



ABLE SAVINGS PLANS NETWORK

A Network of the National Association of State Treasurers

By Electronic Delivery

April 10, 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:

On behalf of its members, the ABLE Savings Plans Network (ASPN) is pleased to comment on MSRB Notice 2024-15, *Concept Release: MSRB Requests Comment on Potential Modernization of Municipal Fund Securities Obligations* issued by the Municipal Securities Rulemaking Board (“MSRB”) on December 11, 2024 (the “Notice”). ASPN is an affiliate of the National Association of State Treasurers (“NAST”) and its membership includes elected officials and senior staff in state government with oversight over Achieving a Better Life Experience (ABLE) Plans (“ABLE Plans”). These state members of ASPN are not brokers, dealers or municipal securities dealers (collectively, “Dealers”) under MSRB and do not have direct insight into some aspects of this request for comment. ASPN also has corporate affiliate members who may be Dealers. However, this response is not made on their behalf. In addition, the comments in this letter will be focused on the “Official Statement Dissemination Modernization” aspects of the Notice.

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

Discussion

ASPN appreciates the MSRB’s efforts to modernize the methods by which ABLE Plans communicate plan disclosure (“Plan Disclosure Documents”) and its continued outreach to stakeholders to solicit comment on this critical topic. ASPN has a significant interest in modernizing and streamlining the delivery process and its members have given careful consideration to how ABLE 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, ASPN 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 ABL Plan’s public website – would best serve the needs of ABL 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 ABL Plan accounts online, as explained in ASPN’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, we note that ASPN’s support of the Access Equals Delivery Alternative does not change its long-standing position that state sponsors of ABL 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?

ASPN 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.”¹ 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 free on EMMA.”²

Under ASPN’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 free on EMMA and on the ABL Plan website. ASPN believes that this approach would best serve to achieve the MSRB’s stated policy goal because:

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

² 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.*

- In general, investors in municipal securities 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 ABLE Plan's website for more information.
- In general, when ABLE Plans are offered through registered broker-dealers the Plan Disclosure Documents, commonly referred to as "program descriptions," are typically posted on the ABLE Plan's website. Requiring broker-dealers to post Plan Disclosure Documents and supplements to EMMA and the ABLE Plan's website in order to satisfy the disclosure delivery standard should not impose a significant additional compliance burden on broker-dealers or issuers.³

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, ABLE Plan websites have increasingly become a destination where investors come to learn about and transact business with ABLE Plans. Marketing content on ABLE 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 ABLE Plan websites to access Plan Disclosure Documents, ASPN 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 ABLE Plan websites are already a cornerstone of the ABLE 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 ABLE 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 would likely use only sporadically, if ever. However, as discussed above, most are very familiar with their own ABLE Plan's website since a significant majority use these websites for day-to-day activities such as making contributions, withdrawals, and investment changes.

As such, we submit that the MSRB's Access Equals Delivery Alternative, with ASPN's proposed modifications, would provide the dual benefits of sharing Plan Disclosure Documents in a location with which account owners are already familiar (ABLE Plan

³ 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.

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 NAST involving 30 ABLE Plans, representing over 120,000 accounts (89.37% of all ABLE Plan accounts), shows that only 16% of ABLE Plan account owners rely on paper delivery of Plan Disclosure Documents. Conversely, a sizable majority of account owners are increasingly comfortable with e-delivery:

- 99% of ABLE Plan account owners have valid email addresses associated with their accounts.
- 99% of account owners are registered on their plan's online platform.
- 78% of accounts opened in 2023 were opened online.
- 83% of contributions made in 2023 were made online.
- 89% of withdrawals made in 2023 were made online.
- 84% of ABLE Plan 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 dozens of pages long and therefore expensive to print and send. One program manager estimates that it costs an average of approximately \$10 per account owner to mail paper disclosure documents and \$0.70 per post card for other types of plan documents. Using this estimate and the data described in the answer to question 5 above, that translates to a cost of \$127,560 per year in mailing costs for Plan Disclosure Documents and almost \$9,000 for each post card type mailing. 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.

- 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. 99% have registered for online access to their accounts and 84% 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?**

ASPN 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 ABLE and 529 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 Obligation with Respect to Municipal Fund Securities

Discussion

ASPN does not believe that a stand-alone time of trade rule for municipal fund securities is necessary. ASPN agrees with its sister organization, the College Savings Plans Network (“CSPN”), that the guidance provided by the MSRB in 2006’s *Customer Protection Obligations Relating to the Marketing of 529 College Savings Plans* (“Guidance”) is extremely clear. We are unaware of member difficulties in applying the Guidance which is memorialized in the ASPN Disclosure Principles Statement No. 1, which was adopted in December 2021 (available at <https://nast.org/wp-content/uploads/able-disclosure-principles-final-nast-ec-approved-12.09.2021.pdf>).

Conclusion

ASPN appreciates the opportunity to provide comments on the MSRB’s proposed modernization of disclosure delivery standards for municipal fund securities. We strongly support the implementation of the Access Equals Delivery Alternative with our proposed modifications. We think this approach aligns with current investor behaviors, enhances accessibility, and reduces unnecessary costs and burdens on issuers and dealers. Although ASPN’s support of the Access Equals Delivery Alternative does not change its long-standing position that state sponsors of ABLE Plans are not directly subject to the oversight of the MSRB, we commend the MSRB for its efforts to modernize disclosure obligations and look forward to continued engagement on this important issue.

We hope you understand and accept our position that a stand-alone time of trade rule for municipal fund securities is unnecessary. We thank you again for providing an opportunity to comment on the Notice. Please do not hesitate to contact us with any questions or for more information. You may reach ASPN by contacting Chris Hunter at (202) 630-0064 or chris@statetreasurers.org.

Ronald W. Smith, Corporate Secretary
April 10, 2025
Page 7

Sincerely,

Bette Ann Mobley

Chair, ABLE Saving Plans Network (ASPN)
Director, Maryland ABLE



VIA ELECTRONIC DELIVERY

April 11, 2025

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

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

Dear Mr. Smith:

Thank you for the opportunity to submit comments pursuant to the above-referenced MSRB Notice 2024-15 (the "Notice"). AKF Consulting LLC dba AKF Consulting Group is a registered Municipal Advisor that works solely with State issuers of municipal fund securities including 529 Savings Plans and 529A ABLE Plans. We also advise State Administrators of Auto-IRA Programs, which, as currently structured, fit within the definition of municipal fund securities under MSRB Rule D-12.¹ Since our formation in 2002, we have had the privilege of working with 50 State Administrators across 37 States. We recognize and value the important role that the MSRB plays in regulating brokers, dealers, and municipal advisors in the municipal fund securities market, and recommend best industry practices reflected in the MSRB rules to our State issuer clients that are otherwise outside of the MSRB's jurisdiction.

AKF Consulting appreciates the MSRB's thoughtful approach to its proposed framework for the Potential Stand-Alone Time of Trade Rule as set forth in the Notice. Our comments solely address Questions 7 and 8 under Questions on Potential Stand-Alone Time of Trade Rule (pages 25-26 of the Notice). We base our comments on our comprehensive experience with municipal fund disclosure issues and our service as a fiduciary to the State issuers of municipal fund securities.

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 material facts to assessing

¹ State-run Auto-IRA Programs are subject to the rules and regulations applicable to Roth IRAs

relevant potential risks, are reasonably considered to be included within this mandate?

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, 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 noted in our April 20, 2023 comment letter to the MSRB on Notice 2023-02, we appreciate that when Rule G-47 was adopted, it specifically did not codify the August 7, 2006 *Interpretive Guidance on Consumer Protection Obligations Relating to the Marketing of 529 College Savings Plans* (the "Guidance"). In our view, codification was unnecessary at that time since participants in the college savings market understood and embraced the Guidance's directives regarding matters such as out-of-state disclosures. Moreover, since that time, the College Savings Plans Network ("CSPN") adopted and has continuously supplemented the Voluntary Disclosure Principles, which incorporate a description of the features of municipal fund securities that likely would be considered material by a reasonable investor.²

Notwithstanding the clarity of the Guidance and the near universal implementation of the Voluntary Disclosure Principles, we would not object to a stand-alone rule that supplements but does not displace the Voluntary Disclosure Principles. In taking this position, we recognize that 529 College Savings and ABLE Plans (and by analogy, State-run Auto-IRA Programs) are more like mutual funds than traditional municipal debt obligations. To that point, time of trade disclosures could incorporate the concepts that apply to continuously offered securities as opposed to securities that are offered at one

² The Voluntary Disclosure Principles were most recently updated by the College Savings Plans Network, resulting in "Voluntary Disclosure Principles No. 8."

time, with set terms and durations. Having such a rule would acknowledge the magnitude of the market for 529, ABLE and Auto-IRA Programs. While it may not be critical, a dedicated rule also would reinforce the consumer protections that are in place for investors in these important Programs.

In our role as fiduciaries to State administrators of 529, ABLE and Auto-IRA Programs, we work with our clients to ensure that each one understands its obligations and responsibilities under applicable federal securities laws. A rule that addresses material time of trade disclosures in connection with the municipal securities issued by these Plans would clarify and strengthen dealers' obligations and promote consistent application of the Guidance and the material information included in the Voluntary Disclosure Principles across the industry.

Thank you again for providing an opportunity to comment on the Notice. Please contact us if you have any questions or if you would like additional information

Sincerely,

Andrea Feirstein

Andrea Feirstein
Managing Director
andrea@akfconsulting.com

Mark Chapleau / akf

Mark Chapleau
Senior Consultant
mark@akfconsulting.com



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.

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.”¹ 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.”²

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

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

² 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.³

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.

³ 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.).⁶⁴ 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.

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,⁶⁵ 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.

Sincerely,

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

Mary G. Morris

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



April 10, 2025

Via Electronic Delivery

Ronald W. Smith, Corporate Secretary
Municipal Securities Rulemaking Board
1300 I Street, NW, Suite 1000
Washington, DC 20005

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

Dear Mr. Smith:

Ascensus 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 Disclosure Obligations* issued December 11, 2024 (the "Notice"). Ascensus is the largest recordkeeper and third-party administrator of qualified tuition programs under Section 529 of the Internal Revenue Code ("529 plans"). We have 8 million 529 plan savers and more than \$250 billion in assets under administration, across 52 plans. Additionally, we have over 50,000 ABLER savers and nearly \$800 million in assets, across 23 Achieving a Better Life Experience programs under Section 529A of the Internal Revenue Code ("ABLE plans"), including 19 plans which are part of the National ABLE Alliance. Across the 529 and ABLE plans that it services, Ascensus works with 37 states and the District of Columbia.

Our comments first address the MSRB's review of Rule G-32 regarding disclosures in connection with primary offerings. We are pleased to share our thoughts on the proposal by responding to Questions 1 – 9 on Potential Amendments to Rule G-32. Additionally, we address the MSRB's review of Rule G-47 regarding time of trade disclosure requirements by responding to Question 3 on Potential Stand-Alone Time of Trade Rule.

Official Statement Dissemination Modernization

Ascensus supports the MSRB's efforts to modernize the disclosure delivery standard for municipal fund securities and its outreach to stakeholders to solicit comment on this topic. Given the near-ubiquity of internet use and an increased reliance on and preference for internet-based communication and financial transactions among the general public, we agree that most customers will appreciate a transition to e-delivery.¹ We also support maintaining an opt-in choice for paper delivery, for those customers who prefer to receive a physical document.

¹ See Concept Release: MSRB Requests Comment on Potential Modernization of Municipal Fund Securities Disclosure Obligations at pages 12 – 14 under C. Industry Input and Research on Investor Preference.

Ascensus believes that a modified implementation of the Access Equals Delivery Alternative – one that requires dealers to notify customers of the posting of plan disclosure documents² on EMMA³ and on the plan’s public website – would best serve the needs of 529 and ABLE plan account owners, as discussed more fully below. This proposal is consistent with the alternative proposed in the letters submitted by the College Savings Plans Network (CSPN) and ABLE Savings Plans Network (ASPN), respectively.

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?

We believe that the MSRB’s Access Equals Delivery Alternative, with the proposed modifications discussed below, would best modernize the disclosure delivery standard for municipal fund securities. We propose that the delivery requirement be considered met by advising a customer by written notice how to obtain the official statement from EMMA and the plan’s website, rather than from EMMA alone.

Although EMMA functions as a source for 529 and ABLE information, directing customers to access the official statement from the plan’s public website would also be beneficial. The average 529 or ABLE investor likely has little knowledge of the regulatory systems governing the plans they invest in and therefore lacks familiarity with EMMA and the MSRB. Customers, however, are aware of and familiar with the websites for the plans they invest in and often visit plan websites to maintain and update their accounts, as many transactions can be conducted online. They are also accustomed to being directed to view the plan website for more information, including using it to view disclosure documents.

It is worth noting that under SEC Rule 498, mutual funds may satisfy the statutory prospectus delivery requirement by making such prospectus available online, along with delivering a summary prospectus to investors. Companies typically make their statutory prospectus available online by posting it to their own websites. Because this methodology has already proven feasible for mutual fund prospectus delivery, we believe it will also serve as an acceptable method for e-delivery of disclosures for municipal fund securities.

While we agree that the Access Equals Delivery Alternative is a satisfactory substitute to the current standard, we respectfully request that the MSRB consider allowing the written notice to direct customers to EMMA and to the plan website to meet the delivery requirement. An additional alternative for the MSRB to consider would be requiring a written notice that directs customers to either EMMA or the plan website to meet the delivery requirement.

