



Office Of The Mayor

CITY OF ELIZABETH, NEW JERSEY

J. CHRISTIAN BOLLWAGE
Mayor

CITY HALL
50 WINFIELD SCOTT PLAZA
ELIZABETH, NEW JERSEY 07201-2462

TEL. 908-820-4170
FAX 908-820-0130

November 5, 2015

Honorable Cory Booker
United States Senator
Gateway One
11-43 Raymond Plaza - West Suite 2300
Newark, NJ 07102

Re: S.1802 Consumer Financial Choice and Capital Markets Protection Act of 2015

Dear Senator Booker:

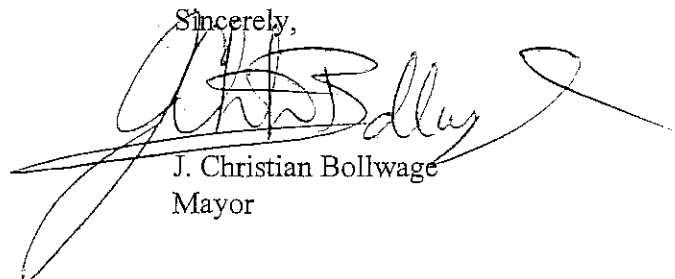
Please let this letter serve as support of S.1802. As you know, this legislation was introduced in the Senate on July 16, 2015 and then referred to the Committee on Banking, Housing and Urban Affairs. I am requesting that you co-sponsor this legislation and help bring it to the Senate floor for a favorable vote.

The City of Elizabeth supports S.1802 because changes made to the structure of money market funds by the Securities and Exchange Commission (SEC) in 2010 and 2014 will substantially impair the ability of local governments to manage cash effectively. The City is particularly concerned with the fact that SEC rule changes in 2014 forced money market funds to abandon their stable \$1.00 per-share price and instead utilize a "floating" net asset value (NAV). In addition, the new rules impose penalties and early redemption fees for the pre-mature withdrawal of funds to meet liquidity needs.

Money market funds are a vital cash management tool for local governments, which until the SEC's untimely rule changes, relied on the stability of managing cash with a consistent principal value. Moreover, local governments counted on the convenience and simplicity that a stable NAV provided for accounting, recordkeeping and the tax treatment of cash balances accordingly.

Thank you for your time and consideration.

Sincerely,



J. Christian Bollwage
Mayor

cc: Senator Robert Menendez
Senator Richard Shelby, Chairman, Committee on Banking Housing & Urban Affairs
Senator Pat Toomey, sponsor S.1802