MSRB data source may not necessarily be the best resource for those planning to save for college and appreciates the MSRB's commitment to keep the data proposed to be collected confidential unless and until a new Request for Comment is issued.

Similarly, CSF understands and applauds the MSRB's goal of having a centralized system for data collection and dissemination for the 529 industry's market participants. As stated in its response to MSRB Notice 2011-33, CSF believes that, once collected, the key to effectively sharing this data is to first and foremost consider the audience who will be using it. Given that there are already established and authoritative 529 industry sites which collect data and distribute it to these audiences including those produced by CSPN and FRC, it will be useful to continue discussing whether certain existing sites could be selected by the MSRB to more efficiently meet its goals in this matter.

To provide the MSRB with the most relevant data in the time period allotted, we submitted a survey to our members on the material issues presented in the Notice. While we have received a number of responses to the survey, our members are still evaluating how the Notice impacts them and their operations. As such, we would ask that the MSRB be willing to further discuss these issues and their impact on our industry in the near future.

A common theme in initial survey responses, a summary of which is found immediately below, is that while much of the data the Notice requests is already being collected, the methodology under which that information is assembled does not always match with what the Notice requires. For example, while all plans collect data on contributions, some plans include investment changes in their contribution calculations. This is in contrast with the Notice's requirement that investment changes not be included in quarterly contribution data. The industry is working toward greater consistency in the methodology for collecting and reporting data.

MSRB Notice 2012-40 Survey Results

I. Rule G-45 – Defined Terms

We respectfully request clarification of several defined terms presented in Rule G-45 as follows¹:

¹ Many of our views with regard to defined terms under proposed Rule G-45 are consistent with and, in some cases, identical to those views expressed by the Investment Company Institute in their comment letter to be submitted regarding the Notice.

A. "Asset Class"

It is unclear to us whether the proposed definition of "asset class" is intended to refer to (i) the types of investments held in a 529 plan, (ii) the types of mutual funds held in a 529 plan, and/or (iii) the types of securities or other assets held by an underlying mutual fund. To avoid confusion and capture useful information in a manner that is consistent across the industry, we recommend that the MSRB define this term as follows:

"Asset class" shall mean: Domestic Equity; International Equity; Fixed Income; Cash or Cash Equivalents; or Other (please specify).

Should the MSRB disagree with this recommendation, we recommend that at the very least it define this term with greater specificity to avoid confusion among filers and ensure the comparability of information reported on Form G-45.

B. "Benchmark"

As discussed below, we recommend that Form G-45 not include performance information (including benchmark information and performance). If the MSRB adopts this recommendation, the term "benchmark" will no longer be needed and should be deleted.

C. "Contributions"

The MSRB proposes to define contributions in a way that would exclude from this term "withdrawal of funds from one strategy or portfolio and deposit of the same funds into another strategy or portfolio, such as where an account owner selects a different investment option or funds are moved from one age-band to another as beneficiaries approach college age." We recommend eliminating this exclusion for two reasons.

First, a primary distributor often will not know which portions of a 529 plan's total contributions represent either rollovers or a reallocation of assets in different investment options. The primary distributor's role in the 529 plan is either to sell plans to investors, to execute sales agreements with retail broker-dealers selling 529 plans, or both. While the plan's investment manager or recordkeeper may be aware of the amount of plan assets involved in these rollovers or reallocations because they may be involved in processing those transactions, it is not likely that the primary distributor would possess this information. The records for individual plan participants, and the allocation of their accounts among investment alternatives, would be maintained by the plan's recordkeeper – which is not necessarily the primary distributor. Without knowing the amount of assets that represent rollovers or reallocations, a primary distributor would be unable to compute "contributions" as required by Form G-45. Further, because the Form only requires primary distributors to report information within their possession, custody, or control, it is likely that many Form G-45 filings would contain no information on contributions, which is obviously not what the MSRB intends.

