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The Honorable Carolyn B. Maloney
United States House of Representatives
2308 Rayburn House Office Building
Washington, DC 20515-0001

Dear Congresswoman Maloney:

On behalf of the Queens Economic Development Corporation, I am writing you today regarding House Bill 4216 (H.R. 4216), the Consumer Financial Choice and Capital Markets Protection Act. This legislation is critical to protecting economic development and job creation, and seeks to correct a flawed component of a recent Securities and Exchange Commission ruling regarding money market funds.

The Queens Economic Development Corporation's (QEDC) mission is to create and retain jobs through programming that grows our neighborhoods, assists small businesses and promotes tourism and business development. QEDC is a focal point for economic development efforts in a borough that encompasses approximately 2.3 Million people from every corner of the world in more than 90 distinct neighborhoods. It is through this lens that QEDC understands the harm caused by one of the components of the SEC's recent money market fund ruling. Specifically, the provision requiring money market funds to switch from a stable net asset value method of accounting to a floating net asset value endangers the level of investment in money market funds, which in turn jeopardizes the amount of investment in certain debt securities used to finance economic development projects.

Put simply, this new SEC rule has already led to a large scale reduction in the level of investment in money market funds. These funds are the largest buyers of the exact type of bonds used by certain economic development organizations, as well as municipalities, to finance their projects. Less investment in money market funds means less buyers of this debt, which means the cost of issuing such debt rises. The resulting increase in borrowing costs will place jobs and economic development in jeopardy as planned projects will either decrease in size, be delayed, or be shelved altogether.

H.R. 4216 will correct this flawed provision of the SEC rule by allowing money market funds with institutional investors to continue to operate with a stable net asset value. This bill keeps the other components of the SEC's money market reforms intact.

It is with QEDC's mission in mind – to create and retain jobs – that I respectfully request your support for H.R. 4216.

Sincerely,

Seth Bornstein
Executive Director