

July 3, 2018

Senator John Hoeven  
United States Senate  
338 Russell Senate Office Building  
Washington, DC 20510

Dear Senator Hoeven:

On behalf of the Sanford Health, I am writing to request your support for S. 1117, the Consumer Financial Choice and Capital Markets Protection Act. This bipartisan legislation would preserve access to an important source of capital and promote low-cost financing for the construction and maintenance of health care facilities and other infrastructure investments.

Sanford Health is the largest, rural, not-for-profit health care system in the nation and the largest employer in the Dakotas. To support our investments in exceptional care, innovation and discovery, we utilize money market funds for managing short-term liquidity and for readily available, low-cost capital expenditure financing.

Unfortunately, our ability to benefit from having access to money market funds was diminished by a Securities and Exchange Commission (SEC) rule that took effect in October 2016. It prohibits prime and tax-exempt money market funds operating on a stable net asset value (NAV) basis from being offered to investors other than "natural persons." As a result, institutions that depend on stable value investments had to shift their investments out of those money market funds and into sub-optimal investments.

Money market funds are among the largest purchasers of variable rate notes issued on behalf of hospitals and health systems. These instruments have a nominal long-term maturity, but the interest rate is adjusted on a daily or weekly basis. As a result, Sanford Health, of example, is able to undertake long-term infrastructure projects at lower short-term rates. Unfortunately, funds that purchase the variable rate notes of non-profit health care systems have experienced a 50 percent decline because of the SEC's floating NAV rule, thereby driving up the cost of borrowing for investments aimed at improving the quality of health care in the Dakota's and across the country.

We ask that you to support enactment of S. 1117 so that we can preserve stable value money market funds as a viable, efficient and cost-effective source of financing for health care and other institutions that serve the needs of our communities. Thank you for your consideration.

Sincerely,



Tim Rave  
Executive Director, Public Policy