² Throughout our response, we use the terms official statement and disclosure documents interchangeably to refer to disclosures of key information to customers concerning transactions involving a purchase or sale of a municipal fund security.

³ Note that posting disclosure documents to EMMA does not imply that state sponsors of 529 and ABLE plans are directly subject to the oversight of the MSRB.

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 stated in our response to Question 1, we believe allowing dealers to meet the delivery requirement by directing investors to the official statement on the plan's website and EMMA will best support investors' ease of access to information and sense of awareness of the importance of the official statement. Notifying customers each time an official statement or amendment is available online will heighten their awareness of the importance of these statements, and because investors regularly access the plan website for general account updates, accessing disclosure documents there offers easy and convenient access to important disclosure information.

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

We believe that under each of the alternatives the MSRB has proposed, certain new burdens would be experienced by investors, dealers, or issuers. However, we believe the modified alternative that we have proposed would alleviate these burdens.

First, as noted above in our response to Question 1, 529 and ABLÉ account owners are likely unfamiliar with the MSRB and EMMA. Therefore, directing investors to an unfamiliar website in order to access the disclosure documents would place an undue burden on them. As we proposed in our response to Question 1, we believe directing customers to the plan website in addition to EMMA would reduce uncertainty and confusion for investors who have not previously utilized the EMMA website.

Additionally, we believe that investors would experience new further burdens if the Supplemental-Layered Disclosure Alternative proposal was implemented. The "mixed delivery" structure of the initial official statement arriving on paper with subsequent statements defaulting to online access could confuse customers as to the method of delivery of subsequent disclosure documents. We favor a modified Access Equals Delivery standard as discussed above, as it will be more consistent for investors, dealers, and issuers.

Either of the proposed alternatives would likely require dealers and issuers to enact corresponding technology changes. For example, updates to systems may be required to allow customers to opt-in to paper delivery of disclosure documents. We do not believe, however, that these technological enhancements would be overly burdensome so as to outweigh the benefits of switching to an e-delivery standard.

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?

We believe that the alternative disclosure delivery standard which we proposed in our answer to Question 1 would best improve investors' comprehension of disclosures and access to information while reducing dealers' cost burdens.

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.

The following data on 529 plans is drawn from the CSPN comment letter. A survey involving eighty 529 plans (including those serviced by Ascensus), 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 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 disclosure documents.

The following data on ABLE plans is drawn from the ASPN comment letter. A survey involving 30 ABLE plans (including those serviced by Ascensus), representing over 120,000 accounts (89.37% of all ABLE plan accounts), shows that only 16% of ABLE plan account owners rely on paper delivery of disclosure documents. Conversely, a sizable majority of account owners are increasingly comfortable with e-delivery:

- 99% of ABLE account owners have valid email addresses associated with their accounts.
- 99% of account owners are registered on their plan's online platform.
- 78% of accounts opened in 2023 were opened online.
- 83% of contributions made in 2023 were made online.
- 89% of withdrawals made in 2023 were made online.
- 84% of ABLE account owners have established e-delivery as their preferred method of receiving 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 dealers, as it would expand e-delivery to 529 and ABLE customers who have not yet opted in to e-delivery. Currently, 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.

Municipal fund security disclosures are often 100 pages or longer and therefore expensive to print and send. For example, it costs approximately \$5.12 to print and mail an over 100-page disclosure document to each customer not enrolled in e-delivery in plans serviced by Ascensus. This illustrates the significant costs which could be alleviated by making e-delivery the default for all customers. It is likely that dealers regularly waste paper and postage to send lengthy documents to customers who may not even desire a 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 welcome e-delivery.

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 529 and ABLE account owners prefer e-delivery. For 529 account owners, 92% have registered for online access to their accounts and 73% receive at least some plan documents via e-delivery. For ABLE account owners, 99% have registered for online access to their accounts and 84% receive 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?

Ascensus has no dealings with LGIPs, and therefore cannot comment on the availability of usage information or differences in the nature of the investors or the product.

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 disclosure would place an increased burden on issuers of the plans, dealers, and distributors. Unlike mutual fund prospectuses which are generally updated once annually, disclosure documents are updated sporadically with supplements and rewrites, sometimes multiple times in the same year. The addition of a second disclosure document would effectively double the work necessary to keep both documents up to date and aligned with each other and 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 Obligation with Respect to Municipal Fund Securities

Ascensus is in agreement with the position expressed in the CSPN response letter on modernization of time of trade disclosure obligations. We do, however, wish to provide additional context on Question 3, as discussed below.

- 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.). 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?**

While we do not believe that a disclosure requirement is needed when a third-party contribution is made on a gifting platform, we agree with CSPN's position that it is best practice to provide some disclosure to contributors about the nature of the relationship between a 529 plan and a third-party giver. On Ascensus's proprietary gifting platform, Ugift®, used in all the 529 and ABLE plans we service, we recommend that contributors consult the disclosure documents for the plan before contributing, and we provide instructions for accessing the document. We also include general disclaimers about consulting financial, tax, or other advisors before giving. We believe that issuing plan disclosure documents to all third-party contributors would be overly burdensome and unnecessary given there is no privity of contract between third-party contributors and the plan issuer, and that the

legal disclaimers currently used on the platform are sufficient to advise givers of their relationship to the 529 plan and any potential risks of giving.

* * * * *

Thank you again for providing us 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 the Ascensus legal team by contacting Christal Fenton at christal.fenton@ascensus.com.

Sincerely,

A handwritten signature in cursive script, appearing to read "Christal Fenton".

Name: Christal Fenton

Title: Associate General Counsel

Comment on Notice 2024-15

From: James Barnhardt, Bank of North Dakota

On: April 03, 2025

Comment:

Bank of North Dakota, North Dakota's College SAVE Plan administrator, supports these changes as outlined in the attached letter from CSPN. Thank you for your consideration.



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.”¹ 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.”²

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

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

² 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.³

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.

³ 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.).⁶⁴ 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.

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,⁶⁵ 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.

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



SUBMITTED ELECTRONICALLY AT MSRB.ORG

April 9, 2025

Mr. Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
1300 I Street NW, Suite 1000
Washington, DC 20005

Re: Response to MSRB Notice 2024-15 – *Concept Release: MSRB Requests Comment on Potential Modernization of Municipal Fund Securities Disclosure Obligations*

Dear Mr. Smith:

The College Savings Foundation (CSF) appreciates the opportunity to comment on the Concept Release that was published by the Municipal Securities Rulemaking Board (MSRB) on December 11, 2024, in MSRB Notice 2024-15 (Notice). The Notice requests comments regarding “possible initiatives to modernize the disclosure obligations of brokers, dealers and municipal securities dealers” in connection with municipal fund securities, which include 529 college savings plans (529 plans).

As discussed below, CSF strongly supports an “access equals delivery” alternative to the requirements that are currently applicable with respect to the delivery of the official statements (or plan disclosure documents) of 529 plans. In this regard, CSF encourages the MSRB to adopt an “access equals delivery” alternative in connection with Rule G-32 as described in the Notice.

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 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 for representatives of state and federal government, institutions of higher education, and other related organizations and associations. CSF members include state 529 plans; investment managers; broker-dealers; law firms; accounting and consulting firms; and non-profit agencies that participate in the sponsorship or administration of 529 plans.

Support for “Access Equals Delivery” as the Default Alternative in Rule G-32

CSF is committed to providing the information most useful to those saving for higher education and to assist them in knowledgeably selecting a 529 plan. CSF and its members are dedicated to

working with the MSRB in its continued efforts to gain a better understanding of the industry, its participants, and its customers. We greatly appreciate that the MSRB has undertaken its municipal fund securities disclosure initiative and is seeking stakeholder feedback in Notice 2024-15 on modernizing Rule G-32.

Our comments regarding the adoption of an “access equals delivery” alternative for plan disclosure documents reflect our experience, which indicates that 529 plan participants constitute a subset of the general public in terms of their ability to retrieve and review information online. CSF believes that material information about a 529 plan is communicated effectively through either print or electronic materials. In addition, we see effective disclosure as that which clearly conveys material information to customers in a manner that is easily accessible. In this regard, the online availability of 529 plan disclosure documents permits 529 participants to readily review and consider important information about 529 plans.

CSF strongly encourages the MSRB to adopt “access equals delivery” as the default alternative under Rule G-32 for the delivery of municipal fund securities plan disclosures, including with respect to 529 plans. We believe that modernizing the current delivery rules in this manner would be an effective and appropriate change that would be welcomed by both investors and dealers. And, in the case of any investor who prefers a physical copy of a 529 plan’s disclosure documents, that option would remain available upon request.

Below are CSF’s responses to select questions posed in the Notice with respect to 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 [in the Notice]? Is there another standard, other than the two alternatives noted [in the Notice], that should be considered by the MSRB at this time?*

Yes, CSF strongly supports the MSRB taking action to modernize the disclosure delivery standard for municipal fund securities by implementing the “access equals delivery” alternative identified in the Notice. We believe this would be the most effective and appropriate approach to modernizing the delivery requirements of Rule G-32 in light of the continued changes in investor behavior over the years and advances in technology. Furthermore, because of those developments, we do not believe that the “supplemental-layered disclosure” alternative would be nearly as helpful as, or as appropriate of, a change for investors and other industry participants. For example, we believe that a “supplemental-layered disclosure” approach has the potential to be confusing to investors who may not understand why the delivery of their disclosure materials is not consistent after the start of their account ownership.

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.*

The electronic delivery and availability of a 529 plan’s disclosure document is the preferred means of ensuring investors’ ease of access to important plan disclosure information. We

believe this would best be achieved using the “access equals delivery” approach rather than the “supplemental-layered disclosure” alternative, the latter of which would provide a less consistent disclosure delivery experience for investors.

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

Adopting an “access equals delivery” approach would reduce burdens and provide a consistent delivery experience, whereas adopting the “supplemental-layered disclosure” approach would achieve few, if any, reductions in burdens, and may even increase the potential for investor confusion.

4. *Are there alternative disclosure delivery standards, other than those identified [in the Notice], 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?*

No. CSF believes that adopting an “access equals delivery” approach as the default delivery standard would be the most appropriate and helpful step in modernizing Rule G-32.


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 MSRB Notice 2024-15 by the 1998 Guidance, what additional, costs or burdens, if any would be alleviated for dealers?*

Adopting an “access equals delivery” standard as the default would eliminate the unnecessary “evidence to show delivery” aspect under the 1998 Guidance, thus streamlining the delivery requirements and removing the added burden of ensuring the “evidence to show delivery” requirement is satisfied.

* * * * *

Thank you for your consideration of our comments on MSRB Notice 2024-15. If you have any questions, or if it would be helpful to discuss our requests, please contact me or CSF’s outside counsel, Michael Hadley (mlhadley@davis-harman.com) of Davis & Harman LLP.

Sincerely,



Chris McGee
Chair
College Savings Foundation



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.”¹ 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.”²

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

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

² 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.³

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.

³ 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.).⁶⁴ 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.

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,⁶⁵ 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.

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



Mary G. Morris
Chief Executive Officer
Direct: 804-786-0832

SUBMITTED ELECTRONICALLY AT MSRB.ORG

April 11, 2025

Mr. Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
1300 I Street NW, Suite 1000
Washington, DC 20005

Re: Response to MSRB Notice 2024-15 – *Concept Release: MSRB Requests Comment on Potential Modernization of Municipal Fund Securities Disclosure Obligations*

Dear Mr. Smith:

Commonwealth Savers Plan (f/k/a Virginia College Savings Plan) is the nation's largest 529 plan, with over three million accounts and over \$100 billion in assets under management as of February 28, 2025. Since 1994, we have striven to provide affordable, flexible and tax-advantaged college savings programs for our customers. We presently sponsor four such programs: Invest529sm, CollegeAmerica[®], Prepaid529sm and CollegeWealth[®] (Prepaid529 and CollegeWealth are now closed to new accounts). We also sponsor two ABLE programs, ABLEnowsm and ABLEAmerica[®] and administer RetirePath Virginiasm, a program for certain private sector Virginia employees who do not have access to a retirement plan at work.

Commonwealth Savers Plan (CSP) appreciates the MSRB's continuing commitment to our industry and thanks it for the opportunity to provide a comment to Notice 2024-15. CSP supports the positions expressed in both the College Savings Plans Network and the College Savings Foundation's responses to the Notice. Please do not hesitate to contact us with any questions or for more information. You may reach us by calling Chris McGee (804) 225-2681 or Leslie Crudele (804) 371-0583.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary G. Morris", with a long horizontal line extending to the right.

Mary G. Morris
CEO

Comment on Notice 2024-15

From: Bill Mastrodicasa, First Public, LLC

On: April 11, 2025

Comment:

With respect to the proposed Rule G-47 and a possible "stand-alone" Time of Change Rule, as it relates to local government investment pools (LGIPs), please consider a requirement to provide the most recent NRSO Rating Agency report for the LGIP (if one exists) at the time of the first initial investment and again if there have been any material changes to the LGIP's rating thereafter. Unless a material rating change occurs, there is no need to provide the rating report for each purchase or sale given that most LGIP's operate like SEC Rule 2a-7 money market mutual funds.



