



September 21, 2017

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

Re: MSRB Notice 2017-17

Dear Mr. Smith:

Ascensus College Savings Recordkeeping Services, LLC, Ascensus Broker Dealer Services, Inc. and Ascensus Investment Advisors, LLC, collectively (“Ascensus College Savings”) is a leading service provider and partner to states and businesses in the 529 industry. Ascensus College Savings administers over \$90 billion in assets in 529 qualified tuition programs comprised of 34 plans across 18 states and the District of Columbia. Assets under administration by Ascensus College Savings represent approximately one third of the 529 industry.

We are contacting you to in response to the Municipal Securities Rulemaking Board’s (“the Board”) request for comments on amendments to MSRB Form G-45 (“Proposals”) set forth in MSRB Notice 2017-17. The Proposals would require additional information to be filed by underwriters of 529 plans, as underwriter¹ and 529 college savings plan (“529 Plan”) are defined in MSRB Rule G-45, respectively.

In addition to the comments we have provided below, we are writing to provide our full endorsement of the comment letter submitted by the Investment Company Institute (“ICI”).

Cost for Filing Form G-45

As a 529 Plan service provider to states and their administrators, we file Form G-45 for twenty-four 529 Plans. Ascensus College Savings spends over 250 hours annually preparing and submitting the filings. These man hours include time spent by our investment, technology and compliance personnel. In addition to the ongoing costs of completing the Form G-45 filing, Ascensus College Savings has spent approximately \$67,000 in technology resources to build the infrastructure to upload the G-45 data to the EMMA dataport. The hours we spend do not include the additional time spent by our investment management partners to gather and provide needed data.

¹ Securities and Exchange Act Rule 15c2-12-(f)(8) The term underwriter means any person who has purchased from an issuer of municipal securities with a view to, or offers or sells for an issuer of municipal securities in connection with, the offering of any municipal security, or participates or has a direct or indirect participation in any such undertaking, or participates or has a participation in the direct or indirect underwriting of any such undertaking; except, that such term shall not include a person whose interest is limited to a commission, concession, or allowance from an underwriter, broker, dealer, or municipal securities dealer not in excess of the usual and customary distributors' or sellers' commission, concession, or allowance.

The proposed changes to Form G-45 would significantly increase the complexity and the associated resources needed to complete the Form G-45 filing. In addition, the information requested related to performance and asset classes will require a technology build that will likely cost in excess of \$30,000 in technology resources or 300 plus hours of technology work. While we have been able to automate the process to a degree, much of the data is gathered and calculated manually. The on-going manual hours that Ascensus College Savings would need to spend annually in order to comply with the Proposals would likely exceed 300 hours annually not including incremental technology builds for the additional data points.

Accuracy and Access to the Request Information

We believe that due to the lack of access and availability that underwriters and their services providers, such as Ascensus College Savings, have to the data currently required on Form G-45, the data being filed contains information that is inconsistent and/or inaccurate across 529 Plans. This is particularly true of information requested for investment options that are comprised of multiple mutual funds and multiple investment managers.

The additional information that is requested in Proposals 1, 2 and 3 below, is even less likely to be obtainable or accurate, as investment managers have no regulatory obligation to produce such information or provide it to underwriters. The resulting information to be provided in Form G-45 will likely consist of estimated and inconsistent information. A significant amount of the proposed changes would not be able to be automated, and as with any manual process there is greater chance of human error associated with the resulting information. In addition, due to these issues of access and accuracy it will be virtually impossible to obtain, compile and submit such information within the 60 day requirement after each semi-annual period.

Misplaced Regulatory Liability

The additional information requested in the Proposals causes an underwriter to be responsible for the accuracy and completeness of information provided by unrelated third-parties. This subjects underwriters to an unfair regulatory and business risk. Underwriters and their service providers should not be held responsible for the accuracy of information that is outside of their control, and should not be subject to regulatory penalty for errors in data incorrectly reported by investment managers or other third parties. The imposition of additional requirements on “underwriters” to obtain information that is unavailable and outside of their control will exacerbate this problem.

