

May 30, 2017

The Honorable Jeb Hensarling
c/o: Andrew Duke
2228 Rayburn HOB
Washington, DC 20515

RE: H.R. 2319

Dear Chairman Hensarling,

I am writing to request your support for H.R. 2319, the Consumer Financial Choice and Capital Markets Protection Act, which will help preserve money market funds as a critical, cost-effective source of financing for state and local governments.

Money market funds are the largest purchasers of short-term debt issued by municipalities, often used to finance economic development and public works projects. However, there is concern about the viability of this finance tool going forward, as holdings of tax-exempt debt by money market funds are declining as a result of a Securities and Exchange Commission (SEC) rule.

The rule, which prohibits prime and tax-exempt money market funds operating on a stable net asset value basis from being offered to institutional investors, has led businesses and other organizations that require stable value investments to shift their short-term cash management needs out of money market funds and into other types of investments that do not necessarily support the capital access needs of communities.

This shift has negatively impacted the Texas State University System (TSUS), which uses a commercial paper program with a total capacity of \$240 million as part of its project financing process. The average rate paid by TSUS through this program has increased from 0.18% to 0.98% over the past 14 months. This increased cost of borrowing impacts our member institutions, the projects being financed, our students and the taxpayers of Texas.

I appreciate your leadership in advancing H.R. 2319 in the interest of retaining important capital markets financing options provided by money market funds for economic development in Texas.

Respectfully,



Brian McCall, Ph.D.
Chancellor

May 30, 2017

The Honorable John Cornyn
c/o: Beth Jafari
517 Hart Senate Office Building
Washington, DC 20510

RE: S 1117

Dear Senator Cornyn,

I am writing to request your support for S 1117, the Consumer Financial Choice and Capital Markets Protection Act, which will help preserve money market funds as a critical, cost-effective source of financing for state and local governments.

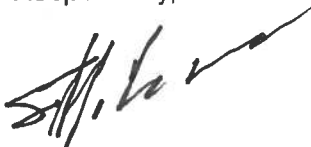
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I appreciate your leadership in advancing S 1117 in the interest of retaining important capital markets financing options provided by money market funds for economic development in Texas.

Respectfully,



Brian McCall, Ph.D.
Chancellor

May 30, 2017

The Honorable Ted Cruz
c/o: Kyle Hansen
Southeast Texas
8080 Travis Street Suite 1420
Houston, Texas 77002

RE: S 1117

Dear Senator Cruz,

I am writing to request your support for S 1117, the Consumer Financial Choice and Capital Markets Protection Act, which will help preserve money market funds as a critical, cost-effective source of financing for state and local governments.

Money market funds are the largest purchasers of short-term debt issued by municipalities, often used to finance economic development and public works projects. However, there is concern about the viability of this finance tool going forward, as holdings of tax-exempt debt by money market funds are declining as a result of a Securities and Exchange Commission (SEC) rule.

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I appreciate your leadership in advancing S 1117 in the interest of retaining important capital markets financing options provided by money market funds for economic development in Texas.

Respectfully,



Brian McCall, Ph.D.
Chancellor