



COLLEGE SAVINGS
PLANS OF MARYLAND

Maryland Prepaid College Trust

September 14, 2012

Ronald W. Smith, Corporate Secretary
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, VA 22314

Re: Comments Concerning MSRB Notice 2012-40
Request for Comment on Draft Proposal to Collect 529 College Savings
Plan Data

Dear Mr. Smith:

The College Savings Plans of Maryland ("CSPM") appreciates the opportunity to respond to the request of the Municipal Securities Rulemaking Board ("MSRB") for comments on a draft proposal to collect 529 college savings plan data through a new Form G-45 (the "Request for Comment"). CSPM is generally supportive of the MSRB's efforts to collect information regarding 529 plans from the primary distributors subject to the jurisdiction of the MSRB; however, CSPM does have several concerns regarding the proposed manner in which this data is to be collected.

First, CSPM's support of the MSRB's proposed data collection is premised on CSPM's understanding from the Request for Comment that the data will be used by the MSRB for regulatory purposes only and will not be displayed on EMMA or otherwise made publicly available. To the extent that the MSRB expands the use of the 529 plan data to include public dissemination, CSPM has serious reservations as to the potential harm this could cause to investors who, without complete disclosure about the 529 plans to which the data relates, could misinterpret such information. In addition, we have been advised by T. Rowe Price Investment Services, Inc., the underwriter and primary distributor of the Maryland College Investment Plan ("MCIP"), and T. Rowe Price Associates, Inc., the Program Manager of the MCIP (together with T. Rowe Price Investment Services, Inc., "T. Rowe Price"), that certain information may be considered proprietary. Therefore, we would like to emphasize that to the extent the MSRB foresees a desire to provide investors with access to the solicited data points, CSPM may need to withdraw its general support of the MSRB's data collection effort and/or provide additional comments. Further, we feel it is of the utmost importance for the industry to be given ample opportunity to respond and further comment on any such anticipated expansion.

Second, in designing a rule intended to gather information from the primary distributors of 529 plans, it would be beneficial in terms of gathering meaningful data for analysis if the terminology used by the MSRB and the 529 plan industry is consistent. For example, the Request for Comment refers to strategies and portfolios. Based on the

definitions and explanation provided in the Request for Comment, it appears that “strategies” refers to what the industry terms “investment options” and that “portfolios” refers to what the industry terms “underlying investments.”

The MCIP offers two general investment approaches to its account holders: Enrollment-Based Portfolios and Fixed Portfolios. Enrollment-Based Portfolios are targeted to an expected college enrollment year of a beneficiary (student) and are designed to allow for automatic moves to more conservative investments as the beneficiary approaches college age. The MCIP currently offers seven Enrollment-Based Portfolios: Portfolio for College, Portfolio 2015, Portfolio 2018, Portfolio 2021, Portfolio 2024, Portfolio 2027 and Portfolio 2030. An eighth Enrollment-Based Portfolio, Portfolio 2033, will be introduced in January 2013. There are currently six Fixed Portfolios, whose target asset allocations to certain broad asset classes generally remain constant. These Fixed Portfolios currently include the Equity Portfolio, Total Equity Market Index Portfolio, Balanced Portfolio, Bond and Income Portfolio, Short-Term Bond Portfolio and U.S. Treasury Money Market Portfolio. The Enrollment-Based and Fixed Portfolios are referred to individually as an investment option and collectively as investment options.