In addition to eliminating the exclusion for rollovers or reallocations from the proposed definition of “contributions,” we recommend deleting the phrase “whether by existing account owners or new account owners.” Not all deposits come from an “account owner.” Instead, contributions to an account could come from relatives or friends of the account owner who want to contribute to the beneficiary’s 529 plan account. Also, the source of funds deposited into an account is likely not information recorded or tracked by the 529 Plan. Requiring the reporting of “all deposits” without regard to source would appear to provide the information of interest to the MSRB, thereby obviating the need to include this clause.

Based on all of our comments, we recommend that the term “contributions” be defined to mean “all deposits into a 529 plan account.” If the MSRB disagrees with this approach, we suggest that the term “contributions” be defined to allow an underwriter to submit contribution data in either format (i.e. – excluding withdrawals from one investment option to another *or* including all deposits).

D. “Distribution”

Like the definition of “contributions,” the MSRB has proposed to carve out from the definition of “distribution” those assets that are moved among investments or strategies. We oppose this carve out for the same reason we oppose it in connection with contributions. Accordingly, we recommend that the term “distribution” be defined to mean “the withdrawal of funds from a 529 plan account.”

E. “Manner of Distribution”

To prevent confusion, a term other than “Manner of Distribution” could perhaps be used to describe how 529s are sold to the public. The Notice correctly defines the term “Distribution” as the process of withdrawing money from an account. Using “Distribution” as part of a term that describes 529 marketing may lead to confusion.

F. “Performance”

We suggest that the definition of performance be expanded to define performance as that information described in CSPN’s Disclosure Principles Statement No. 5, adopted May 3, 2011, (“Disclosure Principles”). The industry uses the narrative and tables included in the Disclosure Principles as the guide for presenting performance information. Performance information is also presented in this format on the CSPN website. Revising the definition of “performance” to reflect the Disclosure Principles will also decrease the administrative burden for those underwriters required to submit data.

We also recommend that the MSRB revise the frequency of reporting this information. We note that SEC rules require mutual funds to provide performance information in their prospectuses and in annual reports to shareholders. There is no quarterly or even semi-annual performance reporting requirement and, therefore, it is unclear why the MSRB would require

more frequent reporting of 529 plan performance. We believe that, if the MSRB retains the requirement for performance reporting on Form G-45, any such requirement should apply on an annual basis to be consistent with SEC rules.

G. "Portfolio"

The MSRB proposes to define "portfolio" to mean "the most basic legal entity into which account owner funds are deposited, such as a registered investment company." We believe that the proposed definition may not be reflective of the manner in which 529 Plans typically use this term and therefore may be confusing. Based on the inclusion of the term "registered investment company", we presume that the MSRB is seeking to collect data regarding the investments that underlie a 529 Plan investment (i.e. – an investment option may consist of three mutual funds from one or more registered investment companies).

If this is correct, we suggest that the term "portfolio" be replaced with the term "underlying investment"² in order to be consistent with industry guidance included in the Disclosure Principles. CSPN also believes that the term "underlying investment" is more commonly used in the industry and more descriptive. If the MSRB intends for "portfolio" to have another meaning, we recommend a definition with greater specificity.

H. "Program Manager"

Under the MSRB's proposed definition, a "program manager" would have to provide "investment advisory and management services, administrative and accounting functions, *and* marketing and other services related to the day-to-day operation of the plan." We understand that not all program managers provide all of these services. Accordingly, we recommend replacing the italicized "and" in the first sentence of this paragraph with "or." This change will ensure that each plan has at least one entity that would qualify as a "program manager."

I. "Strategy"

"Strategy" would be defined to mean "a combination of more than one portfolio through which funds of account owners are allocated to achieve a particular investment outcome." As with other proposed definitions, we are uncertain as to its intended meaning. We believe that the MSRB intends to capture the actual investment options offered by a Plan (i.e. – age-based options and fixed investment options, and stand-alone investment options, each of which may be comprised of one or more underlying investments). We, therefore, recommend that the MSRB replace the term "strategy" with the term "investment option" in order to be consistent with industry guidance included in the Disclosure Principles. CSPN also believes that the term "investment option"³ is more commonly used in the industry and more descriptive. If the MSRB

² For purposes of this letter, we will continue to refer to the term "portfolio" as "underlying investment".

