



ALABAMA STATE UNIVERSITY

P. O. BOX 271 • MONTGOMERY, ALABAMA 36101-0217 • 334 / 229-4223, FAX 334 / 229-4948

VICE PRESIDENT FOR BUSINESS AND FINANCE

February 29, 2016

The Honorable Richard C. Shelby
United States Senate
305 Russell Senate Office Building
Washington, DC 20510

Dear Senator Shelby:

On behalf of Alabama State University (ASU), I write in support of S.1802, the Consumer Financial Choice and Capital Markets Protection Act of 2015, which has been referred to the Senate Banking, Housing and Urban Affairs Committee. ASU's educational facilities are financed primarily with tax-exempt bonds through money market funds (MMFs). Approval of S.1802 will enable the University to maintain modern and effective campus facilities that educate our youth.

ASU uses tax-exempt bonds to fund capital expenditures such as new construction, facilities upgrades, and property and equipment purchases. We are concerned that with the Security and Exchange Commission's (SEC) new rule, effective October 2016, prime money market funds may no longer purchase such debt obligations. The current SEC rule will increase project costs and could delay the implementation of future capital plans at ASU.

Additionally, ASU utilizes MMFs for safe, liquid, and affordable cash management. These features safeguard the University's financial assets, as well as facilitate access to operating cash and the ability to meet payroll and other payment obligations. Importantly, as a state-related university complying with policies and limitations on our investment options, MMFs provide a stable, low cost and low risk option. With the SEC's new floating net asset value requirement on the MMFs, ASU will experience adverse effects from debt issuers and investors, and substantial cost to refinance debt.

We are grateful for your leadership on this issue and commend you for supporting S.1802.

Sincerely,

Wanda L.P. Smith
Vice President for Business and Finance



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VICE PRESIDENT FOR BUSINESS AND FINANCE

February 29, 2016

The Honorable Terri Sewell
United States House of Representatives
1133 Longworth Building
Washington, DC 20515

Dear Congresswoman Sewell:

On behalf of Alabama State University (ASU), I write in support of H.R. 4216, the Consumer Financial Choice and Capital Markets Protection Act of 2015, which has been referred to the Financial Services Committee. ASU's educational facilities are financed primarily with tax-exempt bonds through money market funds (MMFs). Approval of H.R. 4216 will enable the University to maintain modern and effective campus facilities for the education of our youth.

ASU uses tax-exempt bonds to fund capital expenditures such as new construction, facilities upgrades, and property and equipment purchases. We are concerned that with the Security and Exchange Commission's (SEC) new rule, effective October 2016, prime money market funds may no longer purchase such debt obligations. The current SEC rule will thus increase project costs and could delay the implementation of future capital plans at ASU.

Additionally, ASU utilizes MMFs for safe, liquid, and affordable cash management. These features safeguard the University's financial assets, as well as facilitate access to operating cash and the ability to meet payroll and other payment obligations. Importantly, as a state-related university complying with policies and limitations on our investment options, MMFs provide a stable, low cost and low risk option. With the SEC's new floating net asset value requirement on the MMFs, ASU will experience adverse effects from debt issuers and investors, and substantial cost to refinance debt.

We are grateful for your leadership in our state and hope you will support H.R. 4216.

Sincerely,

A handwritten signature in blue ink that reads "Wanda L. P. Smith".

Wanda L P. Smith

Vice President for Business and Finance