



**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 ABLÉ 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.<sup>1</sup> 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*

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<sup>1</sup> 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.<sup>2</sup>

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

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



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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*

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