Proposal #1 Program Management Fee

While we appreciate that the MSRB would like a clearer picture of the fees assumed by an individual investing in a 529 plan, we are concerned by the request for additional information regarding program management fees.

Program management fees, depending on the program structure, compensate service providers for a variety of different services, including investment management, recordkeeping and marketing. Program managers that are investment managers receive compensation in part through fees generated by the 529 Plan’s investment in the mutual funds that they manage. Program management fees are not always clearly defined, particularly when the 529 Plan structure involves several service providers and/or investment managers. The allocation of fees for “program management” would be difficult to determine, particularly in a multi-fund

portfolio, and, if available, would be viewed as confidential. Detailed compensation information that is not publicly available would likely be viewed as proprietary and not shared with, or provided by the “underwriter”.

Even if the requested program management fee information was able to be shared, obtaining this data from investment managers, on behalf of multiple investments on a bi-annual basis would be extremely time consuming and likely impossible within the required 60 day window at year end.

Proposal #2 Benchmark Return Percent

While we can appreciate that the MSRB would like to better understand how the underlying investments are performing against their benchmarks, we think this proposal offers no benefit to investors, and this change would require significant work hours from our compliance and technology staff.

We anticipate that our technology team could spend over 100 hours redesigning and testing the additional functionality for our G-45 filing application, and our compliance and investment teams will spend additional man hours working with our investment partners to obtain and file this information.

Since the information filed on Form G-45 is expected to be accurate, this manual process would add additional risk to our business. Manual processes are time consuming and often come with human error.

Proposal #3 Performance Data by Asset Class

This proposal is the most troublesome of the four proposed changes to Form G-45, since the data doesn't currently exist and no other rule or regulation requires its reporting or creation. Creating this information would require significant man hours from our investment partners and our investment team. As there is no clear understanding across the industry regarding which investments should be included in each asset class, there will likely be inconsistencies across mutual fund companies as to the composition of the assets classes. This could force the individuals calculating this information to guess or estimate the asset class performance.

In addition, many 529 Plans offer portfolios that consist of multiple mutual funds and/or ETFs. The construction of accurate performance information at the portfolio level would be impossible as it would be based on a variety of sources at the underlying investment level. Information provided by investment managers may be inconsistent, and created from estimates of asset allocations. As a result, calculations would be imprecise at best, and very likely inaccurate.

Since we lack the resources to calculate this information in house, we'd be forced to hire additional personnel or a consultant(s). Reporting this information could cause additional technology builds requiring in excess of 100 man hours.

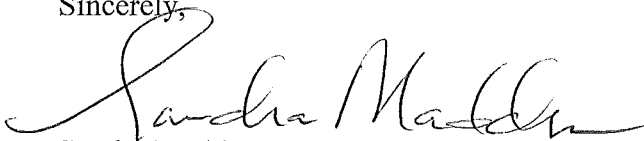
Since the information filed on Form G-45 is expected to be accurate, similar to the concern raised by Proposal #2, this manual process would add additional risk to our business. Manual processes are time consuming and often come with human error.

Proposal #4 Investment Option Closing Date

This proposed change to Form G-45 is the least concerning to us. We have the investment option closing dates and can provide this information if applicable. We would like further information on how to provide this information. We hope this information could be provided in a notes section so the process of providing this information to the MSRB would not require a significant technology build.

Thank you for your consideration of our comments. As a service provider we would welcome the opportunity to discuss with you your objectives in obtaining information relevant to the administration of 529 Plans. We'd be happy to discuss our process with you and provide you more detail on the efforts needed to comply with the G-45 reporting requirements. Please contact me at 617-631-1627 with any questions or for more information.

Sincerely,

A handwritten signature in cursive script that reads "Sandra Madden". The signature is written in black ink and is positioned above the printed name.

Sandra Madden
General Counsel
Ascensus College Savings