



## **PAPERWORK REDUCTION ACT SUPPORTING STATEMENT**

for the Extension of  
Rule 2a-7 (17 CFR 270.2a-7) under the Investment Company Act of 1940, Money  
Market Funds  
OMB Control Number 3235-0268

The U.S. Securities and Exchange Commission ("Commission" or SEC) submits this information collection request (ICR) pursuant to the Paperwork Reduction Act of 1995 (PRA), 44 U.S.C. Section 3501 et seq., with the following justification.

### **1. Necessity of Information Collection**

Money market funds are open-end management investment companies that differ from other open-end management investment companies in that they seek to maintain a stable price per share, usually \$1.00, or seek to minimize fluctuations in their price per share. Rule 2a-7 [17 CFR 270.2a-7] under the Investment Company Act of 1940 [15 U.S.C. 80a-1 *et seq.*] (the "Act") exempts certain money market funds from the valuation requirements of the Act, and, subject to certain risk-limiting conditions, permits these money market funds to use the "amortized cost method" of asset valuation or the "penny-rounding method" of share pricing.

Rule 2a-7 imposes certain recordkeeping obligations on money market funds, some of which vary based on the type of money market fund. For example, the board of directors of a government or retail money market fund, in supervising the fund's operations, must establish written procedures designed to stabilize the fund's net asset value ("NAV"). An institutional prime or institutional tax-exempt money market fund must have written guidelines established and reviewed by the board related to mandatory liquidity fees, while non-government money market funds similarly must have written guidelines related to discretionary liquidity fees. In addition, money market fund boards must adopt written procedures that provide for periodic stress testing (and reporting to the board) of the fund's ability to minimize principal volatility and maintain sufficient minimum liquidity under certain hypothetical events and to maintain policies and procedures that specifically address ongoing minimal credit risk monitoring.

A money market fund's board must also adopt guidelines and procedures relating to certain responsibilities it delegates to the fund's investment adviser. These procedures and guidelines typically address various aspects of the fund's operations. The fund must maintain and preserve for six years a written copy of both these procedures and guidelines. The fund also must maintain and preserve for six years a written record of the board's considerations and actions taken in connection with the discharge of its responsibilities, to be included in the board's minutes. In addition, the fund must maintain and preserve for three years written records of certain credit risk analyses, evaluations with respect to securities subject to demand features or guarantees, and determinations with respect to adjustable rate securities and asset backed securities.

Funds must also post monthly portfolio information and certain other information on their websites and maintain records of creditworthiness evaluations on counterparties to repurchase

agreements that the fund intends to “look through” for purposes of rule 2a-7’s diversification limitations. If a retail or government money market fund determines to use a share cancellation method to maintain a stable net asset value in a period with negative interest rates, it must provide certain disclosures to investors in advance of using share cancellation and when share cancellation is used.

## **2. Purpose and Use of Information Collection**

Certain provisions of rule 2a-7 contain “collection of information” requirements within the meaning of the PRA. The recordkeeping requirements in rule 2a-7 are designed to enable Commission staff in its examinations of money market funds to determine compliance with the rule, as well as to ensure that money market funds have established procedures for collecting the information necessary to make adequate credit reviews of securities in their portfolios. The third-party disclosure requirements of rule 2a-7 are intended to increase transparency, including transparency related to risk in money market funds.

## **3. Use and Consideration of Information Technology**

The Electronic Signatures in Global and National Commerce Act<sup>1</sup> and rules under the Investment Company Act of 1940 and the Investment Advisers Act of 1940 permit money market funds and their advisers to maintain records electronically. In addition, money market funds are required to post monthly portfolio information and certain other information on their websites, taking advantage of investors’ widespread use of the internet to obtain investment information.

## **4. Identifying and Minimizing Duplication**

The Commission periodically evaluates rule-based reporting and recordkeeping requirements for duplication and reevaluates them whenever it proposes a rule or form, or a change in either. The recordkeeping, disclosure, and website posting required by rule 2a-7 generally is not duplicated elsewhere. Although the website posting requirements may duplicate some information that money market funds are required to report each month on Form N-MFP, the website information that rule 2a-7 requires facilitates investors’ efficient access to the information and generally provides timelier information to investors than the monthly reports. In contrast, the information reported on Form N-MFP must be filed in XML-tagged format, which facilitates staff analysis and enhances Commission oversight of money market funds.