³ For purposes of this letter, we will continue to refer to the term "strategy" as "investment option".

intends for “strategy” to have another meaning, we recommend a definition with greater specificity.

II. Form G-45 Survey Results

A. Section (i)(A-F) Plan Descriptive Information

As perhaps would be expected, none of the respondents to our survey reported any concerns with the collection and submission of the basic Plan descriptive information listed in the Notice.

B. Section (ii) Aggregate Plan Information

Comments on Particular Subsections:

a. Subsection (ii)(B) Total Contributions for the most recent quarter, and the percentage of those contributions derived from automatic contributions:

Some respondents stated that while they do gather information on data points like contributions, they arrive at their contributions totals in a manner different from the one described in Notice 2012-40. As currently written, Form G-45 requires the total number of contributions in a quarter. The draft of Rule G-45 defines both “Contributions” and “Distributions” as not including account activity caused as a result of investment direction changes. However, some Plans include their customers’ investment changes in their contribution/distribution tallies.

In addition, some Plans regard contribution information as proprietary stating that the data, if made public, could provide a competitive advantage to other market participants. Still others do not collect this information on a quarterly basis.

Others expressed concern about obtaining and providing information on automatic contributions. As currently written, Form G-45 appears to require that all automatic contributions be reported for a given quarter. However, some Plans do not track this activity or only track ACH transfers from particular financial institutions and do not have the ability to tabulate the number of direct deposits from other sources.

b. Subsection (ii)(C) Total distributions for the most recent quarter:

As stated immediately above, Plans have different ways of calculating distribution levels which, in some cases, includes counting investment direction changes. In addition, like contribution levels, some respondents view this information as proprietary.

c. Subsection (ii)(D) Fee and Expense structure for fees and expenses directly and indirectly paid by account owners as of the end of each quarter:

Several respondents noted that reporting fees quarterly would require some changes to their existing reporting structure. In addition, some stated that providing quarterly fee and expense information on underlying fees could prove difficult as it is outside their normal processes.

In addition, we note that the MSRB has indicated that “[t]o avoid additional expense, primary distributors would submit information in the format suggested in Exhibit A to CSPN’s Disclosure Principles Statement No. 5 (May 3, 2011)”. We appreciate the MSRB’s desire to minimize the burden of reporting for each 529 Plan. However, because of unusual fee structures of some Plans, the Disclosure Principles specifically states:

Suggested fee and cost tables are attached as Exhibit A. If a Savings Plan includes fees and costs in categories that differ from the categories included in Exhibit A, then a different tabular presentation that is at least as specific as the tables attached as Exhibit A should be used.

Several Plans rely on the guidance in the Disclosure Principles to present an alternative fee table. We propose that the MSRB adopt a similar approach with regard to presentation of fees under Rule G-45 to ensure that all Plans are able to comply with the Rule.

C. Section (iii) Information Regarding Each Investment Strategy (investment option):

General Comments: Several respondents noted that they would have difficulty reporting available data regarding investment options 30 days after quarter end and suggested a number of different time frames ranging from 45 to 90 days as more realistic. Others reserved estimating a response time until they could obtain further clarification on the type of information requested in this section. Also, several noted that the term “Strategy” needed clarification with some asking whether it was solely referring to age-based strategies (*See Section I.I above*). In addition, there continued to be concern that, when combined, all of this information may provide a competitive advantage to other market participants if it is made publicly available. Comment was also received questioning the materiality of this information to the regulatory process asserting that it was the sponsoring state’s responsibility to ensure that the investment options are appropriate.

Comments on Particular Subsections:

a. Subsection (iii)(E) Asset class allocation as of the end of the most recent quarter:

One respondent asked who would determine the type of asset class – the Primary Distributor or the MSRB.

b. Subsection (iii)(F) Name of each portfolio in each strategy and percentage allocation of each portfolio in each strategy:

A respondent questioned whether the MSRB was seeking actual asset class allocation and underlying investment allocation or targeted allocations. Some commented that targeted allocations are more easily reportable while actual allocations are not currently calculated quarterly or easily reportable in that time frame.

c. Subsection (iii)(H) Name of benchmark, if any:

