Government Finance Officers Association
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August 25, 2017

Mr. Brent J. Fields, Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: File No. SR-MSRB-2017-05
MSRB Rule A-12 Amendments

Dear Mr. Fields:

The Government Finance Officers Associations ("GFOA") appreciates the opportunity to comment on the Municipal Securities Rulemaking Board's (MSRB) proposed fee to underwriters of 529 plan municipal fund securities. The GFOA represents over 19,000 members across the United States, many of whom issue municipal securities and host municipal fund securities, and therefore is very interested in the MSRB's work.

As we have commented in previous letters to the MSRB, we view the MSRB's statutory mandates as solely related to the MSRB's specific authority to develop rules for the broker/dealers and for municipal advisors. We interpret the expanded authority given to the MSRB in the *Dodd-Frank Act* as giving the MSRB authority solely to protect the needs of state and local governments, as financial products are recommended and sold by underwriters, municipal advisors, and other professionals under the MSRB's authority. We do not believe the MSRB's revised mission should interfere with or directly and unduly influence matters of state and local governments. The proposed fee on 529 plan municipal fund securities is an example of such interference and undue influence, particularly in this proposal where questionable opportunity was provided to state governments to review and comment on the fee before it was adopted.

This new fee on municipal fund securities will have a disparate impact on different municipal fund securities plans. Direct-sold plans will not incur a fee but advisor-sold plans will incur an annual fee on total amount underwritten by the underwriter that is still outstanding. Therefore, the advisor-sold plans, and the hosts of these plans, will be put at a competitive disadvantage. States with only advisor-sold plans may likely lose participants, which could have a negative economic impact on residents in states who host these plans.

In addition, we are alarmed by the proposed assessment of the fee. The MSRB proposes the assessment of fees on a 529 plan's total aggregate assets each year. Moreover, the proposed fee will be assessed each year on the same unredeemed assets – those funds that are used to pay for college. Again, we remain concerned this unduly influences matters of state governments as the multiple assessments will likely unduly affect advisor-sold plans and not direct-sold plans, a matter of the state government who hosts the plans.

We are encouraged that many other commenters share these observations and recommendations regarding 529 fees, including the College Savings Foundation (CSF) and the College Savings Plans Network (CSPN) of the National Association of State Treasurers (NAST). In addition, we concur with many of the comments and recommendations made by the Investment Company Institute in their letter of August 25, 2017 on this matter. We are happy to provide any additional information you may require. Thank you again for the opportunity to comment.

Sincerely,

Emily S. Brock

Emily Swenson Brock
Director, Federal Liaison Center