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San Antonio, Texas 78288

February 28, 2008

**VIA E-MAIL TRANSMISSION**

United States Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-1090

Attn: Nancy M. Morris  
Secretary

RE: Enhanced Disclosure and New Prospectus Delivery Option for  
Registered Open-End Management Investment Companies  
(File No. S7-28-07)

Dear Ms. Morris:

On behalf of USAA Investment Management Company (USAA), sponsor to the USAA Family of Funds (USAA Funds), I am pleased to respond to the Securities and Exchange Commission's request for comments on the proposed summary prospectus and related disclosure for mutual funds.

Overall, we are very supportive of the proposed summary prospectus as a means of communicating the information that a substantial majority of prospective investors want, and may actually read, prior to investing in a particular mutual fund. We are encouraged to see that the proposal attempts to address the liability concerns that inhibited the use of the fund profile adopted a decade ago. Just, however, as liability concerns stymied the use of the fund profile, several components of this current proposal will likely inhibit future success of the summary prospectus unless addressed favorably prior to Commission adoption. Our comments focus on those specific areas.

Quarterly Update

Requiring funds to provide portfolio holdings and performance information on a quarterly basis will make the use of a summary prospectus impractical. Simply put, the quarterly updating requirements alone could require us to add staffing to implement for all 39 of our funds. This would likely deter us from using the summary prospectus.

Legend Regarding Intermediaries

We do not believe the proposed legend relating to the role and possible conflicts with intermediaries should be mandated to fund groups where it does not apply. In this regard, we believe the proposal should distinguish those situations where a particular fund is simply made available on a platform from the situation where a broker sells the fund and receives some form of payment for the sale. The conflicts described by the disclosure are present in the latter

example, but not the former. In the first instance, payments by the fund or its transfer agent are made for recordkeeping, not distribution to agents. If no person of an intermediary firm is being compensated to sell that fund, then we believe the legend should not apply. Should the Commission adopt the proposal, we recommend this point be clarified so that no-load complexes focused on the direct marketing channel do not confuse prospective investors describing a possible conflict or intermediary that in fact does not exist.

#### Requirement to Post Documents on Website

While we have no opposition to the posting of the full statutory prospectus on the firm's website, we do not believe the statement of additional information should be required to be posted to permit incorporation by reference. In our experience, few investors request an SAI. We have only had six requests to date this year. The benefits of posting the SAI are outweighed by the costs of maintenance.

Finally, and maybe most importantly from USAA's perspective, to the extent a particular fund limits its potential investors to a particular group (e.g., the U.S. military community), then the posting of disclosure documents should also be similarly limited to those eligible to purchase the fund. In USAA's case, its website generally limits full access to its products and services to those eligible for membership through an established set of criteria. This proposal, if not amended, would appear to require the disclosure documents to be made available to the general public, regardless of whether the product is made available to them. An alternative might be enabling a firm such as ours to provide a website address followed by a specific direction once logged into the website that would lead the investor to the document quickly and easily. It is very important to USAA that the access to these documents follow the current access on our website, otherwise the costs and relative awkwardness of putting these documents, but not other investment, banking, and insurance products, to general public access, could well keep us from using the summary prospectus, notwithstanding our desire to do so.

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We appreciate the opportunity to provide you with our comments on this important proposal. If you have any questions regarding our comments, or would like additional information, please contact me at (210) 498-8696.

Sincerely,

Mark S. Howard  
Senior Vice President, Secretary and Counsel  
USAA Investment Management Company