



OFFICE OF THE  
**ARIZONA STATE TREASURER**  
**KIMBERLY YEE**  
TREASURER



April 10, 2025

Mr. Ronald W. Smith  
Corporate Secretary  
Municipal Securities Rulemaking Board  
1301 I Street, NW  
Washington, DC 20005

***Electronic Transmission***

Dear Mr. Smith,

Thank you for the opportunity to comment on MSRB Notice 2024-15, *Concept Release: MSRB Requests Comment on Potential Modernization of Municipal Fund Securities Disclosure Obligations*.

As State Treasurer of Arizona, I have the honor of administering the AZ529, Arizona's Education Savings Plan, helping students and families across Arizona realize their educational dreams. Since my Office first began administering the AZ529 Plan in October 2020, we have grown the Plan by over 53,000 new accounts and reached a record-high \$2.51 billion in assets under management in just 53 months.

One of the key reasons more families are investing in the AZ529 Plan is because of the straightforward process to open and manage these accounts. I believe it is important to support additional measures to simplify this process. The proposed modernization of official statement dissemination in Rule G-32, as outlined in the attached CSPN comment letter, will enhance efficiency and improve accessibility of the plan disclosure documents to more Arizona families. Currently, 92% of our AZ529 direct-sold plan account holders have opted for full e-delivery of their disclosure documents, while only 5% have no e-delivery.

Additionally, as outlined in the CSPN comment letter, the current guidance is clear and a stand-alone time of trade rule for municipal securities is unnecessary because they are addressed in the plan disclosure documents.

I appreciate the opportunity to comment on the MSRB Notice 2024-15 being considered. If you have any further questions, you may contact Jeffrey Ong, AZ529 Plan Administrator at (602) 542-7880 or [jeffreyo@aztreasury.gov](mailto:jeffreyo@aztreasury.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Kimberly Yee", written in a cursive style.

The Honorable Kimberly Yee  
Arizona State Treasurer



By Electronic Delivery

April 2, 2025

Ronald W. Smith, Corporate Secretary  
Municipal Securities Rulemaking Board 1300  
I Street, NW  
Washington, DC 20005

Re: Comments Concerning MSRB Notice 2024-15  
MSRB Requests Comment on Potential Modernization of Municipal Fund  
Securities Disclosure Obligations

Dear Mr. Smith:

The College Savings Plans Network (CSPN), on behalf of its members, is pleased to have this opportunity to comment on MSRB Notice 2024-15, *Concept Release: MSRB Requests Comment on Potential Modernization of Municipal Fund Securities Obligations* issued December 11, 2024 (the “Notice”). CSPN is an affiliate of the National Association of State Treasurers (“NAST”) and membership includes elected officials and senior staff in state government with oversight over 529 College Savings Plans (“529 Plans”). These state members of CSPN are not brokers, dealers or municipal securities dealers (collectively, “Dealers”) under the rules of the Municipal Securities Rulemaking Board (the “MSRB”) and so do not have direct insight into some aspects of this request for comment. CSPN also has corporate affiliate members who may be Dealers. However, this response is not made on their behalf.

We appreciate the MSRB’s continuing commitment to assisting consumers seeking to invest in 529 Plans and its interest in ensuring that State administrators of 529 Plans receive sound, balanced support from their advisors. CSPN appreciates the opportunity to provide comment on the modernization of official statement dissemination and time of trade disclosure obligations regarding 529 Plans and is pleased to offer responses to the questions posed in the Notice.

### **Modernization of Official Statement Dissemination**

#### **Discussion**

CSPN appreciates the MSRB’s efforts to modernize the methods by which 529 Plans communicate official statement documents (“Plan Disclosure Documents”) and its continued outreach to stakeholders to solicit comment on this critical topic. CSPN has a significant interest in modernizing and streamlining the delivery process and its members have given careful consideration to how 529 Plan account owners may receive Plan Disclosure Documents in the most

efficient and effective way possible, including a thorough review of how participants currently choose to receive this information.

