

**HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY
BOARD MEMBERS**

Rodney S. Fischer, Chairman
Tasker Beal, Jr., Vice-Chairman
Norris E. Counts, Secretary/Treasurer
Robyn Fiel, Assistant Secretary
Casey Cane, Assistant Secretary



**Kathryn Driver
Executive Director**

September 20, 2016

The Honorable Bill Posey
120 Cannon HOB
U.S. House of Representatives
Washington, DC 20515

Re: H.R. 4216

Dear Congressman Posey:

I am writing to request your support for H.R. 4216, the Consumer Financial Choice and Capital Markets Protection Act, and to urge the Financial Services Committee to act on this bipartisan legislation as quickly as possible. This legislation seeks to preserve access to capital and promote public infrastructure for the residents of Florida.

As you know, state and local governments must continue to have capital markets funding options available that allow them to maximize support for the economic development needs of their citizens while ensuring the most resourceful use of scarce tax dollars. Fortunately, H.R. 4216 has been introduced to preserve money market funds as a viable, efficient and cost-effective source of such financing. These funds are the largest purchasers of short-term debt issued by municipalities, much of it to finance housing, health and education related projects.

That access has been put at risk by a Securities and Exchange Commission (SEC) rule that prohibits prime and tax-exempt money market funds operating on a stable net asset value (NAV) basis from being offered to investors other than "natural persons" (called "institutional" investors). As a result, businesses and other organizations that require stable value investments are shifting their short-term cash management needs out of money market funds and into other types of investments that do not support the capital access needs of communities.

Housing Finance Authority
26750 US Highway 19 N. • Suite 110
Clearwater, FL 33761
Office: (727) 223-6418
FAX: (727) 255-5562
kdriver@pinellashfa.com

www.pinellascounty.org/hfa



Currently, all issuers of municipal debt are feeling the impact of the shrinkage in tax-exempt money market fund assets as a result of the SEC rule. Since the end of September 2015, assets in tax-exempt money market funds nationally have declined from approximately \$240 billion to about \$145 billion today as a direct result of the rule, and they are expected to drop further as the October 14 implementation date nears.

The impact in Florida has been equally dramatic. Over the same period, holdings of tax-exempt debt of Florida issuers by tax-exempt money market funds have dropped from over \$8 billion to under \$5 billion. This has had the effect of increasing the cost of borrowing for all Florida issuers, including those remaining in tax-exempt money market funds. The rate we pay on our debt held by tax-exempt money market funds has increased significantly, which requires that we reduce costs in other areas.

H.R. 4216 would preserve the stable net asset value (NAV) for all money market fund investors. It does so without changing the Dodd-Frank Act, or impacting other changes to the regulation of money market funds that were adopted by the SEC in 2010 and 2014.

I appreciate your leadership in advancing H.R. 4216, so that we can retain the indispensable capital markets financing options provided by money market funds for economic development in Florida and throughout the country.

Sincerely,



Kathryn Driver
Executive Director

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Kathryn Driver
Executive Director

September 20, 2016

The Honorable Dennis Ross
229 Cannon HOB
U.S. House of Representatives
Washington, DC 20515

Re: H.R. 4216

Dear Congressman Ross:

I am writing to request your support for H.R. 4216, the Consumer Financial Choice and Capital Markets Protection Act, and to urge the Financial Services Committee to act on this bipartisan legislation as quickly as possible. This legislation seeks to preserve access to capital and promote public infrastructure for the residents of Florida.

As you know, state and local governments must continue to have capital markets funding options available that allow them to maximize support for the economic development needs of their citizens while ensuring the most resourceful use of scarce tax dollars. Fortunately, H.R. 4216 has been introduced to preserve money market funds as a viable, efficient and cost-effective source of such financing. These funds are the largest purchasers of short-term debt issued by municipalities, much of it to finance housing, health and education related projects.

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September 20, 2016

The Honorable Patrick E. Murphy
211 Cannon HOB
U.S. House of Representatives
Washington, DC 20515

Re: H.R. 4216

Dear Congressman Murphy:

I am writing to request your support for H.R. 4216, the Consumer Financial Choice and Capital Markets Protection Act, and to urge the Financial Services Committee to act on this bipartisan legislation as quickly as possible. This legislation seeks to preserve access to capital and promote public infrastructure for the residents of Florida.

As you know, state and local governments must continue to have capital markets funding options available that allow them to maximize support for the economic development needs of their citizens while ensuring the most resourceful use of scarce tax dollars. Fortunately, H.R. 4216 has been introduced to preserve money market funds as a viable, efficient and cost-effective source of such financing. These funds are the largest purchasers of short-term debt issued by municipalities, much of it to finance housing, health and education related projects.

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