June 3, 2025

Mr. Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
1300 I Street NW, Suite 1000
Washington, DC 20005

MSRB Notice: 2024-15. Concept Release: MSRB Requests Comment on Potential Modernization of Municipal Fund Securities Disclosure Obligations

Dear Mr. Smith,

Thank you for the opportunity to discuss MSRB's Concept Release – Potential Modernization of Municipal Fund Securities Disclosure Obligations, Notice 2024-15. The Government Finance Officers Association (GFOA) represents nearly 25,000 public finance government professionals nationwide serving cities, districts, counties, states, and other types of entities involved in planning, financing and implementation.

Many of our members utilize state Local Government Investment Pools (LGIPs) within their investment program. This is especially true for smaller and mid-sized governments. Thus, the (brief) discussion in the Notice of the disclosures LGIP participants should receive, is of great interest to our members.

This is a matter that the MSRB and GFOA have not discussed much in the past, and we hope that can change as the MSRB looks at broader rules that include LGIP disclosures. Our Committee on Treasury and Investment Management (TIM) is especially interested in this topic and helped develop this response.

On the big picture issue of electronic rather than paper disclosures, we agree with the concept that electronic disclosures can facilitate delivery of important information. As cited in the Notice, it is important for participants to have the option to maintain physical delivery of information if they choose to.

To begin the conversation on specific LGIP disclosures, we would like to share the following input from the TIM Committee. Information provided and shared with LGIP investors varies from state to state. It is also important to note that the administration of pools can vary from

state sponsored, private offered, or privately managed entities. However, regardless of how the LGIP is administered, federally regulated disclosures should be uniform for participants.

Below are some suggestions for the disclosures that should be provided to participants.

Information Statement

- Reference to state code authorizing the pool and investments held within the pool, as well as eligible participants of the pool.
- Objectives of the pool (safety, liquidity, yield)..
- Deposit and withdrawal options (including expected time based on time of day requested).
- Advisory board (and its members) as well as selection of members if applicable.
- Duties of investment manager, custodian, administrator.
- Fee disclosure – how it is calculated and what participant is paying for..
- Authorized Investments and exposure limits (also if fund is rated, reference to criteria the fund is adhering to).
- List of the current holdings at time of Information Statement (current holdings, at least monthly, on the pool's website) – including description, CUSIP, original cost, amortized cost and current market value as well security ratings.
- Weighted Average Maturity (WAM) or duration for a longer term LGIP.
- Net Asset Value calculation of the fund on both an amortized cost and mark-to-market basis.
- Investment Risks outlined.
- Disclosure that the pool is not insured or guaranteed (to compare to FDIC insured products).
- Calculation of interest calculation – for the fund and for an individual participant.
- Distribution of income (reinvested at the end of the month back into the fund) and how statements are delivered (and how often).
- How to open an account and how to transact with the pool (via phone or online portal).
- Other reports provided by the pool (annual financial statements, investment policy).
- Statements should also be available electronically and maintained online for at least three years.

Additional Information

- Current holdings (at least monthly should be on the pool website).
- Distribution of shareholders (e.g., percentage counties versus cities). This could include percentage of the fund held by the top 25 shareholders.
- Pool's policy about how much of the fund can be invested into any one entity.
- Distribution of assets (e.g., percentage held overnight versus other maturity buckets, percentage held in each asset category).
- Information about the liquidity of the fund – how much cash vs investments, and duration of investments.
- Clear fee schedule including allocation of the realized loss due to asset withdrawal in the event low liquidity causes a loss.

- Annual total return and expenses.

Updating the rules around fund disclosures would prove to be educational, informative and appropriate for those placing public funds in LGIPs. To facilitate the comments received in the Concept Release to possible rulemaking, we would like to have members of the GFOA's TIM Committee discuss these comments further with MSRB staff. This conversation would include examples of information that is and is not helpful that they currently receive from funds and help the MSRB better understand how plan participants work with LGIPs and discuss any pressure points that exist.

We appreciate the opportunity to provide this input and look forward to future conversations with the MSRB on this matter.

Sincerely,
Emily Brock
Director of Federal Liaison Center
Government Finance Officers Association



OFFICE OF THE ILLINOIS STATE TREASURER
MICHAEL W. FRERICHs

April 10, 2025

Via Electronic Delivery

Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
1300 I Street NW, Suite 1000
Washington, DC 20005

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

Dear Mr. Smith,

I am Michael W. Frerichs, and I serve as the 74th Treasurer of the State of Illinois. I write to the Municipal Securities Rulemaking Board ("MSRB") in my capacity as sole trustee and administrator of the Illinois 529 College Savings Plans, Bright Start and Bright Directions ("529 Plans") and as administrator of the Illinois Achieving a Better Life Experience ("IL ABLE") plan, in response to your request for comment on potential modernization of municipal funds securities disclosure obligations (Notice 2024-15, published December 11, 2024) (the "Notice"). I appreciate the MSRB's efforts to consider modernizing the requirements surrounding dissemination of the official statement and time of trade disclosure obligations and the opportunity to provide comments on various aspects of the Notice.

The College Savings Plan Network ("CSPN"), an organization for which I served as Chair from 2020-2021 and on whose Executive Board I and members of my staff have and do currently serve, has also provided the MSRB with a comment to the Notice. Additionally, the ABLE Savings Plans Network ("ASPEN") has provided the MSRB with its own comment to the Notice. I am in full support and alignment with both CSPN's and ASPEN's comment to MSRB. However, as a trustee

State Capitol
Room 219
Springfield, IL 62706
Phone: (866) 458-7327
Fax: (217) 785-2777
TTY: (866) 877-6013

555 West Monroe Street
14th Floor
Chicago, IL 60661
Phone: (866) 458-7327
Fax: (312) 814-5930
TTY: (866) 877-6013

Marine Bank Building
1 East Old State Capitol Plaza
Springfield, IL 62701
Phone: (866) 458-7327
Fax: (217) 524-3822
TTY: (866) 877-6013

of 529 Plans and administrator of an ABLE plan, I wish to provide some additional commentary and color above and beyond the CSPN and ASPN comments.

The Illinois State Treasurer's Approach to Disclosure

A fundamental tenet of the 529 Plans and IL ABLE is transparency. I believe that all investors and financial advisors deserve the information necessary to make an informed investment presented in a clear, easy-to-understand, and readily available manner.

529 Plans

The 529 Plans regularly update their program disclosure document and provide a link to it at the bottom of every page of each program's website and at the bottom of plan emails to participants. Those participants who have elected mailed delivery are provided with printed copies as well. The aim is for the Illinois 529 plans to set the gold standard in the 529 industry for how readily investors and potential investors are provided with program disclosures.

IL ABLE

IL ABLE regularly updates its plan disclosure documents and provides a link to them at the bottom of the customer-facing website, within the secure enrollment and account management portal, and through all digital forms and brochures. IL ABLE ensures that all digital documents are accessible and compliant with the most recent web accessibility standards.

Summary Comments on the MSRB's Proposed Modernization of Official Statement Dissemination

My aim has always been to provide 529 plan and IL ABLE participants with savings options that are the highest possible quality at the lowest possible cost. Disclosure – particularly printed disclosure – can be costly and I have great interest in streamlining the disclosure delivery process so long as we do not compromise transparency or ease of access.

It is my assessment that the vast majority of 529 account holders find online materials easier to access. For example, from October 1, 2024 – December 31, 2024, 92% of new Bright Start 529 account holders opted for electronic delivery of plan documents. Additionally, the majority of IL ABLE accounts indicate user comfort with online access to plan documents, with approximately 72% registered for electronic delivery of documents and the majority of accounts that were opened in 2024 were opened online.

As such, I believe 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.

In their letters to the MSRB, CSPN and ASPN provide extensive detail on this “modified implementation of the Access Equals Delivery Alternative,” and I am in full agreement with both proposals. For the sake of brevity, I will not reiterate the details here and would refer you to CSPN’s and ASPN’s comments concerning the Notice.

Summary Comments on the MSRB’s Time of Trade Disclosure Obligation with Respect to Municipal Fund Securities

I do not believe that a stand-alone time of trade rule for municipal securities is necessary. Rather, it is my belief that the guidance received in 2006, *Customer Protection Obligations Relating to the Marketing of 529 College Savings Plans* is extremely clear.

In their letters to the MSRB, CSPN and ASPN each provide further detail on why they do not believe it necessary for the MSRB to create a stand-alone time of trade rule. I am in agreement with the detailed responses provided by CSPN and ASPN and would refer you to their comments concerning the Notice.

I welcome the MSRB’s review and examination of this important issue and am open to further discussion with me and my staff. For follow-up questions about my commentary, please feel welcome to contact John Mitchell, Deputy Chief Officer, Financial Products, at jmitchell@illinoistreasurer.gov or JJ Hanley, Deputy Chief Officer, Financial Products, at jhanley@illinoistreasurer.gov.

Respectfully,



Michael W. Frerichs
Illinois State Treasurer



OFFICE OF THE ILLINOIS STATE TREASURER
MICHAEL W. FRERICHS

April 10, 2025

VIA ELECTRONIC DELIVERY

Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
1300 I Street NW, Suite 1000
Washington, DC 20005

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

Dear Mr. Smith,

I am Michael W. Frerichs, and I serve as the 74th Treasurer of the State of Illinois. I write to the Municipal Securities Rulemaking Board ("MSRB") in my capacity as sole trustee of the state-managed local government investment pool ("LGIP"), The Illinois Funds, in response to your MSRB [Notice 2024-15](#), *Concept Release: MSRB Requests Comment on Potential Modernization of Municipal Funds Securities Disclosure Obligations*, published 11 December 2024 (the "Notice").

We have been able to provide stability and confidence for Illinois Funds participants for nearly fifty years because a fundamental tenet of Illinois Funds is transparency. I believe that all public treasurers, as stewards of public dollars, must be armed with the most complete data available, to judiciously appropriate scarce resources and optimize investable assets, and LGIP participants and the public should have access to comprehensive information to evaluate how those funds are managed. My office's commitment to transparency is evidenced by the creation of "[The Vault](#)" where we publish, among other data: monthly net & gross yield; number and type of participants; portfolio balance; a full inventory of our securities holdings; and asset allocation. Additionally, we strictly adhere to state statutory limits ([15 ILCS 505/17](#)), [ratings agency requirements](#), Securities and Exchange Commission [Rule 2a-7](#), and our own [investment policy guidelines](#).

In the Notice, MSRB specifically asked, "*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?*" In addition to the above listed data points, our office is subject to the requirements of the Illinois

State Capitol
Room 219
Springfield, IL 62706
Phone: (866) 458-7327
Fax: (217) 785-2777
TTY: (866) 877-6013

555 West Monroe Street
14th Floor
Chicago, IL 60661
Phone: (866) 458-7327
Fax: (312) 814-5930
TTY: (866) 877-6013

Marine Bank Building
1 East Old State Capitol Plaza
Springfield, IL 62701
Phone: (866) 458-7327
Fax: (217) 524-3822
TTY: (866) 877-6013

Freedom of Information Act ([5 ILCS 140/1](#)), which allows participants and the public to request further information. I believe that, taken together, this level of disclosure is a best practice, since we are dealing with public funds. Any local government investment pool, *whether administered by a governmental entity or the private sector*, should be subject to the same disclosure requirements so that local government investors and the public can understand, and have confidence in, how public funds are being managed.

I welcome the MSRB's review and examination of this important issue and am open to further discussion and feedback with myself and my staff. The Director of The Illinois Funds is Thomas Gary, and he may be reached via email at tgary@illinoistreasurer.gov.

Respectfully,



Michael W. Frerichs
Illinois State Treasurer

April 11, 2025

Filed Electronically

Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
1300 I Street NW, Suite 1000
Washington, DC 20005

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

Dear Mr. Smith:

The Investment Company Institute¹ appreciates the opportunity to comment on the Municipal Securities Rulemaking Board's (MSRB) concept release regarding the potential modernization of its disclosure regime.² We believe that the time has come to permit brokers, dealers and municipal securities dealers (collectively, "Dealers") to satisfy their disclosure delivery obligations by notifying customers of the availability of plan disclosure documents online.³ This access-equals-delivery framework supports timely, useful and interactive disclosures that may enhance an investor's financial decisions. As with any electronic delivery approach, however, we support honoring the preference of any investor who opts for paper delivery. We do not believe that a stand-alone time of trade rule is necessary.

¹ The [Investment Company Institute](https://www.ici.org) (ICI) is the leading association representing the asset management industry in service of individual investors. ICI's members include mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs) in the United States, and UCITS and similar funds offered to investors in other jurisdictions. Its members manage \$39.1 trillion invested in funds registered under the US Investment Company Act of 1940, serving more than 120 million investors. Members manage an additional \$9.3 trillion in regulated fund assets managed outside the United States. ICI also represents its members in their capacity as investment advisers to collective investment trusts (CITs) and retail separately managed accounts (SMAs). ICI has offices in Washington DC, Brussels, and London.

² See *MSRB Requests Comment on Potential Modernization of Municipal Fund Securities Disclosure Obligations*; MSRB Notice 2024-15 (December 11, 2024) (the "Concept Release").

³ We note that, because the MSRB's jurisdiction is limited to municipal securities dealers and does not extend to issuers of 529 plan securities, interests in 529 plans that are currently sold without reliance on a municipal securities dealer are not directly subject to oversight of the MSRB.

1. The MSRB Should Modernize its Rules on Delivery Methods

ICI and its members long have recognized the benefits of electronic delivery.⁴ We, therefore, strongly recommend that the MSRB pursue its access-equals-delivery alternative described in the Concept Release, with one modification. We suggest also providing for the posting of plan disclosure documents on the 529 plan's public website. This may provide customers of Dealers additional information that could assist them in making a 529 plan investment decision – e.g., through links to interactive investment tools or by making the disclosure available on a website that also provides such tools or other resources for investors.⁵ Furthermore, 529 plan investors generally are already familiar with their plan's website and this is where they currently tend to look when they want more information.

