



Ohio Senate
Senate Building
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Columbus, Ohio 43215
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Committees:

Criminal Justice – Ranking Member
State and Local Government – Ranking Member
Civil Justice
Education
Financial Institutions
Insurance
Finance Subcommittee on Education
Finance Subcommittee on Higher Education

Cecil Thomas
State Senator
9th District

November 17, 2015

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

Dear Senator Brown,

I am writing you regarding Senate Bill 1802 (S. 1802), the Consumer Financial Choice and Capital Markets Protection Act of 2015, that is pending before the United States Senate Banking, Housing and Urban Affairs Committee. I am concerned about the rule the Securities and Exchange Commission ("SEC") passed affecting Money Market Funds ("MMFs") and the transition from a stable Net Asset Value (NAV) to a floating NAV. I am concerned this transition to a floating NAV will cause greater costs for communities in my district and across the state when they go to sell bonds to finance much needed infrastructure and economic development projects.

It appears S. 1802 would correct the expected negative impacts from the SEC's 2014 MMF rule while keeping other reforms in place. If this rule is not corrected and a floating NAV goes into effect, it will likely cause the financial entities offering MMFs to pull back from the market and result in increasing costs to tax-exempt debt issuers, like local governments.

MMFs are the most significant purchaser of tax-exempt bonds and I am concerned if the SEC rule were to go into effect there would be fewer purchasers of tax exempt bonds. This would increase the costs of bond issuances at no fault of the issuer. As a former Cincinnati City Councilman and current Ranking Member on the Ohio Senate State and Local Government Committee, I have seen up close the struggles local governments face to provide services due to significant cuts to the Local Government Fund (LGF). Cities and counties across Ohio have been extremely hard hit by the cuts to the LGF and my concern is much needed road improvement projects could be delayed or cancelled entirely, if S. 1802 is not passed.

As you are likely aware the Ohio County Commissioners' Association, Ohio Municipal League, the Inter-University Council of Ohio, labor leaders, and elected officials across the state have voiced their support for S. 1802 for many of the reasons listed above. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Cecil Thomas".

CECIL THOMAS
State Senator, 9th Senate District