



GLAAACC

**Greater Los Angeles
African American
Chamber of Commerce**

501(C) 6

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The Honorable Maxine Waters
Ranking Member,
House Financial Services Committee
U.S. House of Representatives
Washington, D.C. 20515

Dear Congresswoman Waters:

As founder and CEO of the Greater Los Angeles African American Chamber of Commerce (GLAAACC), the State's largest African American Chamber of Commerce, I am writing to urge your support for legislation that would benefit many of my members by preserving the liquidity needs of state and local governments, main street businesses, hospitals and non-profit organizations in our community.

The legislation in question is H.R. 4216, the Consumer Financial Choice and Capital Markets Protection Act of 2015, which was introduced by Representative Gwen Moore of Wisconsin and referred to the House Financial Services Committee. It seeks to preserve stable value money market funds as an alternative to bank deposits to meet the cash management needs of both public and private institutions, and to support both private and public infrastructure investment and local economic development.

As GLAAACC members read this regulation, set to take effect in October, the stated goal is to prevent future runs on money-market funds like those experienced during the economic crisis of 2008. Many of our businesses invest in money market funds because the funds have been allowed to use amortized cost accounting. That makes sense because these funds invest in short-term, high quality, liquid debt securities that are almost always held to maturity, and their returns reflect market short-term rates. If money market funds are forced to value their assets using less reliable accounting methods, they will no longer be a viable cash management tool for many businesses and other investors, including governments, pension funds and non-profit organizations.

GLAAACC believes the negative economic consequences for both private business investment and public infrastructure financing will be significant, and could likely impact construction and development projects. With fewer funds available to purchase the short-term debt of companies and state and local governments, it will result in higher costs, less investment and fewer jobs. This is happening while businesses in the City and County of Los Angeles with plenty of cash-flow, net worth and collateral are continuing to face tough credit conditions from commercial banks.

Given the economic challenges already faced by many of our businesses in the region, they should not be asked to shoulder an additional financial disadvantage. H.R. 4216 offers a reasonable compromise. It will restore the fixed \$1-per-share value for money-market funds, while maintaining the other regulations the SEC has adopted.

GLAAACC hopes you will support this legislation so that our businesses can have investment and financing options beyond those offered by banks.

Sincerely,

A handwritten signature in black ink, appearing to read "Gene Hale". The signature is written in a cursive, slightly slanted style.

Gene Hale
Chairman