2. Data on Internet Access Support Increased Use of Electronic Delivery

ICI does not have recent data on internet access specific to 529 plan owners.⁶ However, ICI's most recent data on mutual fund-owning households, from 2021, shows that an overwhelming majority of mutual fund-owning households have internet access. In 2021, 95 percent of US households owning mutual funds had internet access (Figure 1), up from 68 percent in 2000.⁷ Altogether, 56.0 million mutual fund-owning households had internet access in 2021.

⁴ For ICI's support of electronic delivery of 529 plan disclosure documents, see letter from Tamara Salmon, Senior Associate Counsel, Investment Company Institute, to Ronald W. Smith, Corporate Secretary, MSRB, dated April 2, 2012, available at <https://www.msrb.org/sites/default/files/RFC/2012-10/ICI.pdf>; for our support of electronic delivery for retirement plan disclosure documents, see letter from David Abbey, Deputy General Counsel—Retirement Policy, and Shannon Salinas, Assistant General Counsel—Retirement Policy, Investment Company Institute, to Office of Regulations and Interpretations, EBSA, Department of Labor, dated November 22, 2019, available at <https://www.ici.org/doc-server/pdf%3A3A32062a.pdf>; for our support of electronic delivery to fund shareholders, see letter from Dorothy Donohue, Deputy General Counsel, Securities Regulation, Sarah Holden, Senior Director, Retirement & Investor Research, and Joanne Kane, Senior Director, Operations & Transfer Agency, Investment Company Institute, to Dalia Blass, Director of Division of Investment Management, SEC, dated September 10, 2020, available at https://www.ici.org/system/files/attachments/20_itr_edelivery.pdf.

⁵ Evidence from the retirement savings plan arena shows that retirement plan participants are more likely to take action in response to materials provided electronically. See pages 9–10 of ICI letter to Department of Labor, (September 25, 2018), available at <https://www.ici.org/pdf/31411a.pdf>. It likely follows that facilitating electronic delivery for other investors might result in those investors doing the same. This would likely be the case for 529 plans, if the disclosure is made to plan's website.

⁶ ICI does collect data on other characteristics of households saving for college, such as age, education level and household income. See Figure 8.16 of 2024 Investment Company Fact Book at Figure 8.16, p. 119. The Fact Book is available on the ICI's website at: <https://www.icifactbook.org/pdf/2024-factbook-ch8.pdf>. As the chart indicates, these data include households that own education savings plans (Coverdell ESAs or 529 plans) or that said paying for education was one of their financial goals for their mutual funds or ETFs.

⁷ See Figure 15 in Sarah Holden, Daniel Schrass, and Michael Bogdan, "Ownership of Mutual Funds, Shareholder Sentiment, and Use of the Internet, 2021," ICI Research Perspective 27, no.11 (October 2021), available at <https://www.ici.org/system/files/2021-10/per27-11.pdf>. Note that after 2021, ICI no longer includes questions about Internet access among fund owners in the survey.

Internet access traditionally has been greatest among younger people—in both mutual fund–owning households and the general population. Although younger households were more likely to report internet access, 86 percent of mutual fund–owning households with a household head aged 65 or older had internet access in 2021 (Figure 1). Internet access among mutual fund–owning household heads younger than 65 was essentially universal, with 96 to 99 percent reporting internet access. The majority of mutual fund–owning households in each income group had internet access in 2021. Eighty-six percent of households with annual incomes less than \$50,000 had internet access in 2021, up substantially from 47 percent in 2000. Households with incomes of \$50,000 or more had nearly universal internet access in 2021.

Figure 1
Internet Access Is Nearly Universal Among Mutual Fund–Owning Households
Percentage of US households with internet access, 2021

	All US households	Mutual fund–owning households	Households with DC plan accounts ¹
Age of head of household²			
Younger than 35	91	96	95
35 to 49	92	99	99
50 to 64	85	97	95
65 or older	68	86	84
Education level			
High school diploma or less	70	86	88
Some college or associate’s degree	88	95	93
College or postgraduate degree	91	97	96
Household income³			
Less than \$50,000	69	86	82
\$50,000 to \$99,999	87	91	92
\$100,000 to \$149,999	96	99	98
\$150,000 or more	95	99	99
Total	83	95	94

¹ DC plans include 401(k), 403(b), 457, and other DC plans.

² Age or education level is based on the sole or co-decisionmaker for household saving and investing.

³ Total reported is household income before taxes in prior year (2020).

Note: Internet access includes access to the internet at home, work, or some other location.

Source: ICI Annual Mutual Fund Shareholder Tracking Survey; see “Ownership of Mutual Funds, Shareholder Sentiment, and Use of the Internet, 2021,” ICI Research Perspective, available at <https://www.ici.org/system/files/2021-10/per27-11.pdf>, and 2022 Investment Company Fact Book, available at https://www.ici.org/system/files/2022-05/2022_factbook.pdf.

3. Dealers Understand Their Obligations Regarding Time of Trade Disclosures with Respect to Municipal Fund Securities

The Concept Release explains that the MSRB is considering adopting a stand-alone time of trade rule, closely aligned with the current Rule G-47,⁸ that would apply to municipal fund securities. Further, the MSRB envisions the out-of-state disclosure obligations (currently described in interpretive guidance issued under Rule G-17) being codified as part of the new stand-alone rule.

ICI appreciates the MSRB's dedication to ensuring that its rules are clear. We do not, however, believe that Dealers' current obligations with respect to municipal fund securities under Rule G-47 are unclear. Rather, Dealers understand what information they are required to provide to investors in 529 plans and ABLE programs. Given this, we do not believe that a new stand-alone rule is necessary.

Furthermore, ICI believes that no disclosure requirement is needed when a third-party contribution is made because such contributions are gifts to an account over which the giver has no control. Rather, in the case of gifts of municipal fund securities, the appropriate recipient of the disclosures is the account owner. Third-party contributors are not the purchasers or investors of the municipal fund securities; rather, they are simply making gifts to the ultimate investors. The third party has no ability to control the investment, other than making the contribution. They cannot change the investments or otherwise take any action that would be aided by time of trade disclosures. They often are making the contribution at the direction of the account owner, who will receive and benefit from the disclosures. Because the third-party giver is not a "customer" and has no control over the 529 account, the 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. The MSRB should confirm this interpretation of the rule. Encouraging such gifts to 529 plans provides a societal good, and we see no benefit to adding disclosure requirements that will increase the burdens applicable to such gifting and would result in the provision of information that is not actionable and has no relevance to the individual making the gift.

* * * *

ICI and its members appreciate the opportunity to comment on the Concept Release. We are committed to working with the MSRB to modernize the delivery of 529 plan disclosures. If you

⁸ Rule G-47(a) sets forth the basic obligation for a dealer to disclose to customers, at or prior to the time of trade, all material information known about the transaction and material information about the security that is reasonably accessible to the market.

Municipal Securities Rulemaking Board
April 11, 2025
Page 5 of 5

have any questions, please contact Tara Buckley at 202/326-6274 (tara.buckley@ici.org) or Shannon Salinas at 202/326-5809 (shannon.salinas@ici.org).

Sincerely,

/s/ Tara Buckley

Tara Buckley
Deputy General Counsel
Financial Regulation

/s/ Shannon Salinas

Shannon Salinas
Associate General Counsel
Retirement Policy

April 9, 2025

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

*RE: Comments Concerning MSRB Notice 2024-15
Via Electronic Delivery*

Dear Mr. Smith,

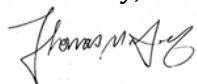
The Massachusetts Educational Financing Authority (MEFA) is pleased to submit comments on *MSRB Notice 2024-15*.

By way of background, for over 25 years, MEFA has proudly offered the Commonwealth of Massachusetts 529 college savings plan, the MEFA U.Fund, and more recently, the Attainable Savings Plan, the Commonwealth's 529A plan for individuals with disabilities. Both plans serve as a cornerstone of MEFA's programs for individuals and families saving in tax advantaged plans and an integral component of MEFA's comprehensive approach to assisting individuals planning for their future.

MEFA has remained steadfastly committed to enhancing its programs and services to plan participants across the Commonwealth and beyond, providing a best-in-class experience. That unwavering commitment is rooted in achieving exemplary services and deliverables to program participants through an efficient and effective online user experience as an ever increasing number of MEFA 529 and 529A investors' access and manage their accounts online. To that end, and as a member of the College Savings Plans Network (CSPN), MEFA fully supports the detailed commentary offered in the attached CSPN submission.

Thank you for the opportunity to submit comments on *MSRB Notice 2024-15*. We are grateful for the MSRB's interest in modernizing municipal securities disclosure obligations and the thoughtful alternatives presented in the Notice. On behalf of MEFA's 529 and 529A plan participants, we look forward to continued support in modernizing the approach for electronic delivery of documents to 529 investors.

Sincerely,



Thomas M. Graf
Executive Director



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.”¹ 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.”²

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

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

² 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.³

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.

³ 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.).⁶⁴ 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.

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,⁶⁵ 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.

Sincerely,

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

Mary G. Morris

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



By Electronic Delivery

March 31, 2025

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

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

Dear Mr. Smith:

The Utah Educational Savings Plan dba my529 ("my529") is grateful that its April 17, 2023, letter regarding MSRB Notice 2023-02 was helpful to the MSRB and it is pleased to have the opportunity to comment on MSRB Notice 2024-15, *Concept Release: MSRB Requests Comment on Potential Modernization of Municipal Fund Securities Disclosure Obligations*, issued December 11, 2024 (the "Notice").

my529 remains the third largest direct-sold 529 plan in the country and is uniquely situated amongst qualified tuition programs established under 26 U.S.C. § 529 ("529 Plan(s)") in that it does not have an advisor-sold 529 plan, nor does it contract with any firm as an underwriter to distribute my529's securities. As a state-run plan, my529 is not subject to the direct regulations and oversight of the MSRB. Nevertheless, as a matter of best practices, my529 strives to align its practices with applicable MSRB rules.

I. 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?

my529 supports the implementation of the MSRB's Proposed Access Equals Delivery Alternative. my529 believes that this Alternative should be modified so that a 529 Plan would meet its delivery obligations by providing notice of posting its official statement and any amendments on EMMA and on the website of the 529 Plan. Regardless of location, the 529 Plans' official statements would be available for free to the public.

As a preliminary matter, my529 believes that EMMA is designed for debt issuance and is not well-suited for individuals looking for information about 529 plans. Information on 529 Plans is hard to find on EMMA because EMMA users must click the “Market Activity” banner link on EMMA’s website to reveal a drop-down menu that includes a link for “529 Savings Plan/ABLE Program Disclosures.” This effectively hides information on 529 Plans from retail 529 investors. EMMA should be improved so that a link to information on 529 Plans is more visible and more easily accessible. That would be more useful to retail 529 investors who are not familiar with EMMA.

In contrast, my529 has found that its website is both popular with its account owners and easily accessible. For example, in 2024, my529 had 929,595 visitors to its website (located at my529.org). Additionally, my529 had approximately 2.5 million logins to its website (many account owners bookmark the login website address). Any of these visitors could easily access my529’s official statement, its Program Description, along with any supplements to that Program Description via a direct link that is easily accessible at the bottom of the my529.org website.

If the MSRB were to allow 529 Plans to meet their disclosure obligations by providing notice that their official statements were available via EMMA and the 529 Plans’ own website, it would benefit both 529 Plans and retail 529 investors. Such an obligation to provide notice of posting would not be burdensome on the 529 Plans and it would be convenient for (and in many cases preferred by) the participants in the 529 Plans.

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.

my529 believes that of the alternatives set forth above, Option A (MSRB’s Access Equals Delivery Alternative) is superior to Option B (Supplemental-Layered Disclosure Alternative). 529 Plans should also post their official statements to their own websites. The websites of the 529 Plans are an important resource for potential account owners who want to learn more about investing in a 529 plan. They are also valuable resources for existing account owners who want to learn more about how to manage their investments in their 529 account or who want to make transactions in their 529 account (*e.g.*, contributions, withdrawals, rollovers, beneficiary changes, etc.). The websites of the 529 Plans already allow for ease of access to information and if 529 Plans could meet their disclosure obligations with regard to an official statement by posting on their official website (as well as EMMA), it would further enhance the utility of those websites to account owners and potential account owners.

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

Many potential account owners are not familiar with the MSRB or EMMA. They often come to the websites of 529 Plans with a desire to learn more about 529 plans and how they work. These potential account owners are not sophisticated investors in the municipal fund

security market. It would be unrealistic to expect them to become familiar with EMMA as an investing resource when they are new to the concept of college savings in general.

Allowing 529 Plans to meet their disclosure obligations by posting their official statements on their websites will benefit the college-saving public at large because these account owners and potential account owners are familiar with and are already using the websites as learning resources and to make transactions in their 529 accounts. my529 also sees utility in having official statements posted to an industry-wide clearinghouse (EMMA) so that potential account owners have another resource to use when they want additional information about 529 Plans.

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?

my529 believes that the MSRB's Access Equals Delivery Alternative, modified to include posting on the website of a 529 Plan, would improve access to information and would reduce the cost of paper-only delivery.

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.

