



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 (“ASP”) has provided the MSRB with its own comment to the Notice. I am in full support and alignment with both CSPN’s and ASPN’s comment to MSRB. However, as a trustee

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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