

Steve Patterson

Mayor

Andrew B. Stone

Service-Safety Director



Office of the Mayor

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Athens, OH 45701

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CITY OF ATHENS, OHIO

April 16, 2020

Honorable Steve Stivers,
Rayburn House Office Building,
2234 Washington, DC 20510

Dear Congressman Stivers,

I am writing to thank you for your co-sponsorship of H.R.4492. The current economic climate caused by the coronavirus has put Ohio's cities in significant financial turmoil. As you know cities can't run deficits like the federal government and we are largely funded by the income tax, as unemployment grows our revenues will shrink and the needs of our citizens will grow. I believe passage of H.R. 4492 will be a useful tool as we navigate through a time of decreased resources and increasing need.

The lack of liquidity in financial markets and the challenging environment to sell tax exempt debt calls for the need to enact H.R.4492 because it will alleviate some of the strain by introducing more than \$1 trillion back to the market to buy municipal debt and help keep interest rates low so less revenue is pledged to interest when we will need it for essential services. The current market conditions are making it very difficult to sell these bonds if at all and if sales were to occur they likely are much more expensive for cities which will tie up much needed resources into increased payments instead of on needed services.

H.R.4492 will correct the unintended consequences of the SEC rule change which required Money Market Funds (MMFs), the largest purchaser of tax exempt debt, to change a more than 40 year regulatory environment of a floating Net Asset Value (NAV) instead of a stable NAV. The return to a stable NAV, which was the historical norm, will allow for almost \$1 trillion to return to the capital markets and provide much needed liquidity to the market as well the ability for more affordable financing for our local governments at a much needed and unprecedented financial time.

I strongly urge you to advocate with your colleagues on both sides of the aisle for the inclusion of H.R.4492 in the next legislation targeting aid to the economy.

Sincerely,

A handwritten signature in blue ink, appearing to be "Steve Patterson", with a long horizontal line extending to the right.

Steve Patterson, Mayor
City of Athens

Steve Patterson

Mayor

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CITY OF ATHENS, OHIO

Honorable Sherrod Brown
503 Hart Senate office Building
Washington, DC 20510

April 16, 2020

Dear Senator Brown,

I am writing to urge your support for S.733. The current economic climate caused by the coronavirus has put Ohio's cities in significant financial turmoil. As you know cities can't run deficits like the federal government and we are largely funded by the income tax, as unemployment grows our revenues will shrink and the needs of our citizens will grow. I believe passage of S.733 will be a useful tool as we navigate through a time of decreased resources and increasing need.

The lack of liquidity in financial markets and the challenging environment to sell tax exempt debt calls for the need to enact S.733 because it will alleviate some of the strain by introducing more than \$1 trillion back to the market to buy municipal debt and help keep interest rates low so less revenue is pledged to interest when we will need it for essential services. The current market conditions are making it very difficult to sell these bonds if at all and if sales were to occur they likely are much more expensive for cities which will tie up much needed resources into increased payments instead of on needed services.

S.733 will correct the unintended consequences of the SEC rule change which required Money Market Funds (MMFs), the largest purchaser of tax exempt debt, to change a more than 40 year regulatory environment of a floating Net Asset Value (NAV) instead of a stable NAV. The return to a stable NAV, which was the historical norm, will allow for almost \$1 trillion to return to the capital markets and provide much needed liquidity to the market as well the ability for more affordable financing for our local governments at a much needed and unprecedented financial time.

I strongly urge you to support the inclusion of S.733 in the next legislation targeting aid to the economy and urge your fellow Senators to do so as well.

Sincerely,

A handwritten signature in blue ink, appearing to be "Steve Patterson", written over a blue horizontal line.

Steve Patterson, Mayor
City of Athens