



The Commonwealth of Massachusetts

OFFICE OF THE STATE TREASURER

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February 26, 2016

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

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

Dear Senator Warren,

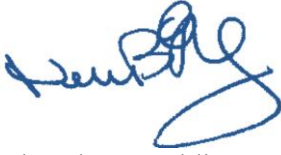
I am writing to urge you to support S. 1802, “The Consumer Financial Choice and Capital Markets Protection Act of 2015,” sponsored by Sen. Pat Toomey of Pennsylvania. This important legislation maintains the \$1 per share valuation for money market funds (MMFs) that the Commonwealth, and our cities and towns, have relied on for over forty years.

The passage of this bill would protect our existing investment opportunities as well as our access to necessary capital for municipal financing. Within the Treasurer’s Office, we rely on MMFs as a cost-effective cash management tool. Many municipalities throughout Massachusetts also utilize MMFs for capital funding.

The recent regulatory changes made by the Securities and Exchange Commission (SEC) to Rule 2a-7 require MMFs to switch from a fixed \$1 per share net asset value (NAV) to a floating NAV. Considering that U.S. Treasury bonds are exempt from this new rule, there is a likelihood that the market for municipal bonds could be viewed as riskier, and thus less attractive, by investors. Therefore, the cost of borrowing is likely to rise, forcing cities and towns to further consider the importance of future municipal projects—including schools, roads, and bridges – during this turbulent economic time.

S. 1802 will restore and maintain the stable \$1 per share valuation of municipal bonds, while leaving the SEC's other MMF safeguards untouched. I would respectfully request that you support this legislation, and protect the Commonwealth's access to secure and predictable investment and cash management options. I appreciate your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Deborah B. Goldberg". The signature is stylized and cursive, with a large loop at the end.

Deborah B. Goldberg
Treasurer and Receiver General