



NATIONAL ASSOCIATION OF STATE TREASURERS

FEDERAL ACTIVITY REPORT

DECEMBER 2009

ACTIVITY ON THE HILL

FINANCIAL REGULATORY REFORM BILL PASSES THE HOUSE. On December 11, in a near-party line 223-202 vote, with no Republicans voting for it and 27 Democrats voting against it, the House passed H.R. 4173, a 1279-page “Wall Street Reform and Consumer Protection Act.” The bill contains several provisions which NAST supports, including financial literacy and credit rating agencies reform. It also contains provisions that would expand the Municipal Securities Rulemaking Board (MSRB) and require that it contain a majority of public members. The bill would create a Consumer Financial Protection Agency (CFPA) with broad powers over consumer loan-making. NAST’s language exempting 529 state education savings plans from regulation by the CFPA was carried over into this bill from the earlier stand-alone Consumer Financial Protection Agency legislation (H.R. 3126). [A summary of main provisions in the bill is available here.](#)

529 COLLEGE SAVINGS PLANS. Support for H.R. 1351, a bill to enhance state 529 education savings plans, continues to grow. As of the end of December, the listing on Thomas, the official web site of the Library of Congress that provides information on bill status, showed 49 co-sponsors for the legislation. Link to Thomas at <http://www.thomas.gov/>

HOUSE VOTES TO EXPAND BUILD AMERICA –STYLE BONDS PROGRAM. The “Jobs for Main Street” stimulus bill that the U.S. House of Representatives passed on December 16 included provisions expanding the QSCB and QZAB tax credit bond programs. These two programs are included in the American Recovery and Reinvestment Act that became law earlier this year, but they have not enjoyed the popularity of the Build America Bond program. Under the House legislation, state and local issuers of these bonds would receive direct payments from the Treasury Department, as is the case with the Build America Bond program. See story at [Bill Would Expand BAB-Style Programs.](#)

OPERATION RIGHTFUL OWNER (ORO) INTRODUCED IN HOUSE, GAINS PUBLICITY AND SUPPORT. On December 3, Reps. Shelley Berkley (D-Nevada) and Kevin Brady (R-Texas) introduced H.R. 4198, the House counterpart to the Senate version (S. 827) of the unclaimed savings bond bill. They were joined as original co-sponsors of the legislation by Reps. Lynn Jenkins (R-Kan.), Dina Titus (D-Nevada), and Greg Walden (R-Oregon). The effort to return unclaimed savings bonds to their rightful owners was given a significant publicity boost when the December 6 *Parade Magazine* (circulation 33 million), ran [a story on the NAST-sponsored legislation](#). NAST’s Washington Office staff worked with the magazine’s writers to develop the story. As a result of other outreach efforts by NAST’s Washington Office staff, the Military Officers Association of America (MOAA) embraced the unclaimed savings bond legislation and sent [a report on the legislation](#) to its 128,000 members. MOAA also sent information about the legislation to the thirty-four member organizations of the Military Coalition, which represents some 5.5 million veterans, reservists, and active duty military service members. NAST’s Washington Office staff also worked with the Council of State Governments (CSG) to secure its endorsement of this legislation. On December 9, CSG’s President, West Virginia Governor Joe Manchin, and CSG’s Chairman, Idaho State Senator Bart Davis, sent [a letter of support to Sens. Rockefeller and Roberts.](#)

ACTIVITY WITH THE FEDERAL REGULATORS AND DEPARTMENTS

MUNICIPAL SECURITIES RULEMAKING BOARD FILES RULE CHANGES ON POLITICAL CONTRIBUTIONS.

On December 4 the MSRB filed with the Securities and Exchange Commission (SEC) [amendments to Rule G-37](#), on political contributions and prohibitions on municipal securities business and Rule G-8, on books and records to be made by brokers, dealers and municipal securities dealers. The MSRB requested that the proposed rule change become effective on, and would apply solely to contributions made on or after, the first business Monday at least five business days after SEC approval.

MUNICIPAL SECURITIES RULEMAKING BOARD AMENDS PENDING PROPOSAL ON ADDITIONAL VOLUNTARY SUBMISSIONS TO EMMA.

On December 18 the MSRB filed with the SEC an amendment relating to additional voluntary disclosures by bond issuers to the MSRB's Electronic Municipal Markets Access system (EMMA). Among other things, this amendment (1) Allows a voluntary annual filing undertaking by the issuer to submit to EMMA its annual financial information, as contemplated under SEC Rule 15c2-12, not later than 120 days after the close of the issuer's fiscal year. The MSRB rule would provide a transition period to December 31, 2013, during which the period for filing could be up to 150 days. After that date the 150 day filing deadline would no longer be available. Filings made using the 150 day window would not be displayed on EMMA after June 30, 2014.

(2) Issuers would be able to post URLs on EMMA, allowing investors access to repositories of financial information. The effective date for these changes to the original proposal, which dates back to July 2009, would be no later than nine months after SEC approval of the changes. For the complete MSRB filing, see <http://www.msrb.org/msrb1/whatsnew/2009-63.asp>.

FINANCIAL LITERACY CHALLENGE. On December 15, the U.S. Department of the Treasury announced that it had joined with the U.S. Department of Education to create the "[National Financial Capability Challenge](#)," described as "a national award program that aims to encourage financial education in schools across the country and recognize high-performing teachers, students, and schools." According to the Treasury Department, individuals, schools, and school districts can register on-line to participate in this challenge. A "Challenge exam" will be offered from March 15-April 2, 2010, with awards given to winners.

OFFICE OF THE COMPTROLLER OF THE CURRENCY (OCC) JOINS UNIVISION IN SPANISH-LANGUAGE FINANCIAL LITERACY CAMPAIGN.

On December 15, the [OCC announced that it had joined with Univision](#), the Spanish language television network, to develop and air a series of public service announcements on personal finance issues such as avoiding foreclosure scams and check fraud and understanding reverse mortgages. The PSAs are expected to begin running in January 2010.

FOR ADDITIONAL INFORMATION on any of these topics, please contact Jim Currie, Director of Federal Relations, National Association of State Treasurers, 202 624-8592 or jcurrie@csg.org.