



935 N. Washington Avenue
Lansing, MI 48906
517-372-5374 Fax 517-482-4599
www.micounties.org
Stephan W. Currie, Executive Director

July 7, 2017

The Honorable Dan Kildee
U.S. House of Representatives
277 Cannon H.O.B.
Washington, D.C. 20515

Re: Support H.R. 2319 — the Consumer Financial Choice and Capital Markets Protection Act of 2017

Dear Congressman Kildee:

Enclosed please find our letter to you from last Congress urging 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 \$2 billion of capital markets financing for state and local infrastructure projects in Michigan. 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 of prime and tax-exempt funds, our member counties continue to be harmed 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 Michigan's economy growing, we strongly urge you to support the re-introduced legislation, H.R. 2319, and advocate for its adoption.

Respectfully,

Stephan W. Currie
Executive Director

SWC/drm

Enc.