



State of West Virginia

JOHN D. PERDUE
STATE TREASURER

OFFICE OF THE STATE TREASURER
CHARLESTON, WV 25305
PHONE: 304-558-5000 FAX: 304-558-4097
1-800-422-7498
www.wvtreasury.com

JOSH STOWERS
ASSISTANT STATE TREASURER

September 18, 2017

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

Re: Comments -- MSRB Notice 2017-17

Dear Mr. Smith:

As Chairman of the West Virginia College Prepaid Tuition and Savings Program Board of Trustees that offers SMART529, a 26 U.S.C.A. §529 program administered by the Hartford Life Insurance Company, I write to express my concerns about your proposed amendments to MSRB Form G-45 pertaining to 529 programs. Over the many years since its inception, SMART529 has grown to have assets of approximately \$2.5 billion, which includes West Virginia resident accounts of approximately \$500 million. The need for higher education for West Virginia students is exceedingly high given the dire poverty here. Working to encourage SMART529 accounts for those students has been one of my main focuses as State Treasurer for over 20 years.

Increasing the burden on our program will just increase the costs to the very persons that struggle to invest in the future of their children. It is difficult to imagine any underwriter that will magnanimously volunteer to provide the additional information the MSRB seeks without a concurrent increase in the fees it assesses to the 529 programs.

For the MSRB to justify seeking additional information, at an additional cost to every 529 program, the information being sought needs to translate into something that directly benefits current and future account holders. To the contrary, none of the materials I have read demonstrate any real benefit to the account holders or the beneficiaries.

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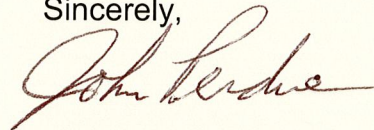
In addition to the increased cost burden, my next objection is having information created for each plan that may well run contrary to the information the Securities and Exchange Commission requires for the underlying mutual funds. Having multiple sets of data for a single investment option will necessitate vast amounts of work to correlate the data, as well as to describe the differences in the data and associated reports, as well as in the literature disseminated.

My last comment concerns benchmarking. The MSRB seeks to require we annually provide the "weighted value of each index" comprising a benchmark. As I am not entirely sure how that calculation is to be made, it appears this will encourage each underwriter/program to make that calculation inconsistently, causing even further differences in the data, reporting and literature.

In connection with the increased reporting, at a minimum, a more detailed explanation will be needed to give the calculations meaning and consistency. The MSRB claims that the information being added will "potentially enhance" the MSRB's "ability to analyze the data submitted under Investment Option information." Only potentially enhancing does not appear to be a sufficient reason to add substantial program costs and burdens on the underwriters. Seldom have I seen a regulator reduce its requirements even when it determines the information is not as useful as originally contemplated.

Thank you so much for the opportunity to comment on your proposed draft amendments to MSRB Form G-45 and the reporting. If you have any questions, do not hesitate to let me or my staff know.

Sincerely,



John D. Perdue
West Virginia State Treasurer

JDP/wh