Based on the results of this analysis, CSPN believes that a modified implementation of the Access Equals Delivery Alternative – one that requires notice of posting of Plan Disclosure Documents on EMMA **and** on the 529 Plan’s public website – would best serve the needs of 529 Plan account owners, as discussed more fully in our responses to Questions 1 through 4.

Given that a significant number of account owners access their 529 accounts online, as explained in CSPN’s response to Question 5, the Supplemental-Layered Disclosure Alternative would not be the most effective, efficient method of ensuring that official statements reach account owners. On the contrary, this “mixed delivery” structure may lead to confusion as to the method of delivery of subsequent Plan Disclosure Documents.

Finally, it should be noted that CSPN’s support of the Access Equals Delivery Alternative does not change its long-standing position that state sponsors of 529 Plans are not directly subject to the oversight of the MSRB.

## **Questions on Potential Amendments to Rule G-32**

### **1. Should the MSRB modernize the disclosure delivery standard for municipal fund securities by implementing one of the two alternatives identified above? Is there another standard, other than the two alternatives noted above, that should be considered by the MSRB at this time?**

CSPN is appreciative of the MSRB’s interest in modernizing municipal securities disclosure obligations and by the thoughtful alternatives presented in the Notice. We believe that the MSRB’s Access Equals Delivery Alternative, with the proposed modifications discussed below, would enable the MSRB “to balance the policy goal of modernizing the e-delivery standard for municipal fund securities to aid investors’ prompt access to timely information – recognizing technological innovations in electronic communications – with reducing burdens on dealers related to costs of paper delivery.”<sup>1</sup> According to the Notice, the “MSRB’s access equals delivery alternative for municipal fund securities could provide, as in the case of municipal debt securities, the official statement delivery obligation would be deemed satisfied given that the official statement and any amendments would be publicly available for free on EMMA.”<sup>2</sup>

Under CSPN’s proposed modification to the Access Equals Delivery Alternative, the Plan Disclosure Document delivery obligation would be deemed satisfied given that the Plan Disclosure Document and any supplements would be made publicly available for free on

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<sup>1</sup> See the Notice at page 8 under II. Regulatory and Marketplace Developments, A. MSRB’s Outreach Efforts.

<sup>2</sup> See the Notice at page 17 under Proposed Alternative Frameworks for Potential Amendments to Rule G-32, A. MSRB’s Access Equals Delivery Alternative. Under this alternative, “[t]he dealer would be required to provide the customer a notice explaining how to access the document. Consequently, a dealer selling a municipal fund security to a customer would be required to deliver to the customer either (a) a written notice advising the customer how to obtain the official statement from EMMA and that a copy of the official statement will be provided by the dealer upon request or (b) a physical copy of official statement.” *Id.*

EMMA and on the 529 Plan website. CSPN believes that this approach would best serve to achieve the MSRB's stated policy goal because:

- In general, investors in 529 Plans are familiar with their Plan's website which they visit frequently to access information and login to transact business (e.g., make contributions or withdrawals) or perform account maintenance such as changing beneficiaries or updating contact information. In addition, investors are accustomed to being directed to the 529 Plan's website for more information.
- In general, when 529 Plans are offered through registered broker-dealers the Plan Disclosure Documents, commonly referred to as "program descriptions," are typically posted on the 529 Plan's public facing website. Requiring broker-dealers to post Plan Disclosure Documents and supplements to EMMA and the 529 Plan's website in order to satisfy the disclosure delivery standard should not impose a significant additional compliance burden on broker-dealers or issuers.<sup>3</sup>

**2. Which delivery alternative best supports investors' ease of access to information and would heighten their sense of awareness of the importance of an official statement? Please explain.**

As noted in our response to Question No. 1, 529 Plan websites have increasingly become a destination where investors come to learn about and transact business in their 529 Plans. Marketing content on 529 Plan websites also routinely includes disclosure encouraging investors to read Plan Disclosure Documents carefully before investing, and online application processes typically include links or directions on how to access Plan Disclosure Documents. By driving investors to 529 Plan websites to access Plan Disclosure Documents, CSPN believes our proposed modification to the Access Equals Delivery Alternative would serve to reinforce ease of access to, and heightened awareness of, the importance of Plan Disclosure Documents because 529 Plan websites are already a cornerstone of the 529 Plan investment life cycle for many investors.