A respondent noted that these are customized to each investment option and are not easily reportable and another stated that the information may be proprietary.

d. Subsection (iii)(I) Benchmark performance for the most recent quarter:

The same comments made on Subsection (iii)(H) immediately above were also made for this information.

e. Subsection (iii)(J) Total contributions for the most recent quarter and Subsection (iii)(K) Total distributions for the most recent quarter:

As was pointed out above, some Plans do not calculate their contributions and distributions in the manner proscribed under the current draft of Rule G-45 or collect it on a quarterly basis. In addition, some Plans' systems are currently designed to aggregate this information not to break it down so that it could be reported as envisioned. Other respondents stated that, currently, their systems do not track contributions and distributions at the investment option level.

A respondent also stated that they do not believe that knowing actual contributions and distributions of an investment option is of significance to a 529 investor. They noted that there are many reasons why a customer selects an investment option and it should not be based on contribution and distribution figures. Sales and redemption figures are not reported by Fund families for mutual funds and there is no clear reason why the 529 industry should be subject to such a requirement.

D. Subsection (iv) Information regarding each individual portfolio (underlying investment):

General Comments: Some commenters remarked that this information is not in their possession, custody, or control. As is common in the industry, the program manager and primary distributor are not the same entity as the issuer of the underlying investment. Therefore, to require reporting at the underlying investment level would require most reporting entities to provide another entity's data. In particular, we cannot say that every issuer of an underlying investment in a 529 Plan would agree to or approve an affiliated or unaffiliated third party disseminating its information to the MSRB and/or the public. In some cases, the issuer of an underlying investment may not be required itself to disclose any of the requested information to a regulator and/or the public.

As with the other subsections, there continues to be concern that, when combined, all of this information may provide a competitive advantage to other market participants if it is made publicly available. In addition, a respondent stated that while the information requested in Subsections (iv)(D-J) could be obtained from its system, it was currently not in a reportable format thus necessitating that a new report be created, tested, and implemented in order to deliver the data requested.

Comment was also received questioning the materiality of this information to the regulatory process and its usefulness given that the performance figures will be provided at investment option level. For any data on individual underlying investments that is readily available, Plans report that they would need anywhere from one to six months to develop and produce the required reports. As some primary distributors do not normally collect the data requested in the format and/or frequency required by proposed Rule G-45, the consensus appears to be that extensive development work would be required to create the necessary reports. Opinions widely vary over how long these new reports would take to develop, test, and implement with estimated time frames ranging from two months to two years.

Comments on Particular Subsections:

**a. Subsection (iv)(I) Total contributions for the most recent quarter &
Subsection (iv)(J) Total distributions for the most recent quarter:**

One respondent remarked that quarterly contributions and distributions at the individual underlying investment level would be more complicated to calculate for the age-based underlying investments as they consist of a variety of underlying funds. In addition, it is the practice of some to measure contributions and distributions at the Plan or underlying investment level, not the investment option level. Finally as stated repeatedly above, it is also the practice by some to include investment direction changes in the calculation of contributions and distributions which differs from proposed Rule G-45's methodology.

Thank you again for providing an opportunity to comment on the Notice. We hope our comments and our actions as an industry convey our commitment to ensuring that the marketplace is equipped with meaningful, accurate information regarding 529 Plans. Please do not hesitate to contact us with any questions or for more information. You may reach CSPN by calling Chris Hunter at (859) 244-8177 and CSF by calling Kathy Hamor at (703) 351-5091.

Sincerely,



Hon. Michael L. Fitzgerald
Treasurer of Iowa and
Chairman, College Savings Plans Network



Roger Michaud
Chairman,
College Savings Foundation



December 21, 2012

By Electronic Delivery

Ronald W. Smith, Corporate Secretary
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, Virginia 22314

Re: College Savings Foundation's Comments on MSRB Notice 2012-59:
*Second Request for Comment on Draft Rule Requiring Underwriters to Submit
529 College Savings Plan Information to the MSRB*

Dear Mr. Smith:

The College Savings Foundation ("CSF") is a not-for-profit organization with the mission of helping American families achieve their education savings goals by working with public policy makers, media representatives, and financial services industry executives in support of 529 college savings plans ("529 Plans" or "Plans"). CSF serves as a central repository of information about college savings programs and trends and as an expert resource for its members as well as representatives of state and federal government, institutions of higher education and other related organizations and associations. CSF's members include state 529 Plans, investment managers, broker-dealers, other governmental organizations, law firms, accounting and consulting firms, and non-profit agencies that participate in the sponsorship or administration of 529 Plans.