As the official, direct-sold 529 plan for the State of Utah, my529 is proud to share the following data with regard to its plan. Although my529 is only one plan in the 529 industry, my529 believes that its data is representative of the 529 industry as a whole. As of December 31, 2024, only 12.32% of my529 account owners receive their official communications (including disclosure documents) via U.S. Mail (paper delivery). That means that 87.68% of my529 account owners receive their official communications through opt-in e-delivery.

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?

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). my529 mails its official statement to 32,237 account owners (many account owners have more than one account). This results in a cost of just over \$95,000 to print and mail every Program Description that my529 produces.

The supplements that my529 produces to its Program Description are not as voluminous to print, so the associated costs are less. my529 estimates that the cost of printing and mailing each supplement to its Program Description is approximately \$0.71 per supplement. my529's total cost to print and mail its last Supplement to its Program Description in March 2024 was approximately \$22,700.

If the Access Equals Delivery standard that my529 has advocated for in this letter were adopted, my529 would still provide a paper copy of these official statements upon request. The bulk of these substantial costs, however, would be avoided if my529 could direct its account owners and potential account owners to its website or to EMMA.

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?

my529 has found that the ability to receive electronic versions of its official statements is very popular with its account owners. Over 87% of my529's account owners have opted in to electronic delivery for official statements and disclosure documents. The adoption of the Access Equals Delivery Alternative, with the modification proposed here that my529 could meet its obligations by also posting to its own website would serve the needs of my529's account owners. This is particularly true because my529 would still be willing to provide a paper copy of its disclosure documents if specifically requested by an account owner or potential account owner.

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?

N/A

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.

my529 would be supportive of the ability of a 529 Plan to offer a summary disclosure document. Depending on the “certain conditions” that would have to be met, a summary disclosure document could reduce at least some of the cost of preparing an official statement for a 529 Plan. As an example, my529 estimates the following costs (internal and external) to prepare its Program Description in February 2023:

<u>Entity</u>	<u>Estimated Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
my529 Writers	290	\$60	\$17,400
my529 Graphic Design	270	\$55	\$14,850
my529 Editors	180	\$75	\$13,500
my529 Director-Level Review	30	\$85	\$2,550
my529 Senior Leadership Review	30	\$125	\$3,750
Outside Legal Review	11.5	\$460	\$5,290
	1.1	\$480	\$528
Total	812.6		\$57,868

Having to prepare a summary disclosure document in addition to its official statement likely would increase the time and total expense necessary to update its Program Description. However, at least in some cases, a summary prospectus might be able to minimize or limit those to a degree assuming that the 529 Plan could meet whatever “certain conditions” are set forth by the MSRB.

As set forth in its answer to Question #6 above, my529 estimates that the printing and mailing cost (in addition to the preparation costs in the table above) are \$2.95 per Program Description or more than \$95,000 total. The ability to send a summary disclosure document—even if required to be sent by U.S. Mail—would likely result in cost savings since printing and mailing would be less (*i.e.*, less paper would be used).

If the MSRB were to not enact Option A (MSRB’s Access Equals Delivery Alternative) at this time, the ability to send a summary disclosure document would be even more attractive to my529 due to the potential to save on preparation, printing, and mailing costs. my529 also believes investors and potential investors in a 529 Plan would be more likely to read a shorter summary disclosure document.

II. Questions on Potential Stand-Alone Time of Trade Rule

As a preliminary matter, my529 notes that the municipal fund securities issued by 529 Plans are fundamentally different from the bulk of municipal securities overseen by the MSRB. When an account owner contributes to a 529 Plan, the account owner is investing in a municipal fund security. That contribution looks and acts, however, far more like an investment in a mutual fund than a purchase of a municipal bond which has a set maturity date and coupon rate. In contrast to a municipal bond, the municipal security issued by a 529 Plan is a continuous offering.

Because of the fundamental differences between a contribution to a 529 Plan and the purchase of a municipal bond, my529 believes that there is value in codifying a standalone rule regarding time of trade disclosure obligations for 529 Savings Plans. A standalone rule for 529 Plans would have two benefits: (1) it would allow the MSRB to better see and understand the unique nature of municipal fund securities issued by 529 Plans; and (2) it would provide greater certainty, as well as a potential safe harbor to 529 Plans.

Contributions to 529 Plans typically fit into one of the following areas, each requiring different time of trade disclosures.

1. **Initial account opening.** An account owner opening a new account should receive offering materials prior to opening the account. As a continuous offering, disclosure materials are readily available via EMMA or the website of a 529 Plan. Generally, hard copies are also made available to any account owner who has not requested electronic delivery. We appreciate the MSRB's request for comment on the Access Equals Delivery Alternative and, as noted above, my529 urges the adoption of that standard.
2. **Automatic or one-time contributions.** Account owners may contribute automatically with scheduled contributions or may choose to contribute sporadically when they have funds to invest. Clear guidance is needed in these circumstances. Providing disclosure documents for every transaction after the account is opened is impractical and expensive. Like mutual funds, supplemental materials should be provided when plan changes material to the investment decision are made.
3. **Third-party contributions.** Anyone is allowed to contribute to a beneficiary's 529 Plan account (e.g., gifting platform, grandparent, friend, aunt, etc.). Clarity is needed around any disclosure requirements in this circumstance. my529 believes no disclosure requirement is needed because these are gifts to an account over which the giver has no control.

If the MSRB were to propose a new standalone rule, existing Rule G-17 interpretative guidance addressing out-of-state disclosure obligations should be codified because it would

provide greater certainty to 529 Plans. The current guidance has been voluntarily adopted by the College Savings Plans Network (“CSPN”) in recommended disclosure principles for 529 Plans. The current version of these disclosure principles is CSPN Disclosure Principles Statement No. 7, which was adopted on October 6, 2020 (available at: <https://www.collegesavings.org/wp-content/uploads/2020/12/CSPN-Disclosure-Principles-Statement-No.-7-FINAL.pdf>).¹

- 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 lists the following in its definition of “established industry source”: (1) EMMA, (2) rating agency reports, and (3) “other sources of information relating to municipal securities transactions generally used by brokers, dealers, and municipal securities dealers that effect transactions in the type of municipal securities at issues.” my529 agrees that EMMA is an established industry source. Other than Morningstar, municipal fund securities issued by 529 Plans do not have rating agency reports, but the websites of the 529 Plans themselves are sources of information that are used by brokers and dealers as well as the retail 529 investor.

my529 does not believe that the CSPN website—at this time—is an established industry source. It does provide some information but directs individuals to the states’ websites for detailed information. my529 believes that the flexibility afforded by the current definition of “established industry source” in Rule G-47 is a good thing so that the markets themselves can organically determine what specific resources constitute an established industry source.

- 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**

¹ my529 notes that CSPN is poised to release CSPN Disclosure Principles Statement No. 8 imminently.

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?

529 Plans should be exempted from time of trade disclosure requirements in the case of an automatic recurring contribution subsequent to the initial contribution. The investment decision to make an automatic recurring contribution is made at the time that the automatic recurring contribution is set up—not when the automatic recurring contribution is made. Having to make a disclosure at time of trade for a 529 Plan would also cause a substantial administrative and financial burden. For example, my529 (Utah’s official 529 plan) had 218,828 unique accounts who collectively received 2,893,650 automatic recurring contributions (through monthly or yearly ACH and payroll deduction) in 2024. The cost to provide a time of trade disclosure for each of those contributions would be substantial.

Moreover, there is no utility to making a time of trade disclosure in the case of an automatic recurring transaction. As noted above, the investment decision is made at the time that the automatic recurring transaction is set up—not when it occurs each month. Thus, there is no value to the retail investor in providing subsequent disclosure when each transaction occurs automatically.

The MSRB should determine that 529 Plans meet their time of trade disclosure obligations by providing adequate disclosure at the time that the investment decision is made. This would include triggering events such as an investment option change or altering the amount or timing of automatic contributions. my529 does this with regard to both—although an investment option change generates disclosure (as well as links) encouraging an account owner to “read my529’s Program Description” and to review information about my529’s various investment options whereas altering the amount or timing of automatic contributions does not generate those specific disclosures (instead disclosures about the timing and mechanics of the contribution itself are presented to the account owner).

As noted above, 529 Plans should also supplement or update their official statements whenever there is a change that would be material to the investing decision.

- 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.). 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, my529 believes 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.

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?**

To effectuate a rollover, an account owner must establish a my529 account into which the funds can be transferred.² This requires that the account owner certify that he/she has "received, read, under[stood], and agree[s] to all the terms and conditions in the Program Description...." (See my529 Form 100 [Individual Account Agreement].)

At my529, all incoming rollovers are done via a Form 210 [Incoming Direct Rollover: 529 Plan or Coverdell ESA]. Form 210 has the following disclosures:

² It is possible to submit both a Form 100 [Individual Account Agreement] to open a my529 account and a Form 210 [Incoming Direct Rollover: 529 Plan or Coverdell ESA] to roll in funds to that newly-opened account at the same time.

4 Signature Authorization

Although my529 accounts only allow one account owner to be designated on the Account Agreement, all owners listed on the source 529 account or Coverdell ESA must sign on the next page.

If your source 529 plan or Coverdell ESA manager requires a medallion signature guarantee, **do not sign** until you are in the presence of the authorized officer of a bank, broker, or other qualified financial institution. A notary public cannot provide a medallion signature guarantee nor can you guarantee your own signature.

By signing,

- I authorize a rollover of the assets identified in section 3 to the my529 account identified in section 1.
- I certify that I have read the Program Description, and understand the rules governing rollover contributions from other 529 plans and/or Coverdell ESAs. I also certify that I have not rolled over these assets between 529 plans for the same beneficiary within the last 12 months.
- If the assets are being rolled over to a new beneficiary, I certify that the new beneficiary is a member of the family of the current beneficiary, as defined in the Program Description.
- I understand that a rollover not meeting these conditions may be considered a nonqualified withdrawal subject to federal and applicable state income taxes, as well as an additional federal penalty tax on the earnings.
- I understand that if my529 does not receive a statement showing the contribution and earnings components of the rollover, my529 will treat the entire rollover as earnings.



my529.org | 800.418.2551
The term my529 is a registered service mark.

Page 2 of 3
Form 210 | Nov 2023 (05)

Signature Authorization (continued)

- If the my529 account or the source account is an UGMA/UTMA account, I certify that I am the custodian of the account and that the rollover is necessary for the welfare of the beneficiary.
- If the account is owned by a trust or other corporate entity, I certify that I am authorized to act on its behalf in making this rollover.
- If the source account owner named in section 2 is different than the my529 account owner specified in section 1, I understand that the source account owner must also comply with applicable rules and regulations.
- If I am a Utah taxpayer or resident, I understand that a rollover from another 529 plan into my529 is eligible for the Utah state income tax credit or deduction.
- If I am not a Utah taxpayer or resident, I understand that I should consider whether the state in which I or my beneficiary resides or pay taxes offers a 529 plan before making a rollover decision. That plan may offer state tax or other benefits to its taxpayers or residents that may not be available through my529.
- If I am not a Utah taxpayer or resident, I also understand that I should determine whether I will be subject to adverse tax consequences if I transfer funds out of my home state's plan.
- I certify that the information on this form is true and accurate.



my529 Account Owner/Agent Signature

Date (mm/dd/yyyy)

When my529 processes an outgoing rollover to another 529 Plan, it provides a breakout of principle and earnings on every single check that is sent. Information about the unit price of the my529 investment option (whether those units are purchased in the case of an incoming rollover or whether those my529 units are sold in the case of an outgoing rollover) is available to the account owner online and is also provided in the quarterly account statements (whether those quarterly account statements are mailed or provided online depending on the account owner's choice).

When my529 receives a request for an internal transfer (*i.e.*, from a my529 account with one named beneficiary to a my529 account with a different beneficiary—but the same account owner), my529 provides the following disclosures (whether that request is made online or via a paper form):

3 Signature Authorization

By signing below,

- I authorize a transfer of the amount listed in section 1 into the account(s) identified in section 2.
- I certify that the receiving beneficiary is a member of the transferring beneficiary's family, as defined in the Program Description.
- I have read and agree to the terms and conditions of the Program Description and the Account Agreement I signed when I opened the source account.
- I have received, read, understand, and agree to all the terms and conditions in the current Program Description and this Account Agreement and will retain a copy of this Account Agreement for my records.
- **I understand that I can request two investment option changes for all my accounts for the same beneficiary each calendar year.**
- I understand that transferring money from a my529 account with the same account owner and same beneficiary is considered one of my investment option changes for the calendar year for this beneficiary.
- If I am transferring money to an account owned by another my529 account owner, I understand that I am surrendering the title and all rights to the account and interest in the money being transferred. I also understand that there can only be one account owner for each my529 account.
- I certify that the information on this form is true and accurate.



Account Owner/Agent of Source Account Signature

Date (mm/dd/yyyy)

As with a rollover, information about the unit price of the my529 investment option is available online and is also provided in the quarterly account statements.

my529 has found that most account owners are not as concerned with the specific price of the NAV or number of units at the time that a transaction (be it a contribution, withdrawal, transfer, or rollover) is processed. Rather, the nature of the transactions are such that account owners are focused on the total dollar amount of the transaction. For example, an account owner may take a withdrawal for the total amount needed to pay for a semester of tuition at their beneficiary's chosen eligible educational institution. Or an account owner may make a contribution of the maximum amount permitted to receive the full Utah state tax credit for Utah state taxpayers. In neither case is the account owner typically concerned with the number of units of the municipal fund security to be purchased/sold or the NAV of those units.

my529, however, does provide full disclosure in its Program Description as to how daily changes to the NAV are reflected in various transactions requested by my529's account owners. my529 believes that specific education-related goals and needs of the account owner and beneficiary drive the investing decision (*i.e.*, contribution, withdrawal, transfer, or rollover) and that that investing decision is not impacted by the timing of certain disclosures or the daily pricing of the NAV.