## **5. Effect on Small Entities**

The recordkeeping and third-party disclosure requirements of rule 2a-7 are the same for all applicable money market funds, including those that are small entities. The Commission reviews all rules periodically, as required by the Regulatory Flexibility Act, to identify methods to minimize recordkeeping or reporting requirements affecting small businesses.<sup>2</sup> The burden of the conditions on smaller funds may be proportionally greater than for larger funds. However, a significant portion of the recordkeeping burden involves organizing information that the funds already collect when initially purchasing securities. In addition, when a money market fund analyzes a security, the analysis need not be presented in any particular format. Money market funds therefore have a choice of methods for maintaining these records that vary in technical sophistication and formality. The Commission believes

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<sup>1</sup> P.L. 106-229, 114 Stat. 464 (June 30, 2000).

<sup>2</sup> See 5 U.S.C. 604(a).

that imposing different requirements on smaller money market funds would not be consistent with investor protection.

## **6. Consequences of Not Conducting Collection and Obstacles to Reducing Burden**

The collection of information under rule 2a-7 is integral to the framework of rule 2a-7 and therefore necessary to help further the rule's goals of creating a resilient, transparent, and efficient regulatory framework for money market funds. Thus, not requiring this collection of information would be incompatible with the goals of rule 2a-7.

## **7. Inconsistencies with Guidelines in 5 CFR 1320.5(d)(2)**

Rule 2a-7 requires money market funds to retain certain written records for more than three years. The fund must maintain and preserve for six years a written copy of the procedures established by the board of directors designed to stabilize the fund's NAV (where applicable), the written guidelines approved by the board regarding liquidity fees, records of the reports to the board on stress tests and records of determinations of credit quality of counterparties to repurchase agreements, and a written record of the board's considerations and actions taken in connection with the discharge of its responsibilities. The long-term retention of these records is necessary to allow Commission examination staff to determine compliance with rule 2a-7. Rule 2a-7 also requires funds to post portfolio information monthly and requires funds to post certain information daily. Given the short-term nature of money market fund portfolio holdings, this increased frequency of information collection is necessary to provide portfolio information that is meaningful to investors.

## **8. Public Comment and Consultations Outside the Agency**

The Commission and the staff of the Division of Investment Management participate in an ongoing dialogue with representatives of the investment company industry through public conferences, meetings and informal exchanges. These various forums provide the Commission and the staff with a means of ascertaining and acting upon paperwork burdens confronting the industry. The Commission requested public comment on the collection requirements in rule 2a-7 before it submitted this request for revision and approval to the Office of Management and Budget. The SEC did not receive public comments during the 60-day notice and comment period.

## **9. Payment or Gift to Respondents**

Not applicable.

## **10. Assurance of Confidentiality and Privacy**

The information collection does not collect information about individuals, therefore, a PIA, SORN, and PAS are not required.

## **11. Collection Questions of a Sensitive Nature**

Not applicable.

## **12. Estimated Time Burden and its Cost Equivalent**

The following estimates of average burden hours are made solely for purposes of the Paperwork Reduction Act of 1995 ("PRA") (44 U.S.C. 3501 et seq.) and are not derived from a comprehensive or representative survey or study of the cost of Commission rules and forms. Compliance with rule 2a-7's information collection requirements is required to obtain or retain benefits. Responses to the information

collections generally are kept confidential except for those information collections involving third-party disclosures (e.g., website disclosure requirements).

In our most recent PRA submission for rule 2a-7, we estimated that the annual compliance burden for the collection of information requirements of rule 2a-7 is 294,850 hours, with an external cost burden of \$52,300,000 (a typographical error, however, resulted in an approved external burden of \$75,849,719). At the time of that estimate, there were 294 money market funds subject to rule 2a-7. We now estimate that there are 284 money market funds.<sup>3</sup> The burden hour estimates below reflect an average burden estimate per money market fund. The burdens for any particular fund, however, may vary depending on, among other things, the type of money market fund (e.g., government, tax-exempt, prime, retail, institutional), the size of the fund and fund complex, whether certain events that trigger particular information collection requirements under the rule occur for the fund in any given year, and whether the fund is a new fund or an existing fund.