**3. Would investors, dealers, or issuers experience any new burdens under either of the two alternatives identified above?**

Many 529 Plan account owners are unfamiliar with the MSRB or EMMA. It would place an undue burden on them to require that they familiarize themselves with EMMA, a website that they will likely use only sporadically. However, as discussed above, most are very familiar with their own 529 Plan's website since a significant majority use these websites for day-to-day activities such as making contributions, withdrawals, and investment changes.

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<sup>3</sup> While the MSRB is not authorized to regulate municipal entities, and therefore MSRB Rule G-32 does not apply to issuers of municipal fund securities, many issuers, but not all, who offer their municipal fund securities directly to investors voluntarily choose to take into consideration MSRB advertising and disclosure rules and guidance as a best practice, including submitting official statements to EMMA. However, it is important to note that by submitting official statements or annual financial statements to EMMA on a voluntary basis municipal issuers are not consenting to MSRB jurisdiction.

As such, we submit that the MSRB's Access Equals Delivery Alternative, with CSPN's proposed modifications, would provide the dual benefits of sharing Plan Disclosure Documents in a location with which account owners are already familiar (529 Plan website), as well as in one central clearinghouse (EMMA).

**4. Are there alternative disclosure delivery standards, other than those identified above, for an official statement that would improve investors' comprehension of disclosures and access to information while reducing dealers' cost burdens related to paper-only disclosure delivery?**

As discussed above, we believe that the Access Equals Delivery Alternative, with our proposed modifications, would both improve accounts owners' access to information and reduce the costs associated with paper-only delivery of Plan Disclosure Documents.

**5. What percentage of municipal fund securities customers (including 529 savings plans, ABLE programs, and LGIPs) currently rely on paper- only delivery versus using the opt-in e-delivery of disclosure documents? Please respond with data, if available, grouped by direct- sold plans and advisor-sold plans.**

A recent survey by CSPN involving eighty 529 Plans, representing over 12 million accounts (75.3% of all 529 accounts), shows that only 27% of 529 Plan account owners rely on paper delivery of Plan Disclosure Documents. Conversely, a sizable majority of account owners are increasingly comfortable with e-delivery:

- 92% of 529 account owners have valid email addresses associated with their accounts.
- 92% of account owners are registered on their plan's online platform.
- 81% of accounts opened in 2023 were opened online.
- 84% of contributions made in 2023 were made online.
- 90% of withdrawals made in 2023 were made online.
- 73% of 529 account owners have established e-delivery as their preferred method of receiving Plan Disclosure Documents.

**6. Noting that some customers are currently availing themselves of the e-delivery standard (notice, access, and evidence to show delivery) for receipt of plan disclosure documents by dealers, as provided for by the 1998 Guidance, what additional, costs or burdens, if any would be alleviated for dealers?**

Switching from an opt-in to a default e-delivery standard would significantly reduce paper and postage costs for plan providers, as it would expand e-delivery to customers who have not yet opted in to e-delivery. As it currently stands, customers must either sign up for e-

delivery during enrollment or actively change their delivery preference at a later time. For various reasons, a customer who prefers e-delivery might not have opted into the service. Some may have opened the account by paper years ago and never signed up for online access, some may not be aware of how to update their delivery preference, and some may not even know that e-delivery is an option. Plan Disclosure Documents are often 100 pages or longer and therefore expensive to print and send. It is likely that dealers regularly waste paper and postage to send lengthy documents to customers who may not even desire paper delivery. Making paper delivery the opt-in choice would ensure that costs are only spent on those customers who still actively desire a paper delivery, rather than those who have not updated the preferences in their account but would be satisfied by e-delivery.