- 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?

As noted above in the response to Question #4, all rollovers at my529 are done via paper form (Form 210 [Incoming Direct Rollover: 529 Plan or Coverdell ESA]). Internal transfers may be done via paper form or online. Regardless, for both types of transactions, an account owner must certify that he/she has “received, read, understand, and agree” to the terms and conditions contained in my529’s official statement—the my529 Program Description.

The disclosures on Form 210 do have out-of-state disclosures. Such out-of-state disclosures are not necessary on an internal transfer at my529 since an internal transfer does not send money to another 529 Plan. An internal transfer is merely sending funds from one account at my529 to another my529 account. Both types of transactions contain additional disclosures. (Please see response to Question #4 above.)

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?

No, my529 believes that its responses above address any issues related to the transfer or rollover of a my529 account.

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?

my529 adheres to the current guidance that has been voluntarily adopted by the CSPN in recommended disclosure principles for 529 Plans. The current version of these disclosure principles is CSPN Disclosure Principles Statement No. 7, which was adopted on October 6, 2020 (available at: <https://www.collegesavings.org/wp-content/uploads/2020/12/CSPN-Disclosure-Principles-Statement-No.-7-FINAL.pdf>).³

Because my529 adheres to the Disclosure Principles, my529 provides the following information in its official statement (the my529 Program Description): how to open and use a my529 account, key program risks, risks of each of the investment options offered by my529, and information about fees and costs associated with a my529 account. my529 also provides information on the underlying funds contained within the my529 investment options. my529 also provides information on federal and state tax benefits and the rules related to governance and administration of my529’s program.

³ The release of CSPN Disclosure Principles Statement No. 8 will happen in the very near future.

my529 believes that its account owners have a good understanding of the my529 municipal fund security, its features and risks, and other important facts that are material to the investing decision. my529 is committed to continue providing such information when there are changes by updating its Program Description and by issuing supplements to the my529 Program Description.

- 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, 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.**

my529 does not believe that the MSRB need provide any list—much less an exhaustive list—of specific examples because all of the above-mentioned items are already covered in my529’s official statement—its Program Description. Because the municipal fund securities sold by 529 Plans are a continuous offering, retail 529 investors make an initial investment and receive an official statement with all the necessary disclosures when that initial investment decision is made. Municipal fund security offerings differ from municipal securities because there is no secondary market and at account opening the customer is made aware of all these issues.

- 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?**

N/A.

- 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.

N/A.

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 noted above, my529 believes that it already provides adequate disclosures in its official statement. my529 believes and understands that the majority of other 529 Plans do so as well. The advantage of having a rule is that the rule would provide certainty as well as a safe harbor for my529 and other 529 Plans.

* * * * *

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 my529 by calling Greg Dyer at (801) 366-8441.

Sincerely,



Richard K. Ellis
Executive Director
my529
60 South 400 West
Salt Lake City, UT 84101
Tel: 801.321.7134

STATE OF NEBRASKA
STATE TREASURER



State Treasurer
treasurer.nebraska.gov

State Capitol, Suite 2005
Lincoln, NE 68509
(402) 471-2455

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:

Thank you for the opportunity to submit comments on MSRB Notice 2024-15. I have the distinct pleasure of serving as the Director of the Nebraska 529 Program for more than 20 years. I also launched our ABLE Program and served as the Director until we hired a permanent Director to administer our 529A Program. My experience with 529 and ABLE programs is extensive. Additionally, I served as the College Savings Plans Network (CSPN) Chair for two years and am currently serving as the Past Chair of the Network.

As 529 administrators we are always looking for ways to enhance our plans for our valued 529 investors. Part of that commitment is our continued efforts to improve and modernize disclosures, being mindful of the importance of Plan rules and regulations while also meeting the needs of our participants and how they choose to receive information. Given that a considerable number of account owners access their 529 accounts online, I am confirming my support for the CSPN comment letter (attached).

I appreciate the MSRB asking for comments and thank you for the opportunity to share our thoughts on the Notice. I hope the information you receive is helpful for your review, and I look forward to any support in modernizing our approach to electronic delivery of documents.

Sincerely,

A handwritten signature in blue ink that reads "Rachel Biar".

Rachel Biar

Deputy State Treasurer for Savings Programs
Nebraska State Treasurer's Office
Past Chair, College Savings Plans Network



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."¹ 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."²

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

¹ See the Notice at page 8 under II. Regulatory and Marketplace Developments, A. MSRB's Outreach Efforts.

² 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.³

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.

³ 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.).⁶⁴ 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.

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,⁶⁵ 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.

Sincerely,

A handwritten signature in black 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



TREASURY DEPARTMENT
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG, PA 17120

STACY GARRITY
TREASURER

April 2, 2025

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

Electronic Transmission

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

Dear Mr. Smith:

I am pleased to have the 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 ("Notice"). I am the steward of the Pennsylvania 529 College and Career Savings Program ("PA 529") and the Pennsylvania ABLE Savings Program ("PA ABLE").

I am writing in support of the College Savings Plan Network's (CSPN) comment letter submitted on April 2, 2025.

I would like to express my appreciation of the MSRB's efforts to assist consumers seeking to save for higher education and disability-related expenses. I welcome the opportunity to offer additional comments, based on my experience administering PA 529 and PA ABLE, on modernizing the delivery of 529 and ABLE disclosure documents and time of trade disclosure obligations.

Modernization of Official Statement Dissemination

The Pennsylvania Treasury Department ("the Department") agrees with CSPN that requiring that plan disclosure documents on both EMMA and each 529 and ABLE plan's public website would ensure that account owners have full and ready access to plan disclosure documents.

The PA 529 and PA ABLE data below clearly illustrate that an overwhelming number of account owners are comfortable accessing their accounts online and accepting electronic delivery of plan disclosure documents.

Mr. Ronald Smith, Corporate Secretary

April 2, 2025

Page Two

As of December 31, 2024, there were 321,000 PA 529 and PA ABLE accounts with assets totaling \$8.3 billion. Only 18% of account owners receive paper plan disclosure documents via mail delivery while the vast majority embrace e-delivery:

- Over 316,000 account owners have a valid email address associated with their accounts (98.4%).
- Almost 302,000 account owners have established online access to their accounts (94.1%).
- Nearly 257,000 account owners have established e-delivery for plan disclosure documents (80.1%).

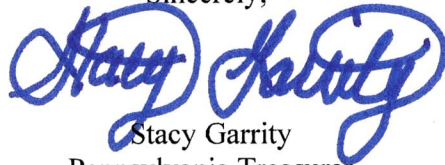
Finally, I would like to note that the Department's support of the Access Equals Delivery Alternative does not alter its long-held position that, as a sponsor PA 529 and PA ABLE, it is not, in any way, subject to the oversight of the MSRB.

Time of Trade Disclosure Obligations with Respect to Municipal Fund Securities

As with Access Equals Delivery, the Department agrees with CSPN's assertion that stand-alone time of trade rules for municipal securities is not necessary. The 2006 guidance found in *Customer Protection Obligations Relating to the Marketing of 529 College Savings Plans* is unambiguous. The Department has had no difficulty in applying that guidance which is memorialized in the CSPN Disclosure Principles Statement No. 8, 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>).

Thank you again for providing 529 and ABLE plan sponsors an opportunity to comment on this Notice. Please do not hesitate to contact the Department if you have any questions or would like to discuss our comment more fully. You may contact John Stevens, Director of the Bureau of Savings Programs at (717) 772-5000 or jstevens@patreasury.gov.

Sincerely,



Stacy Garrity

Pennsylvania Treasurer

Immediate Past Chair, ABLE Savings Plan Network



April 11, 2025

Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
1300 I Street NW
Suite 1000
Washington, DC 20005

Re: Potential Modernization of Municipal Fund Securities Disclosure Obligations

Dear Mr. Smith:

The Securities Industry and Financial Markets Association (“SIFMA”)¹ appreciates the opportunity to provide input in response to the Concept Release issued by the Municipal Securities Rulemaking Board (“MSRB”) regarding its Potential Modernization of Municipal Fund Securities Disclosure Obligations (the “Notice”).² SIFMA welcomes the MSRB’s retrospective review as we strongly support modernization of dealers’ disclosure obligations in municipal fund securities transactions, which have not kept pace with technological advancements, investor behavior, or the unique attributes of these securities. In addition, updating the MSRB’s disclosure requirements for municipal fund securities transactions would ease administrative burdens on dealers without compromising the quality, timeliness, or effectiveness of the information investors receive in municipal fund securities transactions.

Executive Summary

SIFMA has been a longstanding supporter of modernizing disclosure obligations in connection with municipal fund securities transactions. For example, we have previously supported proposals to adopt electronic delivery (“e-delivery”) as the default delivery method for municipal fund securities plan disclosure documents, consistent with the approach for disclosures

¹ SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry's one million employees, we advocate on legislation, regulation and business policy affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

² Terms not defined herein are as defined in MSRB Notice 2024-15, Concept Release: MSRB Requests Comment on Potential Modernization of Municipal Fund Securities Disclosure Obligations, available at https://live-msrb.pantheonsite.io/sites/default/files/2024-12/MSRB-Notice-2024-15_1.pdf.

Mr. Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
April 11, 2025

related to municipal debt securities and other investor documents.³ Similarly, we have recommended that based on their unique attributes, the time of trade disclosure requirements for municipal fund securities be addressed in a single, stand-alone rule.⁴ Consistent with our past support for disclosure modernization for municipal fund securities transactions, and as further discussed below and in the appendix to this letter, SIFMA recommends that the MSRB:

- adopt “access equals delivery” as the default disclosure standard in MSRB Rule G-32 for the delivery of plan disclosure documents in connection with municipal fund securities transactions, as this approach would maintain the important transparency protections for investors while easing obligations and costs imposed on dealers; and
- consolidate the time of trade disclosure requirements for municipal fund securities transactions within a single, stand-alone rule that generally is consistent with the current time of trade disclosures applied to municipal debt securities in Rule G-47 but is designed to account for the characteristics specific to municipal fund securities.

Discussion

I. “Access Equals Delivery” Should Be the Default Standard in MSRB Rule G-32 Relating to Disclosures in Connection with Primary Offerings

The MSRB should update Rule G-32 to adopt “access equals delivery” as the default standard for delivery of municipal fund securities plan disclosures. Although there are attributes of municipal fund securities that differentiate them from traditional municipal debt securities (further discussed below), those differences do not justify taking separate approaches to the method for making official statements and plan disclosure documents available to investors. Modernizing Rule G-32 with respect to municipal fund securities will ease burdens on broker-dealers without reducing transparency for investors. In fact, applying the MSRB’s current e-delivery standard to municipal fund securities likely will allow investors in 529s, ABLE programs, and LGIPs to more easily track and understand these disclosures as they change over time through regular amendments or supplements. Of course, even if the MSRB adopts “access equals delivery” as the default delivery method, investors that prefer to receive physical documents in the mail would have that option preserved and may request a physical copy from their broker-dealer.

³ See letters from David L. Cohen, Managing Director & Associate General Counsel, SIFMA to Ronald W. Smith, Corporate Secretary, MSRB, at 4 (Aug. 26, 2011), available at https://www.msrb.org/sites/default/files/2024-06/SIFMA%20Letter_2011-33.pdf; (Apr. 2, 2012), available at <https://www.msrb.org/sites/default/files/RFC/2012-10/SIFMA.pdf>. SIFMA also supports adoption of e-delivery of investor financial disclosures more broadly. See, e.g., *SIFMA Welcomes Introduction of the E-delivery Legislation*, SIFMA Press Release (Mar. 28, 2025), available at <https://www.sifma.org/resources/news/press-releases/sifma-welcomes-introduction-of-the-e-delivery-legislation-2/>.

⁴ See letter from Leslie M. Norwood, Managing Director & Associate General Counsel, SIFMA to Ronald W. Smith, Corporate Secretary, MSRB, at 4, 8-9 (Apr. 17, 2023), available at <https://www.msrb.org/sites/default/files/2023-04/SIFMA-2023-02.pdf>.

Mr. Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
April 11, 2025

As stated in the Notice, when the MSRB adopted the e-delivery standards for municipal debt securities in Rule G-32 in 2009, it did not update the delivery method for municipal fund securities. This approach was consistent with the policy adopted at that time by the Securities and Exchange Commission (the “Commission”) with respect to mutual fund disclosures based on the characteristics and structures those investments share with municipal fund securities. Since then, however, the Commission has updated its default method for delivery of mutual fund prospectuses, using an “optional layered” approach while allowing online access to satisfy delivery obligations in some circumstances.⁵

However, the MSRB should not adopt a default delivery method that uses a “supplemental layered” approach similar to the requirement for mutual funds in the Commission’s Rule 498.⁶ The MSRB should treat municipal fund securities and municipal debt securities equally in this context because, as stated in the Notice, unlike various Commission rules regarding prospectus delivery requirements, “MSRB rules relating to disclosures for municipal fund securities operate within the same framework as MSRB disclosure rules for municipal debt securities.”⁷ Therefore, consolidating the delivery obligations for municipal fund and municipal debt securities using “access equals delivery” as the single default standard will streamline and clarify the requirements for both investors and dealers.⁸

Investor attitudes also have evolved since the MSRB last updated Rule G-32 in 2009. For example, as the SIFMA e-Delivery YouGov Survey cited in the Notice demonstrated, a significant majority of investors are comfortable with e-delivery as the default method for financial documents.⁹ Therefore, modernizing the MSRB’s rules to adopt “access equals delivery” as the default delivery method for municipal fund securities generally will align with investor expectations and will not diminish the effectiveness or availability of these important disclosures.

