



Housing Authority of the City of Austin

Established in 1937

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President & CEO
Michael G. Gerber

May 17, 2018

The Honorable Lloyd Doggett
U.S. House of Representatives
Washington, DC 201515

Dear Congressman Doggett:

I am writing to express the Housing Authority of the City of Austin's (HACA) support for H.R. 2319, the Consumer Financial Choice and Capital Markets Protection Act of 2017, sponsored by Congressman Keith Rothfus. Similar legislation has been proposed by Senator Toomey in the Senate (S.1117).

Enactment of this legislation would repair the negative impacts of a Securities and Exchange Commission (SEC) rule which diminishes HACA's ability to create and preserve affordable housing. Many of HACA's affordable housing activities are financed through the sale of both tax-exempt and taxable bonds and notes to private investors. Proceeds from the bonds and notes, many of which are held by money market funds, are loaned at below-market interest rates to fund rental housing, home mortgages and home improvement loans.

Unfortunately, in October of 2016, certain money market mutual funds (MMFs) essential to how state and local governments finance their borrowings were forced to abandon a key feature making them significantly less attractive to investors. Specifically, the funds were no longer allowed to offer a stable \$1 per share net asset value (NAV). MMFs were the largest investor of short-term municipal bonds.

H.R. 2319 is a bipartisan proposal with currently 14 Republicans and 16 Democrats signed on as co-sponsors. Specifically, the proposal would restore the \$1 per share NAV for certain money market funds essential to state and local governments and their financing agencies, while maintaining the other regulations the SEC adopted that are important to the safe and sound operation of money market funds. Importantly, H.R. 2319 could allow HACA to more efficiently serve the people of Austin and Central Texas.

Thank you for your consideration of this request.

Sincerely,

Michael Gerber
President and CEO

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*"We envision neighborhoods where poverty is alleviated,
communities are healthy and safe, and all people can achieve their full potential"*

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