One plan provider that is representative of 529 Plans in general has estimated that it costs approximately \$3.00 to print and mail a Plan Disclosure Document and that it costs a total of almost \$100,000 each time Plan Disclosure Documents, including supplemental disclosure documents, are mailed.

- 7. While the findings from the Pew Study and SIFMA e-Delivery YouGov Survey indicate an increased reliance on the internet and growing investor preference for delivering investor communication through e-delivery, are there any additional data and statistics specifically with respect to retail investor's preference for e-delivery of investor communication for municipal fund securities, as a whole or for particular types of municipal fund securities (i.e., 529 savings plans, ABLE programs), that would provide further insight for assessing the advisability of either alternative approach to e-delivery?**

As we discussed in our response to Question 5, a significant majority of account owners prefer e-delivery. 92% have registered for online access to their accounts and 73% receive Plan Disclosure Documents via e-delivery.

- 8. Investors in LGIPs are governmental entities rather than traditional retail investors. Is there information comparable to the retail usage information described above, or differences in the nature of the investors or the LGIP product, that would be helpful in understanding the fitness of electronic disclosure for such investors?**

The College Savings Plans Network does not have information relevant to investments by governmental entities in LGIPs.

- 9. The MSRB notes that it cannot require issuers of municipal fund securities to prepare summary disclosures, similar to the summary prospectus permitted by the Commission for mutual funds. Still, the MSRB is interested in learning whether investors in municipal fund securities would benefit from a similar approach where, if an issuer chooses to prepare one, a summary official statement provided electronically would satisfy the requirements with respect to the delivery of the final official statement, if certain conditions are met. Given that most 529 savings plans and ABLE programs consist primarily of underlying mutual fund options, the MSRB is**

**interested in whether satisfying delivery obligations through a summary disclosure document is feasible for municipal fund securities.**

We do not believe that issuing a summary disclosure for municipal fund securities in addition to the regular disclosure obligation would be beneficial for investors. First, we do not feel that it is possible to create a shortened summary disclosure that mirrors the concise style of a shortened summary prospectus for a mutual fund. While mutual fund summary prospectuses generally cover the objective, fees, strategies, and risks of a single fund or a family of funds with similar attributes, most 529 and ABLE plans invest in a dozen or more different mutual funds with varied investment objectives, which would all need to be covered by the summary disclosure along with a summary of material aspects of the overall program. It would therefore be difficult to create a shortened document which also effectively covers the salient details of a program and every investment option available to customers in a concise, accurate and transparent manner. Further, the maintenance of a summary document in addition to the regular Plan Disclosure Document would place an increased burden on issuers of the plans, dealers, and distributors. Unlike mutual fund prospectuses which are generally updated once annually, Plan Disclosure Documents are updated sporadically with supplements and rewrites, sometimes multiple times in the same year. The addition of a second Plan Disclosure Document would effectively double the work necessary to keep both documents up to date and aligned with each other and require the fulfillment of an additional delivery obligation. This would also increase the risk of inconsistency between the documents. Therefore, we do not believe it would be beneficial to investors for issuers to prepare a summary disclosure for municipal fund securities.

## **Time of Trade Disclosure Obligations with Respect to Municipal Fund Securities**

### **Discussion**

CSPN does not believe that a stand-alone time of trade rule for municipal securities is necessary. As discussed in CSPN's response to MSRB Notice 2023-02, *Request for Comment Regarding a Retrospective Review of the MSRB's Time of Trade Disclosure Rule and Draft Amendments to MSRB Rule D-15, On Sophisticated Municipal Market Professionals*, we posit that the guidance received in 2006, *Customer Protection Obligations Relating to the Marketing of 529 College Savings Plans* ("Guidance") is extremely clear. Additionally, we are unaware of member difficulties in applying the Guidance which is memorialized in the CSPN Disclosure Principles Statement No. 8, which was adopted on March 28, 2025 (available at <https://www.collegesavings.org/wp-content/uploads/2025/03/CSPN-Disclosure-Principles-Statement-No.-8-03-28-2025-Final.pdf>).