⁵ Notice at n. 27 and accompanying text.

⁶ Notice at 10.

⁷ Notice at n. 16.

⁸ In addition to publishing the official statement on EMMA, as described in the Notice, the MSRB’s access equals delivery standard for municipal fund securities also could allow delivery to be satisfied through posting on the relevant 529 plan, ABLE program, or LGIP public website, as investors in municipal fund securities regularly access their account information via those websites. *See, e.g.,* Letter from Mary G. Morris, Chair, College Savings Plan Networks (“CSPN”) to Ronald W. Smith, Corporate Secretary, MSRB (Apr. 2, 2025) (“CSPN Comment Letter”) (proposing a modified Access Equals Delivery Alternative “that requires notice of posting of Plan Disclosure Documents on EMMA **and** on the 529 Plan’s public website”), *available at* <https://www.msrb.org/sites/default/files/2025-04/CSPN-2024-15.pdf>.

⁹ Notice at 13-14.

II. MSRB Should Consolidate Time of Trade Disclosures for Municipal Fund Securities into a Stand-alone Rule

SIFMA agrees with the MSRB that a stand-alone time of trade disclosure rule for municipal fund securities transactions would improve transparency and efficiency for investors and ensure that dealers sufficiently understand their regulatory obligations for these securities. As the MSRB acknowledged in the Notice, municipal fund securities are more like mutual funds and other pooled investments than bond debt issued by individual state or local governments. Unlike a default e-delivery standard, which should apply equally to both municipal fund and municipal debt securities, substantive time of trade disclosure requirements for municipal fund securities transactions should account for their unique characteristics. For example, as described in the Notice, municipal fund securities are made up of units of a state trust's pooled investment funds rather than the debt of single municipal issuer. While investors in the debt of a single municipal issuer would want to know the most current material information about the financial well-being of that issuer at the time of trade, this type of information generally is not relevant to the pooled investments that constitute municipal fund securities. Investors in municipal fund securities should receive time of trade disclosures that account for the unique characteristics of these investments, which likely would decrease the number of unnecessary or duplicative disclosures and lead to better investor understanding of the investments and importance of the relevant documents.

As SIFMA has previously suggested, the MSRB should update and consolidate the time of trade disclosure obligations for municipal fund securities into a single stand-alone rule. The rule should account for the fact that, as discussed in the Notice, Rule G-32 requires delivery of the plan disclosure documents “on an ongoing basis to all sales of municipal fund securities, regardless of how long after the issuer first began offering such securities.”¹⁰ These plan disclosure documents may already satisfy a time of trade disclosure obligation for municipal fund securities, as they contain up-to-date material information about the features of these pooled investments.

In drafting and implementing a new rule, the MSRB also should consider that investors in 529s and ABLE programs typically engage in transactions that are self-directed. These investors are purchasing shares in the plans via online investment accounts and generally readily access online plan disclosure documents that include all of the relevant information—including fund details, fees, past performance, and potential risks—about the plan or fund they are purchasing.¹¹ Investors in LGIPs are governmental entities that generally employ financial professionals, and/or have outside financial advisors, responsible for managing the entity's investments, including in LGIPs. These entities also typically have their own websites to send and receive important information, including financial information, to their own constituents and

¹⁰ Notice at 4-5.

¹¹ When investors sell municipal fund securities, they are typically redeeming or withdrawing funds to pay for qualified expenses.

Mr. Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
April 11, 2025

stakeholders. To the extent the stand-alone rule is modeled after Rule G-47 and references “established industry sources” relevant to 529s and ABLE programs, it should include the plan’s own website or third-party websites that consolidate plan information in one place, like www.savingforcollege.com. For LGIPs, which generally are created by state governments pursuant to state laws, such sources should include the disclosures the LGIPs publish to comply with those laws.

In addition, if a new stand-alone rule incorporates the “out-of-state disclosure obligations” currently included as an interpretation under Rule G-17, the MSRB should make it clear that dealers are not responsible for providing customers with tax advice regarding 529 plans. Plan disclosure documents and websites typically address the tax treatment of 529 plans for in- and out-of-state residents. Professional tax advisors are the appropriate resource to explain the tax implications of investments in 529 plans. Therefore, while dealers may be obligated to indicate that there *may be tax implications* for customers investing in 529 plans, any reference to out-of-state tax disclosures in an updated rule should make clear that dealers are not required to give tax advice.

*

*

*

Mr. Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
April 11, 2025

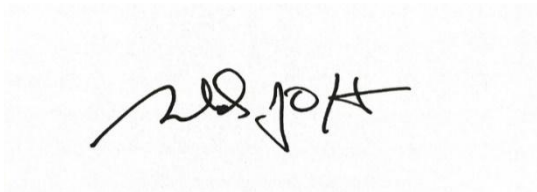
III. Conclusion

SIFMA appreciates the opportunity to comment on the MSRB's Notice regarding the potential modernization of municipal fund securities disclosure obligations. As discussed above and in the attached appendix, SIFMA supports modernizing and streamlining the disclosure requirements for municipal fund securities to account for new technologies, changes in investor behaviors, and the characteristics that differentiate municipal fund securities from typical municipal debt securities. We look forward to continued engagement with the MSRB as it reviews input received in response to the Notice and plans for future changes to the disclosure requirements for municipal fund securities. Please do not hesitate to contact Leslie Norwood with any questions by phone at (212) 313-1130, or by email at lnorwood@sifma.org or Gerald O'Hara by phone at (202) 962-7343, or by email at gohara@sifma.org.

Sincerely,



Leslie M. Norwood
Managing Director and Associate General
Counsel



Gerald O'Hara
Vice President and Assistant General
Counsel

cc: Ernesto Lanza, Chief Regulatory and Policy Officer
Bri Joiner, Senior Director, Market Regulation
Abha Mohla, Director, Market Regulation

Appendix

SIFMA Responses to 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?***

Yes, the MSRB should modernize the disclosure delivery standard for municipal fund securities by implementing the “access equals delivery” approach. As the MSRB acknowledged in the Notice, there have been significant advances in technology and changes in investor behavior and preferences since the MSRB adopted an e-delivery standard in Rule G-32 for municipal debt securities in 2009. Adopting an “access equals delivery” standard for municipal fund securities disclosures also is consistent with the MSRB’s existing requirements for municipal debt securities, and there is no reason to continue treating municipal fund securities differently in this context. In addition, “access equals delivery” is consistent with similar disclosure requirements for owners of pooled investments fund shares imposed by other regulators. Supplemental-layered disclosure, which would require physical delivery of plan disclosure documents plus subsequent references to EMMA for supplements or amendments, is not necessary because it imposes significant burdens on dealers without any significant benefit to investor transparency. Physical delivery of hard-copy plan disclosure documents is outdated and as demonstrated in the MSRB’s Notice and the additional data discussed below in response to Questions 5 and 7, more than 25 years into the 21st century, a large majority of the public is comfortable with and has ready access to electronic documents.

- 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.***

Electronic delivery and electronic access best support investors’ ease of access to information and there is no indication that these delivery methods in any way diminish investor awareness of the importance of financial disclosure documents. Investors who have the wherewithal to open investment accounts and purchase municipal fund securities, typically with specific long-term savings goals in mind, are capable of reviewing and identifying important information, including the official statement, plan documents or equivalent, via electronic delivery or access to relevant plan websites, methods used across almost all aspects of modern financial life.

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

Adopting the supplemental-layered approach would retain the burdens and drawbacks of the current physical delivery requirements.

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?*

No, the MSRB should adopt “access equals delivery” as the default delivery method for mutual fund securities. The Commission has adopted this approach as its delivery standard for certain mutual fund communications, and the MSRB has done the same for municipal debt securities. This standard is appropriate for municipal fund securities as well.

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.*

CSPN conducted a recent survey gauging e-delivery practices by 529 plans during 2023 and shared the results with SIFMA.¹² Survey respondents included 80 (consisting of 60 direct-sold and 20 advisor-sold) 529 plans representing more than 12 million accounts (75% of all 529 plan accounts), as of December 31, 2023. Of these accounts, 92% are web-registered via their 529 plan and have a valid email address on file; 75% elected e-delivery of at least some documentation; 76% elected to receive account statements via e-delivery; and 73% elected to receive plan disclosures via e-delivery.

The results of CSPN's e-delivery survey demonstrate that a significant majority of investors in municipal fund securities currently receive important plan and program disclosure documents electronically.

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?*

As the MSRB acknowledged in the Notice, “[t]he 1998 Guidance sets forth a stricter standard for electronic communications than the current e-delivery standard for municipal debt securities outlined under Rule G-32.” In particular, the “evidence to show delivery” principle adds an unnecessary obligation on dealers given investors' general familiarity with the e-delivery of financial documents in all aspects of daily life, including electronic provision of official statements in municipal debt securities. Removing the “evidence to show delivery” principle would alleviate some marginal burdens for dealers whose customers currently use the e-delivery standard. Finally, there is a benefit to codifying the MSRB's position with respect to delivery requirements for official statements of municipal fund securities rather than continuing to rely on interpretive guidance published more than 25 years ago.

¹² See CSPN Comment Letter, supra n. 8 (discussing its e-delivery survey results).

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?***

See our response to Question 5, above and additional details about CSPN's survey in its comment letter in response to the Notice.

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?***

Governmental entities that invest in LGIPs have the ability to access and understand important financial information online. For example, these entities typically maintain their own websites to communicate important information to residents or stakeholders as well as to facilitate financial transactions, including collection of local real estate taxes or payments related to traffic citations. Therefore, there is no reason to require physical delivery as the default method for governmental entities investing in LGIPs. In fact, as discussed above in connection with retail investors, receipt of physical documents may make recordkeeping—which for governmental entities may be required by statute or to be consistent with auditing standards—more difficult for the governmental entities that invest in LGIPs.

As the MSRB acknowledges, investors in LGIPs are not retail investors. Rather, many of these local government entities have professional employees that may include financial experts such as accountants or analysts. In addition, such entities may hire municipal or other financial advisors, acting as fiduciaries, to help them understand and manage their investments, including in LGIPs. These factors diminish any risk that governmental entities investing in LGIPs would not be able to access or understand the importance of financial disclosures delivered electronically.

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 summary disclosures would benefit investors in municipal fund securities and likely would have the unintended effect of increasing burdens on broker-dealers. Helpful summary information generally is available for investors to review on plan websites. However, these summaries should not be included as part of broker-dealers' disclosure obligations under MSRB rules.

SIFMA Responses to MSRB 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?***

As discussed above, SIFMA recommends that the MSRB implement a stand-alone rule that is specifically tailored to the time of trade disclosure obligations for dealers in connection with municipal fund securities transactions. The MSRB should study whether the new rule, which will be applied to securities with characteristics that are distinct from municipal debt securities, should be modeled on Rule G-47, a rule designed for municipal debt securities. There may be some aspects of Rule G-47 that are helpful in the context of municipal fund securities and other aspects that do not apply to municipal fund securities transactions based on their unique attributes. For example, municipal fund securities generally are not as susceptible to frequent changes in the information that is relevant to making an investment decision, unlike debt issued by a single municipality that may change regularly due to economic or other factors. In addition, the MSRB should consider whether receipt of the plan disclosure documents, which currently are required to be delivered to municipal fund securities investors pursuant to Rule G-32, is sufficient to satisfy time of trade obligations for these securities.

To the extent that the MSRB finds it necessary to reference "established industry sources" in a stand-alone rule, in addition to EMMA, the MSRB should consider the CSPN website as an established industry source for 529 savings plans. Each state plan also has its own website that provides access to plan and fund documents, and these websites should be considered established industry sources and referenced in a stand-alone rule. In addition, the MSRB also could consider www.savingforcollege.com as an established industry source. This website contains information about the plans available in all 50 states and is commonly used by dealers, advisors, and investors to access and compare state plan information.

LGIPs typically are established and governed by state or local statutes or regulations. These statutes and regulations also address the content and timing of the disclosures the board or

committee responsible for operating the LGIPs are required to make regarding the funds. Therefore, a non-exhaustive list of examples of material information for LGIP investors should include the disclosures LGIPs regularly make pursuant to the operative statute.

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?***

The MSRB should implement a stand-alone rule for municipal fund securities using a common-sense approach to customer time of trade disclosures given the attributes of these securities. Time of trade disclosures regarding municipal fund securities should only be required when an investor is making active investment decisions to change investments (i.e., when an investor changes plans or changes funds within a plan) or investment direction. Such disclosures should not be required when investors contribute additional funds to the same plan or fund or redeem or withdrawal funds from a plan or fund.

Similarly, automatic recurring contributions should not require time of trade disclosures. Customers engaging in automatic recurring contributions understand the nature of the investment and want an efficient way to continue adding to their initial investment in the same municipal fund securities plan. These investors already own the relevant municipal fund securities, in the form of shares in the 529 plans, ABLE programs, or LGIPs, and therefore have previously received a complete description of the securities at the time of their initial investment, and thereafter as material changes require supplemental disclosures. Investor withdrawals or redemptions also should not require disclosures about the municipal fund securities at the time of the transaction because at that point there should be no material changes to the municipal fund securities or their underlying investments that would require additional disclosures.¹³

¹³ Any material change requiring supplemental disclosure regarding the municipal fund security would have needed to be disclosed at the time of the material change.

