GEORGE MASON UNIVERSITY
FOUNDATION

4400 University Drive, MS 1A3
Fairfax, Virginia 22030
Phone: 703-993-8850
Fax: 703-993-2018

June 1, 2016

Honorable Tim Kaine
U.S. Senate
Washington, D.C. 20510

Dear Sen. Kaine:

I am writing in my capacity as Director of Real Estate and Administration, GMU Foundation, Inc., requesting your support for S. 1802, The Consumer Financial Choice and Capital Markets Protection Act.

In October of 2016, the SEC is requiring a change in the way money market funds (MMFs) calculate their underlying net asset value (NAV) from fixed to floating NAV. If this goes into effect, we will abandon Money Market Accounts all together and start doing cash management through laddered CD's which is a lot more work but would take risk off the table of a decline in NAV. We are not fans of any MMF that would not have a fixed NAV. George Mason University Foundation keeps substantial float in MMF's to get a small fixed yield with relatively low risk. This is a significant cash management tool for the Foundation as we have over 1,200 demand deposit restricted funds that are pooled for operating purposes. If the rules were to change allowing banks to make the NAV float, we would be forced to change how we manage it. We would lose a significant purchase of local tax-exempt debt if MMFs are not permitted to retain a fixed net asset value. An additional concern is the loss of MMFs as a cash management tool.

Mason uses short-term debt to finance various capital projects. Today money market funds (MMFs) are significant purchases of tax-exempt obligations. Obtaining the lowest possible interest for tax-exempt financing is an especially important tool for capital-intensive projects. Mason strives to develop investment policies that ensure our funds are stable and risk adverse. If the SEC's new floating NAV requirement is imposed on prime MMFs, we may be forced out of these funds and would have to look to other investment vehicles that have historically paid lower yields, or to other less secure products with equal or less liquidity that MMFs.

Mason does not have a steady inflow of revenue. We generally collect tuition payments twice-a-year. We utilize MMFs as one of the main components of our short-and medium investing needs. We have to maximize returns while safeguarding principle in high quality investments. MMFs are a key tool for achieving this goal. The financial services industry develops funds targeted for our use and ensures compliance with fiduciary investment restrictions. We use MMFs because of their simple accounting methodology and management, security and liquidity. These are all features that are necessary to protect university funds, access to cash, and pay bills when they are due. We fear that without the passage of S. 1802. MMFs may no longer purchase such debt.

We hope that you will support S. 1802. Thank you for your consideration of this matter.

Sincerely

David A Roe

David Roe