## **Questions on Potential Stand-Alone Time of Trade Rule**

- 1. As noted above, the types of material information required to be disclosed to customers under Rule G-47 are in part defined in terms of information available from established industry sources. In the case of each type of municipal fund securities, what sources, other than those already listed in the rule, could reasonably be viewed as an established industry source generally used by dealers effecting transactions in the type of municipal fund securities at issue? For example, should the MSRB consider the CSPN website as an established industry source for 529 savings plans?**

Rule G-47 requires that a broker, dealer, or municipal securities dealer disclose, among other items, “material information about the security that is reasonably accessible to the market.” Rule G-47(b) defines “reasonably accessible to the market” as information “made available publicly through established industry sources,” and lists EMMA and system, rating agency reports as examples. CSPN does not believe there is a need for the MSRB to further specify what constitutes an “established industry source.” As the MSRB has previously explained, established industry sources are likely to change over time as technology evolves and “[e]ach dealer must determine the range of information sources it will use to obtain material information regarding a particular municipal security.” See MSRB Answers Frequently Asked Questions Regarding Dealer Disclosure Obligations Under MSRB Rule G-17 - November 30, 2011.

- 2. Rule G-47’s time of trade disclosure requirement applies to all purchase and sale transactions with a customer, which includes all points of sale throughout the continuous offering of municipal fund securities (i.e., purchase of interest in the trust account (“contribution of funds”), redemption of interest in the trust account (“withdrawal of funds”) and rollover of funds from one account to another account, such as exist for 529 savings plans and ABLE program rollovers). Should the MSRB alter or exempt the time of trade disclosure requirement in the case of automatic recurring contributions subsequent to the initial contribution? Is there utility to investors in requiring such information in these circumstances where the investor is not making active investment decisions? Should the requirement be altered to limit subsequent time of trade disclosures based on certain triggering point of sale scenarios, such as an investor changing investment option(s) or altering the amount or timing of automatic contributions? What other scenarios represent relevant points of sale in which time of trade obligations should be triggered? What other scenarios that could be deemed a point of sale should be exempted from the time of trade disclosure? What potential negative adverse consequences could result from any such exemptions?**

As stated above, CSPN believes that a stand-alone time of trade rule for municipal securities is unnecessary. However, if such a rule were to be instituted, we recommend that time of trade disclosure rules be exempted in the case of automatic recurring contributions since 529 Plan account owners are provided required disclosure when these contributions are initially established.



- 3. In response to the 2023 RFC, the my529 Letter noted that clarity is needed around any disclosure requirement given anyone is allowed to contribute to a beneficiary's 529 plan account (e.g., gifting platform, grandparent, friend, aunt, etc.).<sup>64</sup> The MSRB is interested in understanding how third-party contributions work in municipal fund securities. For example, how are contributions made through a gifting platform such as a gift card or a direct gift contribution into a 529 savings plan or ABLE account? Is it clear to market participants when the time of trade disclosure obligation would be triggered, and to whom such disclosure is required to be made, in these third-party scenarios? Are there any operational or other aspects of third-party contributions that create burdens in applying the disclosure obligation for such third-party contributions?**

As a preliminary matter, we believe that no disclosure requirement is needed when a third-party contribution is made because these are gifts to an account over which the giver has no control.

Issuers of municipal fund securities offer interests in 529 Plans directly, or indirectly through broker-dealers, to account owners, not to third-party givers with whom issuers have no privity of contract. The municipal fund security is a continuous offering and the 529 Plan issuer meets its continuing obligations under federal law by issuing supplements to its Plan Disclosure Documents, as necessary. Industry best practice is to provide disclosure in Plan Disclosure Documents to the account owner, who may change the beneficiary or account owner, withdraw or transfer funds, or otherwise transact business with the plan. The “sale”—and the corresponding duties that flow from a “sale”—flow from the plan or the broker-dealer to the account owner, not to third-party givers. Any rule that imposed disclosure requirements on regulated entities that would require third-party givers to be given the same quantity or quality of information given to 529 account owners would be expensive and unduly burdensome.

