



Kay Ivey
Governor

STATE OF ALABAMA
STATE BANKING DEPARTMENT



Mike Hill
Superintendent of Banks

Senator Doug Jones
326 Russell Office Building
Washington, DC 20510

RE: Support for S. 1117, pending in Senate Banking Committee, Toomey (RPA) - Manchin D-WV), Rounds (R-SC, Menendez (D-NJ).

Dear Senator Jones:

Alabama has experienced phenomenal economic growth over the past few years, internal expansion, external, both foreign and domestic recruitment. As such, our state's unemployment rate is the lowest ever.

With all this success come increasing pressure on local infrastructure. Factory market roads, K-12 schools, hospitals, universities and others.

To that end it is vitally critical that local governments have all the debt financing tools are their disposal in meeting these expanding demands. One of those most critical tools is Money Market Funds. However, one of the unintended consequences of Security and Exchange Commission Rule 2a-7 enacted in 2016 undermined MMFs by shifting away from a stable Net

Asset Value to a floating net asset value. That built uncertainty on the markets, restricted flexibility, liquidity and offered no stability for short term investments. The result was approximately a 50% reduction in Mutual Fund use among local governments for local infrastructure projects.

S.1117 will correct this oversight by returning to a fix net asset value. So, I join with the National (and Alabama) League of Municipalities, numerous State Treasurers including Young Boozer in supporting this change,

Please help us keep the momentum going in Alabama in supporting S. 1117.

Respectfully,



Mike Hill