



By Electronic Delivery

April 17, 2023

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

Re: Comments Concerning 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

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 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* issued February 16, 2023 (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 responsibilities with regard to 529 College Savings Plans ("529 Plans"). These state members of CSPN are not brokers, dealers and 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 as we assume they will provide their own responses to the Notice.

We appreciate the MSRB's continuing commitment to assisting consumers seeking to invest in 529 College Savings Plans ("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 time of trade disclosure obligations regarding 529 Plans and is pleased to offer the following responses to Questions 1 and 2.

1. Should the MSRB consider amending Rule G-47 or creating a separate standalone rule to expressly clarify and define dealer's time of trade disclosure obligations regarding 529 savings plans? If proposing a new standalone rule, should the MSRB codify

existing Rule G-17 interpretive guidance addressing out-of-state disclosure obligations, as part of that effort?

CSPN is appreciative of the guidance received in 2006, *Customer Protection Obligations Relating to the Marketing of 529 College Savings Plans* (“Guidance”) to date on the time of trade obligations of brokers, dealers and municipal securities dealers (collectively, “Dealers”). We believe the Guidance is clear and are unaware of member difficulties in applying the Guidance. The Guidance is also memorialized in the CSPN Disclosure Principles Statement No. 7, which was adopted October 6, 2020 (available at: <https://www.collegesavings.org/wp-content/uploads/2020/12/CSPN-Disclosure-Principles-Statement-No.-7-FINAL.pdf>).

In light of the consistent application of the Guidance within the industry, we do not believe codification of the Guidance is required at this time.

2. Explain how the current business practices (i.e., check and paper application process or omnibus platform) support or hinder dealers in meeting their time of trade compliance obligations during the various points of the lifecycle of trades related to 529 savings plans (such as at account opening, contribution, withdrawal, and rollover, etc.).

In general, for 529 Plans sold directly to the public, the Plan’s disclosure documents are provided at the time the participant opens an account. Generally, 529 Plans require participants to acknowledge that they have received, read and understand the applicable disclosure documents. This happens during the online enrollment process or on the paper application if the participant is not enrolling online.

In general, for 529 Plans sold through financial professionals, the Plan’s disclosure documents are provided to the financial professional by the 529 Plan so that the financial professional can satisfy any time of trade obligations.

In addition, 529 Plans generally have significant disclosures included in marketing and outreach materials. These materials include printed, electronic and website disclosures advising the reader of important considerations including:

- Investment returns are not guaranteed, and you could lose money by investing in the 529 Plan
- Read and consider carefully the 529 Plan’s 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.

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April 17, 2023

Page 3

We are unaware of difficulties caused by current business practices in meeting applicable time of trade obligations, regardless of the method of enrollment in the 529 Plan.

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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,



Rachel Biar
Nebraska Assistant State Treasurer
NEST 529 College Savings Program Director
Chairman, College Savings Plans Network