**Table 1: Rule 2a-7 PRA Estimates**

|                                           | Internal annual<br>burden hours | Wage rate <sup>1</sup>                                                                            | Internal annual time<br>costs | Annual external cost<br>burden |
|-------------------------------------------|---------------------------------|---------------------------------------------------------------------------------------------------|-------------------------------|--------------------------------|
| Recordkeeping <sup>2</sup>                | 700 hours                       | \$696 (blended rate for lawyer,<br>paralegal, accountant, and<br>board of directors) <sup>3</sup> | \$487,200                     | \$140,000                      |
| Third-party disclosures <sup>4</sup>      | 75 hours                        | \$532 (blended rate for web<br>developer and lawyer) <sup>5</sup>                                 | \$39,900                      | \$40,000                       |
| Number of money market funds <sup>6</sup> | × 284                           |                                                                                                   | × 284                         | × 284                          |
| <b>Total estimated burden</b>             | <b>220,100 hours</b>            |                                                                                                   | <b>\$149,696,400</b>          | <b>\$51,120,000</b>            |

**Notes:**

<sup>1</sup> To calculate the occupational hourly rates, the Commission uses occupational mean hourly wage data from the Occupational Employment and Wage Statistics (OEWS) program of the Bureau of Labor Statistics (BLS) for “Securities, Commodity Contracts, and Other Financial Investments and Related Activities” (NAICS 523). See *Occupational Employment and Wage Statistics*, U.S. BUREAU OF LABOR STATISTICS, <https://www.bls.gov/oes/>; see also *Standard Occupational Classification*, U.S. BUREAU OF LABOR STATISTICS, <https://www.bls.gov/soc/> (describing occupational classification system used by BLS); EXEC. OFF. OF THE PRESIDENT, OFF. OF MGMT. & BUDGET, NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (2022), available at [https://www.census.gov/naics/reference\\_files\\_tools/2022\\_NAICS\\_Manual.pdf](https://www.census.gov/naics/reference_files_tools/2022_NAICS_Manual.pdf) (describing the industry classification system used by BLS and other agencies). The mean hourly wage for each occupation is adjusted for changes in the seasonally adjusted employment cost index for private wages and salaries between the data reference period and when the data are released by BLS. See *Employment Cost Index*, U.S. BUREAU OF LABOR STATISTICS, <https://www.bls.gov/eci/>. The adjusted mean hourly wage is then multiplied by a factor that accounts for nonwage costs borne by employers, such as bonuses, benefits, and overhead. This factor is calculated as an average over the 10 most recently available years of data of the ratio of the Bureau of Economic Analysis’s annual gross output data for NAICS 523 to total annual wages across all occupations for NAICS 523 in the OEWS data. See *Gross Output by Industry*, U.S. BUREAU OF ECONOMIC ANALYSIS, <https://www.bea.gov/data/industries/gross-output-by-industry>; *Occupational Employment and Wage Statistics*, U.S. BUREAU OF LABOR STATISTICS, <https://www.bls.gov/oes/>. The final product is the occupational hourly rate. See generally UPDATED METHODOLOGY FOR CALCULATING OCCUPATIONAL HOURLY RATES (Dec. 19, 2025), available at <https://www.sec.gov/files/method-occupational-hourly-rates.pdf>.

<sup>2</sup> This category includes information collection requirements under rule 2a-7 that relate to the establishment and maintenance of policies and procedures, records of credit risk analyses, certain notices or reports to the fund’s board of directors, determinations made by the fund’s board of directors, and other information collection requirements under rule 2a-7 that do not involve third-party disclosures.

<sup>3</sup> Reflects an hourly wage rate weighting of 2% board of directors’ time and the remaining 98% of time weighted evenly for each of a lawyer, paralegal, and accountant. We currently estimate hourly rates of \$12,186 for the board of directors (assuming an average of 9 directors per board), \$774 for lawyers, \$281 for paralegals, and \$330 for accountants.

<sup>4</sup> This category includes information collection requirements under rule 2a-7 that involve third-party disclosures, including requirements to provide certain information on money market fund websites and requirements for certain funds to provide disclosures to investors related to share cancellation.

<sup>5</sup> Reflects an hourly wage rate weighting of 75% of web developer time and 25% of lawyer time. This weighting is intended to recognize that web developers will be more involved with website disclosure requirements, while lawyers will be more involved with disclosures provided to investors related to share cancellation. We currently estimate hourly rates of \$774 for lawyers and \$451 for web developers.

<sup>6</sup> This reflects the number of money market funds as of December 31, 2025, based on Form N-MFP filings, excluding feeder funds.