By way of example, my529 had approximately 67,018 contributions on its third-party gifting platform in 2024. my529 estimates that the average cost of printing and mailing its Plan Disclosure Documents (i.e., the my529 Program Description) is \$2.95 per mailing (\$1.36 in printing costs and \$1.59 in mailing costs). Thus, the annual cost to my529 in 2024 for mailing its Plan Disclosure Documents in response to every contribution on the gifting platform would have been \$197,706.

However, as noted, we believe that it is best practice to provide some disclosure about the nature of the relationship between a 529 Plan and a third-party giver at the time that the third-party contribution is made. For example, my529 gives the following disclosure at the time that a third-party contribution is made:

### Important Legal Notice

my529 is a Section 529 plan administered and managed by the Utah State Board of Regents and the Utah Higher Education Assistance Authority (UHEAA).

Your gift contribution will be attributed to you if you include your full name on the gift web page. This gift will be posted in the designated my529 account usually within three business days. Gifts are not revocable.

my529 accounts are controlled by the account owner, who may change the beneficiary, withdraw or transfer funds, or change the account owner as set forth in the my529 Program Description. Only my529 account owners may control how assets are invested and possibly claim a Utah state income tax benefit. Under Utah tax law, the giver may not receive a Utah state income tax credit. Your donation may have gift tax consequences. Please consult your tax advisor.

Read the Program Description for more information and consider all investment objectives, risks, charges, and expenses before investing or receiving or making a gift contribution. Call 800.418.2551 for a copy of the my529 Program Description or visit [my529.org](https://my529.org).

Investments are not guaranteed by my529, the Utah State Board of Regents, Utah Higher Education Assistance Authority (UHEAA), or any other state or federal agency. However, Federal Deposit Insurance Corporation (FDIC) insurance is provided for the FDIC-insured accounts. Please read the Program Description to learn about the FDIC-insured accounts. Your investment could lose value.

Non-Utah taxpayers and residents: You should determine whether the state in which you or your beneficiary pays taxes or lives offers a 529 plan that provides state tax or other benefits not otherwise available to you by investing in my529. You should consider such state tax treatment and benefits, if any, before investing in my529.

This disclosure makes very clear it is the customer/account owner—not the third-party giver—who has control over the 529 account and how any third-party contributions will be invested within that account.

To make a contribution through a gifting platform like my529, a customer/account owner would enter the my529 gifting platform and generate a unique alphanumeric code. The account owner then sends that unique code to anyone that the account owner wants through whatever manner the account owner chooses (including possibly through the account owner's personal email or text message). The third-party giver then comes to my529's gifting platform (typically through a hyperlink provided by the account owner) and enters that unique code.

The third-party giver would then see a unique page featuring the names of the account owner and the beneficiary along with a personalized gifting message from the account owner. The third-party giver may choose to make a gift via debit card, through an electronic funds transfer from a bank, or by mailing a check to my529. The third-party giver can enter the amount of the gift and the third-party giver's name. At this stage of the gifting platform, the third-party giver is also presented with standard disclosures (including an invitation to carefully read the Program Description (my529's Plan Disclosure Document) in its entirety with a hyperlink to the Program Description.)

If a third-party giver chooses to use a debit card or electronic funds transfer to make the gift, additional disclosures are given, including disclosures about the service fees charged for using a debit card and other requirements with regard to using a debit card or electronic funds transfer for the third-party gift. Finally, the third-party giver is given an opportunity to review the gift and all details regarding the gift (amount, account owner

name, beneficiary name, payment information, payment authorization, etc.) before agreeing to those terms and finalizing the transaction.

