

# SENATE OF VIRGINIA

**DAVID W. MARSDEN**  
37TH SENATORIAL DISTRICT  
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COMMITTEE ASSIGNMENTS:  
AGRICULTURE, CONSERVATION AND  
NATURAL RESOURCES  
LOCAL GOVERNMENT  
TRANSPORTATION

Senator Tim Kaine  
231 Russell Senate Office Building  
Washington, D.C. 20510

Senator Kaine,

I write you today to encourage you to support bipartisan legislation favorably reported by the House Financial Services Committee in January. This legislation regards recent changes made in SEC regulations ending the stable \$1 per share valuation, driving up borrowing costs and lowering returns on money market fund investments. Because of those changes, between January 1, 2016 and August 31, 2017, Virginia municipal paper has declined by 50 percent. H.R. 2319/S. 1117 would substantially fix some of the unintended consequences of the changes to SEC Rule 2a-7 that were made during the previous Congress – which have undermined infrastructure improvements by requiring that money market funds be available to corporate treasurers, public finance officers, pension fund managers, and other institutions that invest short term cash to no longer operate on a stable net asset value (NAV) basis.

As someone who sits on the Virginia Senate Local Government committee, I can tell you that municipal governments have been dealing with the unintended consequences of these changes because they can no longer gain market returns on short-term management of funds. In turn, Virginia taxpayers are making up the extra costs – which is, as you know, what we try to stay away from doing as much as humanely possible.

H.R. 2319/S. 1117 or The Consumer Financial Choice and Capital Markets Protection Act of 2017 makes much needed reforms to help recuperate lost investments and restore previously available short-term funding for the Commonwealth. Our businesses, universities, hospitals, local governments and affordable housing projects would greatly benefit from this legislation moving forward. To read more about the legislation and the coalition that supports it, visit: <http://protectinvestorchoice.com/participants/#co-Virginia>. You can also read the attached letter from Senator Warner, among others that everything they warned of during the passage of SEC Rule 2a-7 has unfortunately come to fruition.

I appreciate your time and attention to this matter.

Sincerely Yours,

A handwritten signature in black ink, appearing to read "Dave Marsden". The signature is written in a cursive style with a large initial "D" and a long horizontal flourish at the end.

Dave Marsden  
Senator, Virginia Senate  
37<sup>th</sup> District