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NAST-NASACT Workgroup Issues Letter Regarding Changes to SEC Rule 2a-7 and the Impacts on Local Government Investment Pools.

The National Association of State Treasurers (NAST) and the National Association of State Auditors, Comptrollers and Treasurers (NASACT) has created a work group to examine the amendments to Rule 2a-7 impacting money market mutual funds (MMFs) that were approved by the Securities and Exchange Commission (SEC) on July 23, 2014. Among other things, the amendments will require institutional prime MMFs to adopt a floating net asset value (NAV) instead of the traditional stable NAV.

The work group is focusing primarily on the impact the amendments will have on local government investment pools (LGIPs), which in many cases are operated by state governments.

The work group has sent a letter to the Governmental Accounting Standards Board (GASB) requesting that GASB (1) add this issue to its technical agenda and (2) consider options that will allow LGIPs to continue using amortized cost (stable NAV).

[View the letter.](#)