



April 15, 2016

The Honorable Maxine Waters
Ranking Member,
House Financial Services Committee
U.S. House of Representatives
2221 Rayburn House Office Building
Washington, D.C. 20515

**RE: Support for the Consumer Financial Choice and Capital Markets Protection
Act of 2015 (H.R. 4216)**

Dear Congresswoman Waters:

On behalf of the California Housing Finance Agency (CalHFA), I am writing to express our strong support for H.R. 4216, the Consumer Financial Choice and Capital Markets Protection Act of 2015, and strongly urge your support for the legislation when it is heard in the House Financial Services Committee. Passage of H.R. 4216 would avoid any negative impacts on the financial viability of CalHFA.

Unless H.R. 4216 is passed, starting in October 2016, certain money market mutual funds (MMFs) essential to how state and local governments finance their borrowings will be forced to abandon a key feature: the funds will no longer be allowed to offer a stable \$1 per share net asset value (NAV). MMFs are the largest investor or purchaser of short-term municipal bonds, holding roughly seventy percent (70%) of all outstanding short-term bonds. CalHFA relies on these bonds to support its role as the State of California's affordable housing bank. As a consequence of this pending change, the investor base for CalHFA's short-term bonds would decrease, thus increasing our agency's borrowing costs.

H.R. 4216 would restore the \$1-per-share NAV for certain money market funds essential to state and local governments, while maintaining the other regulations the Securities and Exchange Commission has adopted. CalHFA hopes you will support this legislation so that our agency can remain competitive in the marketplace and achieve its mission of creating and financing progressive housing solutions so more Californians have a place to call home. Thank you for your consideration of this request.

Sincerely,

Tia Boatman Patterson
Executive Director

CC: Congressman Edward R. Royce
Congressman Brad Sherman
Congressman Juan Vargas
California State Treasurer John Chiang
Katie Wheeler Mathews, Deputy Director - Washington D.C.

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