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Before Congress, an Outpouring of Support for Money Market Funds

By Mike McNamee

Groups representing businesses and government officials from across the country recently sent a message to Congress: policymakers should preserve the fundamental features of money market funds. The occasion was last week's hearing, "Oversight of the Mutual Fund Industry: Ensuring Market Stability and Investor Confidence," held by the House Financial Services Committee's Subcommittee on Capital Markets and Government Sponsored Enterprises.

Like others, the Association for Financial Professionals (AFP) underscored the vital importance of allowing money market funds to offer investors stable net asset values (NAVs). AFP, which counts a membership of 16,000 finance and treasury professionals at businesses and nonprofits, also warned of the economic risks of mandating floating NAVs.

"The move to a floating NAV would also create significant disruptions in the corporate funding market," said AFP in itsletter to Subcommittee Chairman Scott Garrett (R-NJ). "Many organizations issue commercial paper to meet their short-term financing needs, such as funding payroll, replenishing inventories, and financing expansion."

Here is the full list of organizations that weighed in, either individually or as part of a joint submission. You can find statements for the hearing record at www.preservemoneymarketfunds.org.

- Association for Financial Professionals
- American Public Power Association
- Association of Commerce & Industry (New Mexico)
- Business Council of New York State
- Colorado County Treasurers' Association
- Council of Development Finance Agencies
- Council of Infrastructure Financing Authorities
- Dallas Regional Chamber
- Davenport & Company LLC
- Government Finance Officers Association
- Indiana Chamber of Commerce
- International City/County Management Association
- International Municipal Lawyers Association
- National Association of Corporate Treasurers
- National Association of Counties

- National Association of Local Housing Financing Agencies
- National Association of State Auditors, Comptrollers and Treasurers
- National Association of State Treasurers
- National League of Cities
- New Jersey State League of Municipalities
- U.S. Chamber of Commerce
- U.S. Conference of Mayors

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