



COMMONWEALTH OF VIRGINIA  
HOUSE OF DELEGATES  
RICHMOND

RONALD JOHN A. "RON" VILLANUEVA  
POST OFFICE BOX 61005  
VIRGINIA BEACH, VIRGINIA 23466

TWENTY-FIRST DISTRICT

COMMITTEE ASSIGNMENTS:  
TRANSPORTATION (CHAIRMAN)  
COMMERCE AND LABOR  
SCIENCE AND TECHNOLOGY

June 9, 2016

The Honorable Mark Warner  
United States Senate  
475 Russell Senate Office Building  
Washington, DC 20510

Dear Senator Warner:

I am writing to encourage you to support legislation (S. 1802) to preserve stable value money market funds for public infrastructure investment.

State and local governments need access to robust capital markets to finance the construction and maintenance of roads, airports, public transportation systems, ports and other important infrastructure projects. Money market funds are among the largest investors in short-term municipal bonds, holding over \$245 billion in issuances from all 50 states and the District of Columbia. In Virginia, such short-term financing currently provides over \$64 million for transportation projects, and nearly \$340 million for port authority projects.

That access to short-term capital has been put at risk by a Securities and Exchange Commission (SEC) rule that requires certain money market funds offered to institutional investors to change their method of calculating their net asset value (NAV) from fixed to floating. This SEC rule, which was adopted in July 2014 and will take effective beginning on October 14, 2016, is having the unintended consequence of making money market funds far less attractive to investors who desire a stable NAV cash management vehicle, leaving fewer assets to purchase short-term municipal securities and higher debt issuance costs for state and local governments.

S. 1802 seeks to preserve stable value money market funds as a source of liquidity and capital for the public infrastructure needs in our citizens. I urge you to support this legislation, and the low-cost financing options provided by money market funds for state and local governments.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ronald Villanueva".

Ron Villanueva  
State Delegate, 21<sup>st</sup> House District



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June 9, 2016

The Honorable Robert Hurt  
United States House of Representatives  
125 Cannon House Office Building  
Washington, DC 20510

Dear Congressman Hurt:

I am writing to encourage you to support legislation (S. 1802) to preserve stable value money market funds for public infrastructure investment.

State and local governments need access to robust capital markets to finance the construction and maintenance of roads, airports, public transportation systems, ports and other important infrastructure projects. Money market funds are among the largest investors in short-term municipal bonds, holding over \$245 billion in issuances from all 50 states and the District of Columbia. In Virginia, such short-term financing currently provides over \$64 million for transportation projects, and nearly \$340 million for port authority projects.

That access to short-term capital has been put at risk by a Securities and Exchange Commission (SEC) rule that requires certain money market funds offered to institutional investors to change their method of calculating their net asset value (NAV) from fixed to floating. This SEC rule, which was adopted in July 2014 and will take effective beginning on October 14, 2016, is having the unintended consequence of making money market funds far less attractive to investors who desire a stable NAV cash management vehicle, leaving fewer assets to purchase short-term municipal securities and higher debt issuance costs for state and local governments.

S. 1802 seeks to preserve stable value money market funds as a source of liquidity and capital for the public infrastructure needs in our citizens. I urge you to support this legislation, and the low-cost financing options provided by money market funds for state and local governments.

Thank you for your consideration.

Sincerely,

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Ron Villanueva  
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