Filed electronically
via rule-comments@sec.gov

September 8, 2009

Elizabeth M. Murphy
Secretary, Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090.

Re: Money Market Fund Reform; Release No. IC-28807;
File No. S7-11-09

Dear Ms. Murphy:

AARP appreciates the opportunity to comment on the Commission's proposals to amend Rule 2a-7 and other provisions pertaining to money market funds under the Investment Company Act of 1940. AARP commends the Commission's efforts to step up oversight of money market funds and to further protect investors in these widely used financial vehicles.

AARP's comments on the proposed rule amendment are directed principally to the Commission's Request for Comment in Section III A of the Proposed Rules publication (Fed. Reg. Vol. 74, No. 129, July 8, 2009) on the issue of whether the Commission should prohibit the use of the amortized cost method of valuation in money market funds, thus requiring such funds to effect shareholder transactions at the market-based net asset value, *i.e.*, whether they should have "floating" rather than stabilized net asset values.

AARP believes that maintenance of a stable $1.00 net asset value by money market funds is in the best interests of individual investors. Many investors regard money market funds as stable, simple, and reliable financial vehicles into which they may deposit funds earmarked for future investment or for both anticipated and unforeseen cash needs that may arise. With those purposes in mind, investors view the stable $1.00 net asset value as critical. The predictable accounting, tax, and funds management implications of money market funds are the essence of the attraction of money market funds to the individual investor.

AARP believes that the requirement of floating net asset values would radically and detrimentally alter the role and function of money market funds, discourage the use of money market funds for individual investors, and disrupt the financial market landscape for investors. Therefore, AARP favors a stable market value for money market shares in ordinary circumstances. AARP also supports the other regulatory proposals that would help strengthen the ability of money market funds to maintain a stable $1.00 net asset value, such as those that are aimed at increasing credit quality and shortening portfolio maturity. Should the Commission determine that floating net asset values for money market shares are likely to facilitate a more stable marketplace, then AARP believes that the Commission should institute such a change only after a sufficiently long period of advance notice to investors so as to permit them to assess the continued suitability of money market funds for their investment goals and to transition to other financial instruments if they deem that to be in their best interests.

AARP appreciates the opportunity to present its views on the proposed change to the rules regarding money market funds and related issues. If you have any further questions, please feel free to contact Jay Sushelsky at 202-434-2151.

Sincerely,

David Certner

David Certner
Legislative Counsel and Legislative Policy Director
Government Relations and Advocacy