<sup>3</sup> This reflects the number of money market funds as of December 31, 2025, based on Form N-MFP filings, excluding feeder funds.

| Table 2. ICR Estimated Time Burden and its Cost Equivalent <sup>1</sup> |                        |                       |                                                                            |                   |                              |                                  |                                          |
|-------------------------------------------------------------------------|------------------------|-----------------------|----------------------------------------------------------------------------|-------------------|------------------------------|----------------------------------|------------------------------------------|
| Information Collections (ICs)                                           | Requirement Type       | Number of Respondents | Frequency of Response (Number of Responses per Respondent per Time Period) | Time per Response | Equivalent Cost per Response | Total Annual Time Burden (Hours) | Total Annual Cost Burden Equivalent (\$) |
| <b>Rule 2a-7</b>                                                        | Recordkeeping          | 284                   | 1 Response per Respondent per Year                                         | 700 hours         | \$487,200                    | 198,800 hours                    | \$138,364,800                            |
| <b>Rule 2a-7</b>                                                        | Third-Party Disclosure | 284                   | 1 Response per Respondent per Year                                         | 75 hours          | \$39,900                     | 21,300 hours                     | \$11,331,600                             |
| <b>TOTAL ICs: 2</b>                                                     |                        |                       |                                                                            |                   | <b>ICR TOTAL:</b>            | <b>220,100 Hours</b>             | <b>\$149,696,400</b>                     |

Notes:

<sup>1</sup>. Consistent with the approach in Table 1, the total annual time burden has been rounded to the nearest thousand and the total annual cost burden equivalent has been rounded to the nearest million.

### 13. Estimated Additional Cost Burden

Cost burden is the cost of services purchased to comply with rule 2a-7, such as for services of outside counsel and related to the maintenance of records. While these costs will vary for individual funds, we estimate an average cost burden of \$180,000 per fund per year to consult with outside counsel on policies and procedures, board materials, board determinations, and required disclosures and for other services related to creating and maintaining required records and providing information on fund websites. As a result, as discussed in Table 1 above, we estimate an aggregate cost burden of \$51,120,000 for the information collection requirements under rule 2a-7.

| Table 3. ICR Estimated Additional Cost Burden <sup>1</sup> |                                             |                        |                       |                                          |
|------------------------------------------------------------|---------------------------------------------|------------------------|-----------------------|------------------------------------------|
| Additional Information Collections (ICs)                   | Related Supporting Statement Question 12 IC | Requirement Type       | Number of Respondents | Total Annual Additional Cost Burden (\$) |
| Rule 2a-7                                                  | Rule 2a-7                                   | Recordkeeping          | 284                   | \$39,760,000                             |
| Rule 2a-7                                                  | Rule 2a-7                                   | Third-Party Disclosure | 284                   | \$11,360,000                             |
| TOTAL ICs: 2                                               |                                             |                        | ICR TOTAL:            | \$51,120,000                             |

Notes:

<sup>1</sup> Consistent with the approach in Table 1, the total annual cost burden has been rounded to the nearest million.

## 14. Annual Cost to the Federal Government

Not applicable. There is no requirement to report the information collection to the SEC.

## 15. Reasons for Changes in Burden Estimates

The number of respondents to the information collection has decreased, which has resulted in decreases in the estimated annual time burden and cost burden. Specifically, the estimated time burden has decreased from 294,850 hours to 220,100 hours (a decrease of 74,750 hours). The estimated cost burden has decreased from \$75,849,719 to \$51,120,000 (a reduction of \$24,729,719). The reduction in cost burden is attributed to both a decrease in the number of respondents and to correction of a typographical error in the last submission.

| Table 4. Reasons for Changes in Burden Estimates |                                        |                                                                                               |
|--------------------------------------------------|----------------------------------------|-----------------------------------------------------------------------------------------------|
| Information Collections (ICs)                    | Area of Change                         | Reason for Change in Burden Estimates                                                         |
| Rule 2a-7                                        | Annual Number of Responses for this IC | <ul style="list-style-type: none"> <li>Change Due to Adjustment in Agency Estimate</li> </ul> |
|                                                  | Annual IC Time Burden (Hours)          | <ul style="list-style-type: none"> <li>Change Due to Adjustment in Agency Estimate</li> </ul> |
|                                                  | Annual IC Cost Burden (Dollars)        | <ul style="list-style-type: none"> <li>Change Due to Adjustment in Agency Estimate</li> </ul> |

## 16. Plans for Publishing Results

There is no plan to publish the results of the collection of information.

## 17. Approval to Omit Display of OMB Expiration Date

Not applicable.

## **18. Exceptions to the Certification for Paperwork Reduction Act Submissions**

The following exceptions apply to rule 2a-7:

- Small entities (see explanation in Item 5): The Commission believes that imposing different requirements on small entities would not be consistent with investor protection.
- Statistical survey methodology: Rule 2a-7 does not employ statistical survey methods.