As noted above, the third-party giver is not a “customer” and has no control over the 529 account. Thus, time of trade disclosures should not be required to be made to a third-party giver. The 529 Plan meets its time of trade obligations under federal law by providing all necessary investing information at the time that the sale is made to the account owner.

- 4. At the time of rollover or transfer, is the account holder typically provided with verbal or written disclosures prior to initiating a rollover or a transfer request or at certain points throughout the process? Please identify those points and the nature of the disclosures. Typically, does the transferring firm or the firm receiving the incoming transfer or rollover provide the customer with the account’s net asset value (NAV) and the price(s) of the underlying assets? Given that most assets underlying municipal fund securities are mutual funds for which the NAV and prices are calculated at the end of the day of a transaction, does the price calculation for the account's assets impact the timing of certain disclosures?**

Generally, a 529 Plan rollover form must be completed before an account owner initiates a rollover. The rollover form, the Plan Disclosure Document and/or the plan’s websites include information about the rollover, such as eligibility requirements, if there is a fee for the rollover and any other pertinent disclosure. If there is a financial intermediary involved, for example for advisor plans, we would expect that the financial professional would also verbally provide key information to the account owner as applicable. A rollover check would include a payment summary with Principal amount, Earnings amount, and total amount. The confirmation produced for the distribution displays units transacted, unit price for the municipal fund security (i.e., referred to as an NAV for mutual funds) and transaction amount. The price of the underlying assets in the municipal fund security are not included on the confirmation statement as the account owner is purchasing the municipal fund security. If the account owner was interested in finding out the NAV of an underlying mutual fund, the account owner could find that information daily on the mutual fund’s website. Since both municipal fund securities and mutual funds are priced daily, the price calculation does not impact the general disclosure about the rollover that the account owner is provided.

- 5. If disclosures related to a rollover or transfer are written, are those disclosures contained within a stand-alone document, or rollover related documents such as new account forms, beneficiary change forms, incoming rollover documents, or distribution/transfer forms? Do those forms contain disclosures beyond the out-of-state disclosure obligations?**

CSPN believes the disclosure obligations for 529 Plans should be permitted to be satisfied either as a stand-alone document or as part of other rollover- or transfer-related documentation. In general, 529 Plans satisfy their disclosure obligations in full or in part in their new account forms, beneficiary change forms, incoming rollover documents, or distribution/transfer forms (together, “Forms”). These disclosure obligations may be

satisfied within the Forms by reference to the Plan Disclosure Documents (i.e. stand-alone documents). To the extent a 529 Plan elects to include the disclosures in their Forms, the disclosures should be written in a way to distinguish them from the other materials in the Forms and to bring attention to the disclosures.

The Forms generally include disclosures beyond the out-of-state disclosure obligation, including the following:

- Investment returns are not guaranteed, and you could lose money by investing in the 529 Plan.
- Read and consider carefully the Plan Disclosure Documents before investing. These documents include investment objectives, risks, charges, expenses, and other important information.
- Before you invest, consider whether your or the beneficiary's home state offers any state tax or other benefits that are only available for investments in that state's 529 Plan. Other state benefits may include financial aid, scholarship funds, and protection from creditors.

**6. Are there any unique disclosure challenges triggered by the transfer or rollover of a 529 savings plan account that the MSRB should be aware of that are not covered above?**

We do not believe that transfers and rollovers present any unique disclosure challenges that are not covered by those discussed in our response to Question 5.

**7. As noted above, Supplementary Material .01(a) provides that the disclosure obligation includes a duty to give a customer a complete description of the security, including a description of the features that likely would be considered significant by a reasonable investor, and facts that are material to assessing the potential risks of the investment. In the context of the various types of municipal fund securities, what aspects of the security and its features, and of the facts material to assessing relevant potential risks, are reasonably considered to be included within this mandate?**

Since 2004, CSPN has promulgated voluntary Disclosure Principles for consideration by its membership. These Principles, which have been revised and expanded through the years resulting in the current Disclosure Principles Statement No. 8, provide guidance to issuers regarding acceptable disclosure practices. While the Principles are not intended to provide a list of required disclosures nor are they intended to provide guidance on statutory, regulatory or disclosure obligations of regulated entities, they are intended to identify substantive matters that should be given serious consideration in the formulation of Plan Disclosure Documents.

