



COMMONWEALTH OF MASSACHUSETTS
COUNTY OF NORFOLK

"The County of Presidents"



JOSEPH A. CONNOLLY
TREASURER

December 1, 2015

The Honorable Elizabeth Warren
United States Senate
317 Hart Senate Office Building
Washington, D.C. 20510

Re: Support of the Consumer Financial Choice and Capital Markets Protection Acts of 2015 (S-1802).

Dear Senator Warren:


As Treasurer of Norfolk County, I am responsible for the collection, custody and management of all money belonging to the County government and distribution of those funds according to the law. With the financial wellbeing of Norfolk County, and the Commonwealth of Massachusetts in mind, I respectfully urge you to support Senate Bill 1802, The Consumer Financial Choice and Capital Markets Protection Act of 2015.

A new rule passed by the Securities and Exchange Commission (SEC), will significantly change the way prime Money Market Funds are used by switching the underlying net asset value (NAV), from a fixed, one dollar per share sum to a floating NAV. This will make these funds significantly less attractive to investors, and many investors have indicated that they would no longer consider prime Money Market Funds if this SEC regulation goes into effect in October 2016, as scheduled.

The SEC regulation has potentially devastating effects for our local government. The Commonwealth of Massachusetts and the cities and towns therein often issue short-term debt securities which are typically purchased by Money Market Funds. Such short term debt finances public works and infrastructure projects in a cost efficient manner. Additionally, local governments rely on these Money Market Funds to store revenues until they are disbursed. If these funds are no longer available for local governments, this will create considerable challenges. Some banks have even announced that they no longer want local government business due to capital requirement regulations.

If S. 1802 is not passed and the SEC regulations go into effect, it will be more difficult and more expensive for our cities and towns to finance critical projects. The loss of these projects will impact economic development and job creation. It is for these reasons that I strongly urge you to support this legislation.

Thank you in advance for your consideration. Please do not hesitate to contact me at your convenience should you need to discuss the matter further.

Sincerely,

Joseph A. Connolly
Treasurer
Norfolk County