



April 12, 2018

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Representative Lisa Blunt Rochester
1123 Longworth House Office Building
Washington, D.C. 20510

Re: Support and Co-Sponsor H.R. 2319, the Consumer Financial Choice and Capital Markets Protection Act.

Dear Congresswoman Blunt Rochester:

On behalf of the New Castle County Chamber of Commerce and our 1,100 member businesses, I am writing to request your support and co-sponsorship for H.R. 2319, the Consumer Financial Choice and Capital Markets Protection Act 2017. This bipartisan legislation supports our mission to create business development opportunities and a strong and stable economic climate by restoring money market funds as an investment tool and a source of low-cost variable rate borrowing for both public and private sector entities in Delaware.

Businesses and governments in our state benefit from money market funds as a tool to invest short-term operating cash, and as purchasers of debt used to finance infrastructure, economic development and business expansion. Unfortunately, changes in the rules governing money market funds that were adopted by the Securities and Exchange Commission (SEC) in July 2014, and which went into effect on October 14, 2016, have had far reaching consequences on the ability of private and public sector entities in Delaware to raise short-term capital and manage cash.

Particularly harmful is a new SEC requirement that prime and tax-exempt funds available to businesses and local governments may no longer sell and redeem shares using a stable net asset value (NAV), or \$1 per share. Instead, such funds must transact using a fluctuating, or "floating NAV. As a result of the implementation of the rule, nearly \$1.2 trillion has exited prime and tax-exempt money market funds, leaving the private sector and moving into Treasury and Government funds, which are not saddled with the floating NAV requirement.

As investments flowed out of non-government funds, Delaware's businesses and municipalities lost a key source of funding, much of which was used to finance infrastructure projects, including road repairs, school facilities and hospitals, some of which may have to be delayed or cancelled. In addition, our public and private institutions and non-profit enterprises are no longer able to benefit from market rates of return on their short-term cash investments provided by

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prime money market funds. This drives up the cost of operating a business and providing government services, and results in less business investment and higher costs to taxpayers.

H.R. 2319 would allow stable NAV money market funds to be offered to all investors. I urge you to co-sponsor this legislation to restore an investment and short-term financing option that has been indispensable to economic growth and public infrastructure investment in Delaware and throughout the United States.

Thank you for your consideration.

Sincerely,



Bob Chadwick
Acting President
New Castle County Chamber of Commerce
920 Justison Street, Wilmington, DE 19801