These substantive matters range from the mechanics of opening and using a 529 account, to key program risks, investment objectives, strategies, and risks of 529 investments, and details on the fees and costs associated with a 529 investment. The disclosure matters related to investment options also include sources for information on underlying

investments and performance of investment options. Other key disclosure topics include federal and state tax treatment, and matters related to governance and administration.

Given widespread adherence to the Disclosure Principles by State issuers and regulated entities offering municipal fund securities through college savings plans, we believe the key security features and facts material to assessing risks are well understood by 529 Plan account owners. Furthermore, we believe the industry has proven its responsiveness to changing risks through its continuous updates to issuers' Plan Disclosure Documents and the Disclosure Principles.

- 8. The MSRB seeks comment on whether to provide a non-exhaustive list of specific examples to describe information that may be material to a customer in the case of municipal fund securities, similar to the list of examples included in Supplementary Material .03 of Rule G-47 with respect to municipal debt securities. Based on prior guidance provided by the MSRB, the MSRB seeks comment on whether to include some or all of the following scenarios as potentially required time of trade disclosure information, if material, to customers investing in 529 savings plans or ABLE programs, as applicable: investment costs (i.e., including fees and other expenses), the out-of- state disclosures,<sup>65</sup> a change in investment objectives triggered by a change of beneficiary, state tax benefit considerations, and tax consequences (i.e., gift tax and estate tax), treatment of qualified versus non-qualified withdrawal of funds, treatment of recontributions, disclosures related to incurring of an associated sales charge with respect to rollover to another account if the rollover of funds is not captured at NAV, maximum account balance, or K-12 related disclosures. Should this list of examples be modified, narrowed, or expanded? Please explain.**

As discussed above, CSPN believes that the Guidance is clear and that a stand-alone time of trade rule for municipal securities is unnecessary because these disclosures are typically addressed in issuers' Plan Disclosure Documents.

- 9. What would be an appropriate non-exhaustive list of specific examples to describe information that may be material to local governmental entities investing in LGIPs?**

CSPN does not have information relevant to investments by governmental entities in LGIPs.

- 10. The MSRB envisions addressing processes and procedures that dealers would be required to implement to ensure that material information regarding municipal securities is disseminated to registered representatives who are engaged in sales to and purchases from a customer and principal review for time of trade disclosures, as currently is required under Supplementary Material .04 of Rule G-47. Either in adapting such language or in more broadly addressing supervisory and recordkeeping requirements, please describe how the MSRB can provide clarity to dealers meeting their supervisory and recordkeeping obligations related to a new time of trade rule**

**without creating any undue burdens on the market. Please describe any specific market practices that impact real-time or post-principal review for time of trade disclosures.**

As stated above, CSPN believes that the Guidance is clear and that a new time of trade rule is unnecessary.

**11. Are there other elements under the 2006 Guidance on customer protection obligations relating to marketing of 529 savings plans that market participants think should be codified in proposing a new rule?**

As discussed above, CSPN believes that the Guidance is clear and that no additional direction is necessary.

Thank you again for providing an opportunity to comment on the Notice. We hope these observations are helpful as the MSRB considers possible rulemaking. Please do not hesitate to contact us with any questions or for more information. You may reach CSPN by contacting Chris Hunter at (202) 630-0064 or [chris@statetreasurers.org](mailto:chris@statetreasurers.org).

Sincerely,

A handwritten signature in dark ink, appearing to read 'Mary G. Morris', followed by a long horizontal line extending to the right.

Mary G. Morris

Chief Executive Officer, Commonwealth Savers Plan  
Chair, College Savings Plans Network