Each of the investment options, in turn, consists of underlying open-end registered investment companies, or mutual funds, offered by T. Rowe Price. These are generally referred to in the industry as the underlying investments. For example, as of June 30, 2012, the asset allocation of Portfolio 2018 consisted of allocations to each of the T. Rowe Price Equity Index 500 Fund, T. Rowe Price Blue Chip Growth Fund, T. Rowe Price Value Fund, T. Rowe Price Mid-Cap Growth Fund, T. Rowe Price Mid-Cap Value Fund, T. Rowe Price Small-Cap Stock Fund, T. Rowe Price International Growth & Income Fund, T. Rowe Price International Stock Fund, T. Rowe Price Overseas Stock Fund, T. Rowe Price Emerging Markets Stock Fund, and T. Rowe Price Spectrum Income Fund. Similarly, as of June 30, 2012, the asset allocation of the Equity Portfolio consisted of allocations to the T. Rowe Price Equity Index 500 Fund, T. Rowe Price Blue Chip Growth Fun, T. Rowe Price Value Fund, T. Rowe Price Mid-Cap Growth Fund, T. Rowe Price Mid-Cap Value Fund, T. Rowe Price Small-Cap Stock Fund, T. Rowe Price International Growth & Income Fund, T. Rowe Price International Stock Fund, T. Rowe Price Overseas Stock Fund and T. Rowe Price Emerging Markets Stock Fund. However, certain investment options are allocated 100% to one T. Rowe Price fund. For example, the Bond and Income Portfolio consisted of a 100% allocation to the T. Rowe Price Spectrum Income Fund as of June 30, 2012. These funds in which the Enrollment-Based and Fixed Portfolios are invested are referred to as underlying investments. It is my understanding that this is the terminology commonly used in the 529 plan industry. Therefore, for purposes of complying with the proposed Rule G-45 and also in interpreting its requirements, it would be helpful to the industry as a whole to continue to use what have become the generally accepted terms in order to avoid confusion. In addition, to the extent that we are misunderstanding the MSRB's use of the terms strategies and portfolios, we would appreciate further guidance as to why the MSRB feels that its terminology is more appropriate in order that we may better understand the data that the MSRB is requesting.

On a related note to the terminology issue discussed previously, we would also like to point out that although all of the information solicited in proposed Rule G-45 is either already calculated by the MCIP or can be calculated without undue hardship to CSPM, MCIP or T. Rowe Price, we do not feel that it is necessarily relevant. In particular, proposed Rule G-45(iv) requires information regarding each individual "portfolio", including "(D) the total assets in each portfolio as of the end of the most recent quarter." The Request for Comment explains that this total asset number "would not include portfolio assets held outside of the plan." In essence, if our reading of the definition of portfolio as explained above is correct, this item requests disclosure of the 529 plan assets in the underlying investment option. While this information is certainly available, we do not feel it would prove useful in understanding the 529 plan industry. Simply put, 529 plan assets generally represent a very small portion of the assets in the underlying investments. For example, each of the Portfolio 2030, Portfolio 2027, Portfolio 2024, Portfolio 2021, Portfolio 2018, Balanced Portfolio and Equity Portfolio were invested in the T. Rowe Price Blue Chip Growth Fund as of June 30, 2012. These portfolios represented an aggregate of \$192,367,747 in total assets, as of that date. The T. Rowe Price Blue Chip Growth Fund had net assets of \$14,205,336,036 as of June 30, 2012. Therefore, even if all of the investment options are aggregated, the percentage of assets attributable to MCIP in the T. Rowe Price Blue Chip Growth Fund was only 1.35%. We do not feel that this information is generally useful or relevant to the regulation of the primary distributors of 529 plans or to an understanding of the 529 plan industry.

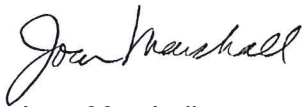
With respect to the deadline provided for in proposed Rule G-45 for the filing of the requested data points, although we believe it is possible to collect the necessary information with respect to data such as total assets, total contributions and total distributions within the 30-day time frame provided for in proposed Rule G-45, we are concerned about the impact of the 30-day time frame on the reporting of performance data. There is a level of oversight and a level of care that is inherent in reporting these numbers. In addition, the return calculations for the investment options are customized return calculations that are dependent both on the returns of the underlying investments and on the investment options' allocations to the underlying investments. Therefore, we believe that at least with respect to the reporting of performance data for the investment options and the underlying investments, a 60-day time frame would be more appropriate.

We also believe that the implementation period for the proposed reporting regime is an important consideration. The industry participants will require a reasonable period of time to develop and test reporting systems and controls. We believe that such an undertaking could take at least one year. In addition, although we have had the opportunity to review proposed Rule G-45, we would appreciate the opportunity to review and further comment on the proposed form for Form G-45 well in advance of the effective date of final Rule G-45. As mentioned above, a clear understanding of the terminology used in the Rule G-45, including Form G-45, is necessary to understanding the data the MSRB is requesting. We feel that the format in which the MSRB solicits that data is an important factor for the 529 plan industry participants in determining the appropriateness of the disclosure of such data points.

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We would like to thank you for providing us with the opportunity to respond to the Request for Comment. Should you require further information or have any questions, please do not hesitate to contact me. We feel that it is imperative that the 529 plan market participants and the MSRB work closely together to develop a workable reporting system that will provide meaningful disclosure for the MSRB's regulatory purposes.

Sincerely,

A handwritten signature in cursive script that reads "Joan Marshall".

Joan Marshall
Executive Director