



**A2Y Chamber Statement of Support for the
Consumer Financial Choice and Capital Markets Protection Act**

December 14, 2017

The Ann Arbor/Ypsilanti Regional Chamber supports the Consumer Financial Choice and Capital Markets Protection Act (S. 1117 and H.R. 2319). These bi-partisan bills will ensure that businesses and local governments have the capital markets tools needed to cost-efficiently support the financial and economic development needs of our citizens.

The A2Y Chamber strives to foster greater regional economic success, community prosperity, and improved quality of life by advocating for, and supporting, our business community. Our business community depends on vibrant capital markets to support economic development, finance public infrastructure, and ensure our local governments partners are investing in taxpayer dollars responsibly. Unfortunately, new rules to money market funds that were adopted by the Securities and Exchange Commission ("SEC") and went into effect in October 2016, have created widespread destructive impacts on the ability of private and public sector entities in Michigan to raise short-term capital and manage cash. The SEC rule change requires prime and tax-exempt funds available to businesses and local governments to no longer sell and redeem shares using a stable net asset value ("NAV") but rather they must utilize a floating NAV. This has resulted in over \$1.15 trillion exiting prime and tax-exempt money market funds, causing the fund managers to liquidate the funds and thereby deprive our members of cost efficient short term financing options. The outcome of this SEC rule change is an increase to borrowing costs, likely resulting in stifled economic development for our community.

The Consumer Financial Choice and Capital Markets Act will support the continued economic development of the Ann Arbor/Ypsilanti region by restoring money market funds as an investment tool and a source of low-cost variable rate borrowing for both public and private sector entities. This bill has broad bi-partisan support in both the US Senate and US House of Representatives, including Michigan's US Senator, Gary Peters, and three of Michigan's members of the US House of Representatives. We urge our members to contact their members of Congress to ask them to support the Consumer Financial Choice and Capital Markets Protection Act.