



June 14, 2017

The Honorable Sherrod Brown
United States Senate
713 Hart SOB
Washington, D.C. 20510

***Re: Support S.1117, the Consumer Financial Choice and Capital Markets
Protection Act of 2017***

Dear Senator Brown:

Enclosed please find our letter from last Congress urging your support of legislation that would remedy an unintended consequence of money market reform. A Securities and Exchange Commission (SEC) rule, which required money market funds to switch from a fixed net asset value to a floating net asset value, had the negative effect of eliminating \$1.2 trillion of capital markets financing for state and local infrastructure projects. As long as the money stays parked in the federal government funds, it is not available to fund facility and capital improvements for: local schools, hospitals, universities, sewer and clean water facilities, roads and bridges, airports, public transit, affordable public housing, and other job creating infrastructure projects, all of which finance these projects through prime and tax-exempt municipal money market funds. Because there has been a large reduction in money market funds as a direct result of the rule, we have experienced a substantial increase in the cost of financing our capital projects.

As an issuer and investor in prime and tax-exempt funds, we continue to be negatively impacted by higher borrowing costs through increased short-term borrowing interest rates and limited returns on surplus cash because of this rule. Moreover, many public entities are limited and/or prohibited from investing in instruments that do not have a stable value.

To keep Ohio's economy growing, we strongly urge you to support the re-introduced legislation, S.1117, and advocate for its adoption. Please feel free to contact me should you have any questions.

Sincerely,

Sharon L. Gaber, Ph.D.
President