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Stephan W. Currie, Executive Director

Feb. 28, 2018

Hon. Debbie Stabenow

U.S. Senate

731 Hart Senate Office Building

Washington, DC 20510-2204

Re: Support and co-sponsor S. 1117: Consumer Financial Choice and Capital Markets Protection Act

Dear Sen. Stabenow,

On behalf of its 83 members, the Michigan Association of Counties joins several other county officials in Michigan, as well as the National Association of Counties, in supporting S. 1117, the Consumer Financial Choice and Capital Markets Protection Act of 2017, and ask for your support of this legislation. I also respectfully request that you consider joining Sen. Gary Peters in co-sponsoring S. 1117.

S. 1117 would reduce the adverse consequences of a 2016 Securities and Exchange Commission (SEC) rule mandating that money market funds switch from a fixed net asset value to a floating net asset value. This SEC rule had the negative effect of eliminating \$1.2 trillion of capital markets financing for state and local infrastructure projects.

Counties rely on affordable access to capital provided by money market funds to finance the construction and maintenance of vital public infrastructure. Money market funds also are used by counties to invest short-term cash because of their secure nature, simple accounting methodology, and liquidity — an option now restricted by the SEC rule change.

This legislation will help remedy the problems created by the SEC rule by allowing money market funds to operate on a stable net asset value basis as previously permitted for more than 40 years. It would also address an artificial barrier to the utilization of money market funds by municipalities due to internal investment policies and state law requirements. That's why counties, municipalities, local businesses and other organizations support S. 1117.

Thank you for your consideration of this request.

Sincerely,

Stephan W. Currie
Executive Director

SWC/drm