Athens County Commissioners

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The Honorable Sherrod Brown
United States Senate
713 Hart Building
Washington, DC 20510

Dear Senator Brown:

At our meeting, on September 29, 2015, the Board voted to support the proposed Consumer Financial Choice and Capital Markets Preservation Act of 2015 (the "Act"). We respectfully urge you to do the same.

We believe the proposed changes adopted in 2014 could have a negative impact upon the viability of money market funds ("MMFs") and in turn, the financial viability of local governments in Ohio. We respectfully request your support for legislation that is being developed by members of the Senate Banking, Housing and Urban Affairs Committee. The Act would appear to correct a significant impediment to the SEC's 2014 money market reform rule. If not corrected, these changes could be harmful to Ohio's local governments. While many local governments from numerous states appealed to the SEC directly in 2013 and 2014, the Commission was not persuaded to avoid the potential negative consequences resulting from these provisions, and ultimately chose to include them. The proposed legislation adds a mechanism for MMF sponsors to create a MMF with a fixed NAV, if the sponsor so requests at the time the fund is created.

As investors, local governments rely on MMFs as one of the main components of their short- and mid-term investing needs. For example, while some local governments do not have a steady and predictable inflow of revenue (tax payments and payments from local governments are collected only at certain times of the year), disbursements - including payroll and general bill paying - is constant. Many governments invest in money market funds because of their simple accounting methodology and management, security and liquidity. These are all features that are necessary for governments to protect public funds, access cash, and pay bills when they are due.

Many local governments are subject to policies and legal restrictions permitting them to invest only in funds that are stable and risk adverse. If the SEC's new floating NAV requirement is imposed on prime MMFs beginning in 2016, governments may be forced out of these funds and would have to look to other investment vehicles that have historically paid lower yields, or to other less secure products with equal or less liquidity than MMFs. All of these potential scenarios would increase costs to Ohio's local governments.

The new floating NAV requirement would also harm Ohio local governments that issue municipal securities or "tax advantaged" debt. MMFs are the largest investor or purchaser of short-term municipal bonds, holding roughly seventy percent (70%) of all outstanding short term bonds. Ohio counties rely on the sale of these bonds to support government functions important to fund local infrastructure projects. Changing the NAV from fixed to floating would make MMFs far less attractive to many investors, thereby limiting the appetite for MMFs to purchase municipal securities. Losing this vital investing power would lead to higher debt issuance costs for many of our local governments.

For all of these reasons, we hope that you can support the proposed legislation to maintain a fixed NAV for prime MMFs. Thank you for your consideration of this request.

Sincerely,

Lenny Eliason

Lenny Eliason, President

Chris Chmiel

Chris Chmiel

Charlie Adkins

cc: Senator Portman