

November 30, 2018

The Honorable Michelle Lujan Grisham
United States House of Representatives
Cannon House Office Building
Washington, DC 20515

The Honorable Steve Pearce and
The Honorable Ben Ray Luján
United States House of Representatives
Rayburn House Office Building
Washington, DC 20515

Dear Representatives Lujan Grisham, Pearce and Luján,

I am writing to request your support for H.R. 2319, the Consumer Financial Choice and Capital Markets Protection Act. This bipartisan legislation would address the significant negative consequences that new money market fund rules, implemented in October 2016, are having on public issuers and conduit borrowers, such as educational institutions.

The rule in question required prime and tax-exempt money market funds to change from a fixed to a floating net asset value (NAV). As a result, half of the assets in tax-exempt funds have been lost, drying up a very important source of financing for educational institutions. State and local educational agencies and schools themselves account for over 10 percent of all tax-exempt money market fund assets. Without access to tax-exempt funds, education authorities are forced to use higher-cost financing sources like bank credit and longer term, higher cost bonds, or reduce their investments in education.

H.R. 2319 would reverse these unintended consequences of the SEC floating NAV rule, and permit all MMFs to go back to utilizing a fixed NAV. This would allow investors to pour money back into money market funds that support the capital access needs of educational institutions and other public infrastructure and economic development needs. I urge you to support and cosponsor this legislation so that we can restore stable value money market funds as a viable, efficient, and cost-effective source of financing for school districts and other critical public infrastructure investments.

Thank you for your time and consideration.

Sincerely,



Kate Noble
Board of Education Member, District 3 - Santa Fe Public Schools