National Association of College and University Business Officers
1110 Vermont Avenue, NW, Suite 800, Washington DC 20005-3544
T 202.861.2500 F 202.861.2583
www.nacubo.org

September 16, 2013

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090
File Number S7-03-13

Dear Ms. Murphy:

On behalf of the more than 2,100 colleges and universities that belong to the National Association of College and University Business Officers (NACUBO), I am writing in response to the proposed rule put forth by the Securities and Exchange Commission (SEC) on money market fund reform [78 FR 36833]. NACUBO was established in 1962 to promote sound financial management in higher education.

NACUBO echoes the concerns of state and local governments and others that the proposal put forth by the Securities and Exchange Commission that would force institutional prime and tax-exempt municipal money market mutual funds (MMMF) to abandon the stable $1.00 net asset value (NAV) and "float" their per-share price will jeopardize cash management and potentially raise the cost of capital for our members.

For many of our member colleges and universities, MMMFs are a preferred vehicle for cash management as well as for short-term financing options. The convenience and simplicity of the stable share price draw investors to MMMFs. Removing these features would drive investors away and impair a critical source of financing for the higher education sector. The SEC's floating NAV proposal, if implemented, would diminish investor choice and leaves few similar alternatives. Many nonprofit institutions are required, by law or by investment policy, to invest cash only in products offering a stable value. There are also many accounting and tax issues that have yet to be addressed concerning this proposal.

NACUBO urges the SEC to reject the transition to a floating NAV for municipal MMMFs. Municipal MMMFs are a high quality investment product and as the SEC recommended for government money market funds, should be allowed to continue to use the penny rounding method of pricing and maintain a stable share price. The strict risk-limiting regulations and prudent professional management of MMMFs have produced a record of stability for 40 years. New regulations have made these funds stronger and more resilient since the financial crisis. We urge you to reconsider the shift to a floating NAV, especially for municipal MMMFs, and to take into full consideration the potential consequences the proposed rule. Thank you for this opportunity to comment.

Sincerely,

John Walda
President and Chief Executive Officer