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July 13, 2018

The Honorable Tom Carper
513 Hart Senate Office Building
Washington, DC 20510

Dear Senator Carper:

On behalf of the University of Delaware, I am writing to request your support for S. 1117/ H.R. 2319, the Consumer Financial Choice and Capital Markets Protection Act 2017. This bipartisan legislation would restore access to an important source of capital and promote low-cost financing for educational facilities and other public infrastructure investments.

Specifically, the legislation addresses the significant negative consequences that a new money market fund rule, implemented in October 2016, is having on educational institutions that both invest in and borrow from money market funds. The rule in question requires prime and tax-exempt money market funds to change from a fixed to a floating net asset value (NAV). As a result, institutions like the University of Delaware are impacted in two ways. They can no longer invest their operating cash in stable value funds that offer a market rate of return. This in turn caused over \$1 trillion to leave these funds and simultaneously drive up the cost of borrowing.

The University of Delaware invests a significant portion of our liquid assets in money market funds. We also depend on variable rate debt to finance our ongoing building and renovation projects. Money market funds are a major source of liquidity for such short-term debt. State and local educational agencies and schools themselves account for over 10 percent of all tax-exempt money market fund assets. With less investment from money market funds, educational institutions have seen their cost of borrowing increase beyond the Federal Reserve's rate hikes over the past two years, and many are forced to use higher-cost financing sources like bank credit and longer term, higher cost bonds, or reduce their investments in education.

H.R. 2319/S. 1117 would reverse these unintended consequences of the SEC's unwarranted floating NAV rule, and permit all money market funds to go back to utilizing a fixed NAV. This would allow investors to pour money back into money market funds that support the capital access needs of educational institutions and other public infrastructure and economic development needs.

I urge you to support and cosponsor this legislation so that we can restore stable value money market funds as a viable, efficient, and cost-effective source of financing for schools and other critical public infrastructure investments. Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "H. Alan Brangman". The signature is fluid and cursive, with a large initial "H" and a long, sweeping underline.

H. Alan Brangman
Executive Vice President
and University Treasurer