

April 3, 2018

Honorable Heidi Heitkamp  
C/O Mr. Ross Keyes, State Director  
228 Federal Building  
220 East Rosser Avenue  
Bismarck, ND 58501

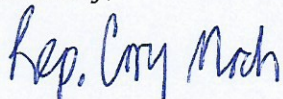
Dear Senator Heitkamp:

Thank you for taking a moment at the recent North Dakota Democratic-NPL state convention to speak with me about S.1117 (Consumer Financial Choice and Capital Markets Protection Act) and the impact the proposed legislation can have on North Dakota jobs and economic development. As you correctly noted, the SEC changes to Rule 2a-7 have undermined investments in infrastructure improvements and economic growth and development, without a corresponding benefit to the stability, safety and soundness of our financial system.

As of result of the rule's implementation, nearly \$1.2 trillion has exited prime and municipal money market funds, and moved into Treasury and Government funds, causing short-term interest rates to spike to their highest level since the financial market crisis. Municipal funds, a key source of funding for state and local governments and their infrastructure projects, experienced a 50 percent decline over the same period, causing municipal short-term borrowing to increase on average from under five basis points at the beginning of 2016 to as high as 75 basis points by the end of 2016. In North Dakota, implementation of the floating NAV rule caused total money market fund holdings of municipal paper to decline by 68 percent (from \$517 million to \$164 million) between January 1, 2016 and April 30, 2017.

The proposed S. 1117, the Consumer Financial Choice and Capital Markets Protection Act, makes common sense reforms to revive these lost investments and restore cost-effective short-term funding for the State of North Dakota and its businesses, local governments, universities, hospitals and affordable housing projects. This equals jobs and economic growth for communities across the state. Thank you for your consideration of support.

Sincerely,

A handwritten signature in blue ink that reads "Rep. Cory Mock". The signature is written in a cursive, slightly slanted style.

Corey Mock, State Representative District 18  
Minority Leader, North Dakota House of Representatives