



OFFICE OF THE MAYOR  
CITY OF CHICAGO

April 13, 2016

The Honorable Richard Durbin  
711 Hart Building  
Washington, D.C. 20510

The Honorable Luis Gutierrez  
2408 Rayburn Building  
Washington, D.C. 20515

The Honorable Mark Kirk  
524 Hart Building  
Washington, D.C. 20510

The Honorable Mike Quigley  
2458 Rayburn Building  
Washington, D.C. 20515

The Honorable Bobby Rush  
2188 Rayburn Building  
Washington, D.C. 20515

The Honorable Danny Davis  
2159 Rayburn Building  
Washington, D.C. 20515

The Honorable Robin Kelly  
1239 Longworth Building  
Washington, D.C. 20515

The Honorable Jan Schakowski  
2367 Rayburn Building  
Washington, D.C. 20515

The Honorable Daniel Lipinski  
2346 Rayburn Building  
Washington, D.C. 20515

Dear Senators and Representatives:

I am writing to urge you to support the Consumer Financial Choice and Capital Markets Protection Act (S.1802 in the Senate and H.R. 4216 in the House).

This bipartisan legislation will help protect American cities like Chicago from the consequences of a Securities and Exchange Commission (SEC) rule, adopted in July 2014 and scheduled to take effect in October, which will force an accounting change in certain money market funds that purchase tax-exempt municipal debt. Specifically, the rule requires non-government money market funds whose investors consist of institutions (businesses, governments, pension funds, etc.) to convert from a stable net asset value (NAV) to a floating NAV.

Approximately 70% of the market for short-term tax-exempt debt is held by money market funds. Those funds are quickly vanishing because investors depend on stable value instruments for cash management needs. With fewer investors in these funds, there will be

less capital available to invest in short-term municipal debt. As a consequence, the cost of financing that debt will increase, leading to higher debt burdens, reduced public infrastructure investment, less economic development and fewer jobs.

Stable NAV money market funds have worked for years and cities like Chicago have benefitted significantly by having the option to fund long-term projects at record low short-term rates provided by money market funds. Limiting that option in the future will add to the financial strains of our city. Please help us to prevent that from happening by supporting S. 1802/H.R. 4216.

Sincerely,

A handwritten signature in black ink, appearing to read 'Carole Brown', with a long horizontal line extending to the right.

Carole Brown  
Chief Financial Officer  
City of Chicago

cc: The Honorable Bill Foster  
1224 Longworth Building  
Washington, D.C. 20515

The Honorable Randy Hultgren  
2455 Rayburn Building  
Washington, D.C. 20515