A rollover transaction from one plan to another, or from one fund within a plan to a separate fund in that plan, constitutes a change in investment and should require time of trade disclosures so that investors have material information about the new municipal fund securities investments at that time. We note that at or before the time of a rollover transaction, customers are provided with the plan disclosure documents that include material information regarding the municipal fund securities in the new plan, including fund allocations, risks, fees, expected performance, tax treatment, etc.

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.). 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?***

SIFMA members are not aware of any confusion regarding when time of trade disclosure obligations trigger and the appropriate recipient of the disclosures (the account owner), for gifts of municipal fund securities.

Consistent with a common-sense approach to disclosures regarding municipal fund securities, the MSRB should make it clear that disclosures of material information about municipal fund securities are only required for the ultimate investors in those securities. Time of trade disclosures should not be required to be made to third-party contributors, as these individuals are not the purchasers, investors, or ultimate owners of the municipal fund securities. These contributors are merely making gifts, in the form of investments in municipal fund securities, to the ultimate investors. Contributors do not need any information about the securities because they will never own the securities they are purchasing. In addition, contributors typically purchase gifts of municipal fund securities at the direction of the account owners. In addition, consistent with the comments above, third-party contributions do not change the investments in an account (i.e., the plan or fund) or an account's investment direction. Rather, such gifts serve to increase the existing investments in a plan or fund for the end investor or account owner. Therefore, transactions in municipal fund securities arising from third-party gifts does not alter the purpose of the disclosures, which is to deliver material information to the investor in the securities, who is the account owner, not the contributor.

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?

Currently, the firm that receives a customer's transfer or rollover of assets is responsible for providing the customer with the time of trade disclosures required by Rule G-47. A transferring firm (i.e., the firm that is transferring a customer account to a new firm) generally communicates with its customer ahead of a transfer or rollover, typically to explain the process and the potential benefits and drawbacks of making such changes. These communications could include comparisons of the current investment to the contemplated rollover/transfer investment. But the firm receiving an incoming transfer or rollover is responsible for providing the customer with plan disclosure documents in addition to the Rule G-47 (and Rule G-32) disclosures at the time of the transfer or rollover. Members report that typically all incoming rollovers are priced at the end-of-day unit price for the municipal fund security, and the disclosure documentation communicates that information. Therefore, the price calculation is not affected by the timing of any relevant disclosures. A new stand-alone MSRB rule regarding time of trade disclosures for municipal fund securities transactions should not alter the approach taken under the current rule.

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?

In general, there are not separate, stand-alone documents containing disclosures provided to customers at the time of a rollover or transfer. Customers commonly transfer or rollover from one plan to a separate plan. As discussed above in response to Question 4, at the time of the transfer or rollover, all required time of trade disclosures regarding the municipal fund securities in the new plan are made via the new account paperwork associated with moving a customer's investments into the new plan.

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?

No, SIFMA is not aware of any such potential unique disclosure challenges.

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?

As discussed throughout the Notice, municipal fund securities share many characteristics with mutual funds and these characteristics are distinct from typical municipal debt securities. Similar to mutual funds, issuers of municipal fund securities publish plan or program disclosure documents (in the case of 529 savings plans and ABLE programs) and information statements (in the case of LGIPs) that include descriptions of the material facts and potential risks of the municipal fund securities that make up the plan. Examples of the material facts and potential risks of municipal fund securities plans include the underlying investments that constitute the plan or particular fund within the plan, the allocation of the plan's assets among particular municipal fund securities, past performance of the plan, and relevant fees. All of this information is available in plan disclosure documentation delivered to investors at the time of account opening.

Separately, as contemplated by the "out-of-state disclosure obligation" contained in the 2006 Interpretive Guidance to Rule G-17, much of the information included in the obligation generally already is contained in plan disclosure documents delivered to municipal fund securities investors in compliance with Rule G-32. In addition, we believe any language regarding the implications of tax or other state-based benefits in a new stand-alone rule should clearly state that dealers are merely obligated to indicate where there may be tax implications, but they are not required to give tax advice with respect to municipal fund securities.

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, 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.***

SIFMA does not object to the MSRB including a non-exhaustive list of examples as Supplementary Material to a new stand-alone rule, consistent with the MSRB's approach in Supplementary Material in other rules. We agree that the list of examples the MSRB included in Question 8 are information and scenarios that, if material, dealers should disclose to investors in municipal fund securities at the time of trade. In addition, in a stand-alone rule or

Mr. Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
April 11, 2025

Supplementary Material, the MSRB could reference CSPN's Disclosure Principles Statement No. 8, which was updated on March 28, 2025. These principles contain detailed recommended best practices for customer disclosures by state issuers of 529 plans and have been periodically updated since their initial publication in 2004.¹⁴

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?*

As discussed above, LGIPs are established and governed by state statutes. These statutes typically create a board or committee that is responsible for administering the LGIP. In addition, the statutes generally require the board or committee to make certain disclosures about the plan's operations and performance at specific intervals, such as monthly, quarterly, or annual. Any non-exhaustive list of examples of relevant information for LGIPs should reference these disclosures.

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.*

The MSRB should justify the need for adding Supplementary Material to certain rules to address any special supervisory processes or procedures for those rules prior to adopting requirements that are in addition to dealers' existing general supervisory obligations, processes, and procedures required under Rule G-27. Any such Supplemental Material also should not be prescriptive but allow for flexibility in implementation, recognizing that business practices and market conventions change over time. To the extent Supplementary Material is necessary with respect to time of trade disclosures for municipal fund securities, SIFMA members would support language similar to Supplementary Material .04 of Rule G-47 (although we note that dealers typically would not purchase municipal fund securities from a customer, so that reference should not be included in a new rule or Supplementary Material). To assist the MSRB in gaining a fuller understanding of market practices with respect to principal reviews of time of trade disclosures, we note that, in general, consistent with the requirements of MSRB Rule G-27, such

¹⁴ See The CSPN Disclosure Principles, available at <https://www.collegesavings.org/the-cspn-disclosure-principles>; see also CSPN Comment Letter, supra n. 8, at 11-12 (noting "widespread adherence to the Disclosure Principles by State issuers and regulated entities offering municipal fund securities through college savings plans").

Mr. Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
April 11, 2025

reviews typically are completed on a post-trade basis and not in real time.¹⁵ For example, broker-dealer principals may complete these reviews using exception reporting or similar supervisory tools on a regular basis (e.g., daily, weekly, or monthly).

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?

No.

¹⁵ We note that the MSRB's reference in the first sentence of Question 10 to "principal review for time of trade disclosures" as being a requirement of Supplementary Material .04 to MSRB Rule G-47 appears to be a sequencing issue in the sentence, as Supplementary Material .04 on its face does not require principal review of time of trade disclosures.



8500 Andrew Carnegie Blvd.
Charlotte, NC 28262

TIAA.ORG

April 10, 2025

By Electronic Delivery

Ronald W. Smith, Corporate Secretary
Municipal Securities Rulemaking Board
1300 I Street NW, Suite 1000
Washington, DC 20005

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

Dear Mr. Smith,

On behalf of wholly-owned subsidiary of TIAA, TIAA-CREF Tuition Financing, Inc., (TFI) we are 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* (Notice) issued December 11, 2024.

Since 1998, TFI has been helping families save for their children's college education by managing low-cost, high-quality 529 education savings programs on behalf of State sponsors of 529 Plans. Today, TFI manages 529 Plan Accounts on behalf of those State Sponsors for more than 2 million college savers.

TIAA's approach to education savings program management services are a natural extension of our firm's commitment to higher education. Over this period, TFI has developed a market-leading reputation providing high-investment quality program management services and currently manages ten 529 Plans on behalf of our State sponsors across the country. TFI-managed 529 plans are recognized annually as best-in-class 529 plans by industry analysts for our low cost, high investment quality programs for college-saving families nationwide.

Featured as a top three 529 plan program manager, TFI manages direct and advisor-distributed 529 Plans containing savings of more than \$62 billion for college savers in the California, Colorado, Georgia, Illinois, Michigan, Minnesota, Oklahoma, Wisconsin and Washington 529 plans.

We appreciate the MSRB's commitment to providing investors with the information and transparency they need in order to invest in 529 plans, and welcome the MSRB's consideration of potentially modernizing municipal disclosure requirements with amendments to Rule G-32.

In response to the questions posed in the [Notice](#), we are fully supportive of an amendment to Rule G-32 that would support extending the MSRB's current e-delivery standard to municipal fund securities with the Access Equals Delivery

Alternative set out on page 17 of your Notice whereas the Plan Disclosure Document and any supplements would be made publicly available for free on EMMA and on the 529 Plan website, located at and account owners notified on the availability of the documents and how to access them. This amendment to Rule G-32 would benefit a growing number of our 529 Plans' account owners who increasingly and exclusively engage with their 529 plan accounts via the internet – 97% of our 529 Plan accounts are opened online, with more than 90% of account owners opting in to e-delivery.

The table below lists the Plans that TFI manage on behalf of State Sponsors:

<i>As of 3/30/2025</i>	Total Accounts	Savings in \$000's
California - ScholarShare 529	460,495	\$15,124,215
Illinois - Bright Start 529	346,106	\$13,007,225
Michigan - Michigan Education Savings Plan	346,572	\$8,484,372
Georgia - Path2College 529	256,551	\$6,089,549
Wisconsin Edvest	240,673	\$5,663,889
Minnesota - MN Saves	107,383	\$2,089,600
Oklahoma - OK529	72,654	\$1,418,360
Washington - WA529	26,460	\$687,407
Colorado - Scholars Choice 529 Advisor Plan	168,327	\$5,207,756
Michigan 529 Advisor Plan	58,598	\$1,267,587
Totals	2,083,819	\$59,039,960

Defaulting to an Access equals delivery standard would serve to significantly reduce paper usage and waste and also relieve the cost burden of physical delivery of what are often lengthy booklets (Plan Disclosure Documents can be 60-90 pages in length) to account owners. The estimated cost to produce and mail a Plan Disclosure Document booklet can range between \$2.80-3.20 per

piece, resulting in a regular 6-figure costs to mail materials every time an update is made to Plan Disclosure materials.

Another benefit of directing account owners to an internet-based PDF is that the Plan Disclosure Documents and supplements that we post on our 529 Plan websites are ADA-compliant and accessible, containing searchable text, images with alternative text, proper tags, a logical reading order, and bookmarks for documents over 9 pages, that adhere to Web Content Accessibility Guidelines (WCAG).

Please note that should the amendment be made, we will readily make physical/paper copies available to those who make such requests.

Thank you again for providing an opportunity to comment on the Notice. We hope these considerations 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 me via email at CLynch@tiaa.org.

Yours Sincerely,

A handwritten signature in dark ink, appearing to read 'Chris Lynch', with a stylized flourish at the end.

Christopher S. Lynch

President, TIAA-CREF Tuition Financing, Inc.
Senior Managing Director, TIAA
T 980 369 5377
CLynch@tiaa.org

cc: Sean Flynn, Chief Compliance Officer, TFI



April 11, 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:

Vestwell 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”). Vestwell powers high quality savings products for businesses and individuals across the country. We serve as the program manager for state 529 education savings plans and state ABLE disability savings plans.

Our company’s mission is to help close the savings gap and make savings programs more accessible to all. We appreciate the MSRB’s continuing commitment to assisting people seeking to invest in 529 and ABLE plans and in ensuring that State administrators of these plans receive sound, balanced support. Vestwell appreciates the opportunity to provide comments on the modernization of official statement dissemination regarding 529 and ABLE plans.

Modernization of Official Statement Dissemination

Vestwell appreciates the MSRB’s efforts to modernize the methods by which 529 and ABLE plans communicate official statement documents (“Plan Disclosure Documents”) and its continued outreach to stakeholders to solicit comment on this critical topic. Vestwell has advocated in the past for other legislative initiatives that similarly seek to streamline the delivery process and has given careful consideration to how 529 and ABLE plan account owners may receive Plan Disclosure Documents in the most efficient and effective way possible.

The MSRB can also take comfort in the experience that the Department of Labor reported in the years since enacting its 2020 electronic delivery rules. Facing similar concerns about access to plan notices to participants in rural communities, senior citizens, or others who did not have ready access to online systems, the DOL found “no negative impacts” from the new rules.

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 and ABLE plan’s public website – would best serve the needs of account owners. Since many account owners access their accounts online, the Supplemental-Layered Disclosure Alternative would not be the most effective, efficient method of ensuring that official statements reach account owners. To the contrary, a “mixed delivery” structure with delivery electronically and by mail could lead to confusion as to the method of delivery of subsequent Plan Disclosure Documents. Allowing disclosures to be delivered electronically also achieves significant cost savings for the State program boards and for savers alike. Service providers can keep their costs down and those savings get passed along to the account holders. The DOL found that electronic delivery saves “an estimated \$2.4 billion in net costs.”

Electronic delivery has other ancillary benefits. Savers can respond faster to program-related information, they receive more up to date information, and electronic delivery provides a better ability to confirm that the saver actually received the program information.

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 Matt Golden, Senior Vice President – State Savings Programs, at (617) 945-3917 or matt.golden@vestwell.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'AS', is positioned above the printed name of Aaron Schumm.

Aaron Schumm
Chief Executive Officer, Vestwell