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DONNA A. LUPARDO
Member of Assembly
123rd District

May 31, 2017

Senator Charles Schumer
15 Henry Street, #100A-F
Binghamton, NY 13901

Dear Senator Schumer,

Many families in the Southern Tier and throughout New York State depend on construction jobs associated with large scale projects financed by bonds. Unfortunately, the price of using bonds is going up, which will squeeze jobs out of each project; I am writing you to ask for your help with this issue.

Since the 1970s, the widespread use of money market funds by institutional investors has been possible with a stable \$1 per share net asset value (NAV), which provides administrative and accounting cost benefits for both the fund companies and short-term cash management investors. These money market funds buy the majority of tax-exempt bonds issued by governmental and nonprofit entities.

As you know, The Securities and Exchange Commission (SEC) issued a rule to require money market funds to abandon the stable \$1 NAV. This has serious negative, if unintended, consequences for local governments and nonprofit entities that issue tax-exempt bonds. It is already driving money market funds (MMFs) out of the bond market that fund projects across New York. Fewer buyers mean we have to offer higher rates, increasing the cost of the bonds and diverting money from our projects and to Wall Street. There seems to be a bipartisan legislative remedy making its way through Congress.

Please consider supporting S.1117 (H.R. 2319), the Consumer Financial Choice and Capital Markets Protection Act, which will not only preserve access to capital from money market funds, but keep the costs down so more of our money is put to work to improve public infrastructure, and projects being undertaken across the State.

Sincerely,

Donna A. Lupardo
Member of Assembly