

COUNTY OF



ALLEGHENY

RICH FITZGERALD
COUNTY EXECUTIVE

July 7, 2017

Honorable Michael F. Doyle
2637 East Carson Street
Pittsburgh, PA 15203

Re: S.1117-Consumer Financial Choice and Capital Markets Protection Act of 2017

Dear Congressman Doyle:

I am writing to request your support for S.1117-Consumer Financial Choice and Capital Markets Protection Act of 2017.

Allegheny County and other municipalities in Pennsylvania rely on access to money market funds to invest short-term cash and to finance economic development and public infrastructure. Unfortunately, the ability to access money market funds has been severely hampered by a Securities and Exchange Commission (SEC) rule that requires prime and tax-exempt money market funds offered to institutional investors to no longer use amortized cost accounting to operate on a stable \$1-per share net asset value (NAV) basis. Instead, since October 14, 2016, such funds are required to use a floating NAV. As a result, tax-exempt money market funds, a key source of funding for states and municipalities and their conduit borrowers, shrunk by more than 50 percent, thereby driving up the cost of borrowing for capital projects, infrastructure investments and economic development.

In our Commonwealth alone, total money market fund holdings of tax-exempt debt declined by 52 percent between January 1, 2016 and April 30, 2017. Median coupon rates paid by issuers and borrowers of tax-exempt debt increased on average by 90 basis points, which is 40 basis points higher than the recent Fed interest rate increases. For municipal issuers and borrowers in Pennsylvania, liquidity is continuing to dry up, as evidenced by Charles Schwab's recent announcement that it has closed its \$585 million Pennsylvania Municipal Money Fund to new investors and plans to liquidate the fund on September 14.

OFFICE OF THE COUNTY EXECUTIVE

101 COURTHOUSE • 436 GRANT STREET • PITTSBURGH, PA 15219
PHONE (412) 350-6500 • FAX (412) 350-6512
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S.1117 will restore the \$1-per-share NAV and, with it, access to low cost public and private sector financing provided by prime and tax-exempt money market funds. I urge you to support and co-sponsor this legislation so that we can continue to access a safe and secure market-rate investment option and a source of low-cost variable rate borrowing for public infrastructure investment and economic development.

Thank you for your consideration of this request. Please feel free to contact me if you have any questions or need additional information.

Sincerely,

A handwritten signature in blue ink that reads "Rich Fitzgerald". The signature is written in a cursive style with a large initial "R".

Rich Fitzgerald

Allegheny County Executive

COUNTY OF



ALLEGHENY

RICH FITZGERALD
COUNTY EXECUTIVE

July 7, 2017

Honorable Robert P. Casey Jr.
Grant Building, Suite 2415
310 Grant Street
Pittsburgh, PA 15219

Re: S.1117-Consumer Financial Choice and Capital Markets Protection Act of 2017

Dear Senator Casey:

I am writing to request your support for S.1117-Consumer Financial Choice and Capital Markets Protection Act of 2017.

Allegheny County and other municipalities in Pennsylvania rely on access to money market funds to invest short-term cash and to finance economic development and public infrastructure. Unfortunately, the ability to access money market funds has been severely hampered by a Securities and Exchange Commission (SEC) rule that requires prime and tax-exempt money market funds offered to institutional investors to no longer use amortized cost accounting to operate on a stable \$1-per share net asset value (NAV) basis. Instead, since October 14, 2016, such funds are required to use a floating NAV. As a result, tax-exempt money market funds, a key source of funding for states and municipalities and their conduit borrowers, shrunk by more than 50 percent, thereby driving up the cost of borrowing for capital projects, infrastructure investments and economic development.

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Rich Fitzgerald

Allegheny County Executive

COUNTY OF



ALLEGHENY

RICH FITZGERALD
COUNTY EXECUTIVE

July 7, 2017

Honorable Tim Murphy
504 Washington Road
Pittsburgh, PA 15228

Re: S.1117-Consumer Financial Choice and Capital Markets Protection Act of 2017

Dear Congressman Murphy:

I am writing to request your support for S.1117-Consumer Financial Choice and Capital Markets Protection Act of 2017.

Allegheny County and other municipalities in Pennsylvania rely on access to money market funds to invest short-term cash and to finance economic development and public infrastructure. Unfortunately, the ability to access money market funds has been severely hampered by a Securities and Exchange Commission (SEC) rule that requires prime and tax-exempt money market funds offered to institutional investors to no longer use amortized cost accounting to operate on a stable \$1-per share net asset value (NAV) basis. Instead, since October 14, 2016, such funds are required to use a floating NAV. As a result, tax-exempt money market funds, a key source of funding for states and municipalities and their conduit borrowers, shrunk by more than 50 percent, thereby driving up the cost of borrowing for capital projects, infrastructure investments and economic development.

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Sincerely,



Rich Fitzgerald

Allegheny County Executive

COUNTY OF



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RICH FITZGERALD
COUNTY EXECUTIVE

July 7, 2017

Honorable Keith J. Rothfus
6000 Babcock Boulevard, Suite 104
Pittsburgh, PA 15237

Re: S.1117-Consumer Financial Choice and Capital Markets Protection Act of 2017

Dear Congressman Rothfus:

I am writing to request your support for S.1117-Consumer Financial Choice and Capital Markets Protection Act of 2017.

Allegheny County and other municipalities in Pennsylvania rely on access to money market funds to invest short-term cash and to finance economic development and public infrastructure. Unfortunately, the ability to access money market funds has been severely hampered by a Securities and Exchange Commission (SEC) rule that requires prime and tax-exempt money market funds offered to institutional investors to no longer use amortized cost accounting to operate on a stable \$1-per share net asset value (NAV) basis. Instead, since October 14, 2016, such funds are required to use a floating NAV. As a result, tax-exempt money market funds, a key source of funding for states and municipalities and their conduit borrowers, shrunk by more than 50 percent, thereby driving up the cost of borrowing for capital projects, infrastructure investments and economic development.

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Allegheny County Executive

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RICH FITZGERALD
COUNTY EXECUTIVE

July 7, 2017

Honorable Pat Toomey
Grant Building, Suite 1440
310 Grant Street
Pittsburgh, PA 15219

Re: S.1117-Consumer Financial Choice and Capital Markets Protection Act of 2017

Dear Senator Toomey:

I am writing to request your support for S.1117-Consumer Financial Choice and Capital Markets Protection Act of 2017.

Allegheny County and other municipalities in Pennsylvania rely on access to money market funds to invest short-term cash and to finance economic development and public infrastructure. Unfortunately, the ability to access money market funds has been severely hampered by a Securities and Exchange Commission (SEC) rule that requires prime and tax-exempt money market funds offered to institutional investors to no longer use amortized cost accounting to operate on a stable \$1-per share net asset value (NAV) basis. Instead, since October 14, 2016, such funds are required to use a floating NAV. As a result, tax-exempt money market funds, a key source of funding for states and municipalities and their conduit borrowers, shrunk by more than 50 percent, thereby driving up the cost of borrowing for capital projects, infrastructure investments and economic development.

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