We appreciate the cooperative spirit and conversational manner in which the Municipal Securities Rulemaking Board (the "MSRB") has approached this issue with industry participants and the responsiveness it has shown to some of their concerns. The MSRB's revision of reporting frequency and reporting deadlines, definitional changes, and a lengthier implementation period have addressed a large percentage of the concerns expressed and are very much welcomed by our members. We remain committed to a transparent 529 marketplace and a broad dissemination of relevant information to those interested in 529 Plans. We also take this opportunity to reiterate our strong desire both to work with the MSRB in its efforts to gain a better understanding of the industry and also to continue this dialogue in order to produce an

efficient, fair, and effective data collection process. To that end, we offer the following comments on Notice 2012-59.

I. Inclusion of certain elements of CSPN Disclosure Principles Statement No. 5

CSF welcomes the adoption of the College Savings Plan Network's ("CSPN") Disclosure Principles Statement No. 5 (the "Disclosure Principles") for certain definitions and the reporting format of fee and expense structures and performance data. If properly incorporated, the Disclosure Principles will make the transition to the reporting process envisioned in Notice 2012-59 less cumbersome and more efficient. As such, we ask that the relevant provisions of the Disclosure Principles be fully incorporated into G-45, Form G-45, and/or the Form's instructions, including Disclosure Principle ¶3(F) and (G). Doing so will permit G-45 to take full advantage of the Disclosure Principles' detailed and flexible method of reporting fee, expense, and performance data for both Advisor-Sold and Direct Sold programs. We would ask the MSRB to continue the discussion on this point by distributing a draft copy of Form G-45 and its instructions for comment prior to their adoption.

In addition, in reporting fees under Form G-45(ii)(D), it should be made clear that a Plan is reporting fees as of the most recent offering document since most Plans issue offering documents once per year and G-45, as currently written, calls for semi-annual reporting.

II. Reporting of Total Assets in Each Investment Option

Under Form G-45(iii)(A), a Plan is to report total assets in each investment option at the end of each semi-annual period. The MSRB has stated that, for the moment, none of the information submitted will be reported publicly but has indicated that, at some point, certain information will be published. CSF again raises its concerns about publicly providing data at the investment option level as it could be misleading to some investors who might draw erroneous conclusions about investment options based primarily or solely on assumptions about an option's popularity. For example, at certain periods, more conservative investment options experience negative flows because accounts are being used to pay college costs; all a potential investor might see would be the negative flows and assume the option was unattractive without understanding why net contributions were negative.

III. Implementation


Comments from members were also received concerning the implementation of G-45 and enforcement of its requirements. These include concerns that the implementation deadline of one year is still too aggressive, with 18 months to two years being suggested as a more reasonable time frame. This concern may have been expressed due to reports that the MSRB may levy fines against those who are not in compliance with G-45's requirements. In addition, there was concern expressed about the uncertainty of when MSRB would shorten G-45's reporting periods from semi-annual to quarterly and reporting deadlines from 60 days to 30.

Ronald W. Smith, Corporate Secretary
December 21, 2012
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The 529 industry continues to refine its data collection and reporting efforts and is committed to transparency and data integrity. These efforts will impact the quality of any reporting to the MSRB and should be considered in the timing of any reporting requirements.

Thank you again for providing an opportunity to comment on Notice 2012-59. We hope our comments and our actions as an industry convey our commitment to ensuring that the marketplace is equipped with meaningful, accurate information regarding 529 Plans. Please do not hesitate to contact us with any questions or for more information. You may reach CSF by calling Kathy Hamor at (703) 351-5091.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger Michaud", with a stylized flourish at the end.

Roger Michaud
Chairman,
College Savings Foundation

