



# CITY OF BUFFALO

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November 3, 2016

The Honorable Charles E. Schumer  
130 Elmwood Avenue, Room 660  
Buffalo, New York 14202

Dear Senator Schumer: / *chuck*

I am writing to ask you to consider supporting S.1802 (H.R. 4216), the Consumer Financial Choice and Capital Markets Protection Act that will not only preserve access to capital from money market funds but keep the costs down so more of our money is put to work to improve public infrastructure and projects being undertaken across the State.

Many families in NYS depend on construction jobs associated with large scale projects that are financed by bonds. The price of using bonds is going up resulting in a loss of jobs on each project. I believe you can help.

Since the 1970s, the widespread use of money market funds by institutional investors has been possible with a stable \$1 per share net asset value (NAV), which provides administrative and accounting cost benefits for both the fund companies and short-term cash management investors. These money market funds buy the majority of tax-exempt bonds issued by governmental and nonprofit entities.

The Securities and Exchange Commission (SEC) has issued a rule to require money market funds to abandon the stable \$1 NAV, which result in serious negative, even if unintended, consequences for local governments and nonprofit entities that issue tax-exempt bonds. The SEC ruling is driving money market funds (MMFs) out of the bond market that funds projects across New York. Fewer buyers will cause higher rates thereby increasing the cost of the bonds and diverting money from NYS projects.

Thank you for your consideration.

Sincerely,

Mark J.F. Schroeder  
Comptroller