



April 18, 2016

The Honorable Tim Kaine
388 Russell Senate Office Building
Washington, DC 20510

Dear Senator Kaine:

On behalf of the Hampton Roads Chamber of Commerce, I am writing to urge your support for legislation that is important to preserving the liquidity needs of state and local governments, main street businesses and non-profit organizations in our community.

The legislation in question is the Consumer Financial Choice and Capital Markets Protection Act of 2015 (H.R. 4216 in the House of Representatives and S. 1802 in the Senate), which is under consideration in the House Financial Services Committee. It seeks to preserve stable value money market funds 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.

In 2014, the Securities and Exchange Commission (SEC) adopted a regulation that, among other things, requires the shares of institutional prime and tax-exempt money market funds to float in value – a change from the stable \$1-per-share value that has been maintained by all money market funds. Ironically, this new floating net asset value (NAV) would not apply to retail funds or to funds that invest solely in U.S. Treasuries and other federal government securities.

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.

STRATEGIC PARTNERS



April 18, 2016

The Honorable Mark R. Warner
475 Russell Senate Office Building
Washington, DC 20510

Dear Senator Warner:

On behalf of the Hampton Roads Chamber of Commerce, I am writing to urge your support for legislation that is important to preserving the liquidity needs of state and local governments, main street businesses and non-profit organizations in our community.

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STRATEGIC PARTNERS



April 18, 2016

The Honorable Robert C. "Bobby" Scott
1201 Longworth HOB
Washington, DC 20515-4603

Dear Congressman Scott:

On behalf of the Hampton Roads Chamber of Commerce, I am writing to urge your support for legislation that is important to preserving the liquidity needs of state and local governments, main street businesses and non-profit organizations in our community.

The legislation in question is the Consumer Financial Choice and Capital Markets Protection Act of 2015 (H.R. 4216 in the House of Representatives and S. 1802 in the Senate), which is under consideration in the House Financial Services Committee. It seeks to preserve stable value money market funds 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.

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The Hampton Roads Chamber of Commerce believes the negative economic consequences for both private business investment and public infrastructure financing will be significant. With fewer funds available to purchase the short-term debt of companies and state and local governments, it will result in higher debt issuance costs, less investment and fewer jobs. And this is happening while businesses with plenty of cash-flow, net worth and collateral are continuing to face tough credit condition from commercial banks.

Given the economic challenges already faced by many of our businesses, they should not be asked to shoulder an additional financial disadvantage, particularly when there is no corresponding benefit to the financial system.

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. I hope you will support this legislation so that money market funds can continue to serve as important investment and financing options for our businesses and communities.

Sincerely,



Ira M. Agricola
Executive Vice President
Governmental Affairs