



September 8, 2009

Ms. Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549-1090

RE: Money Market Fund Reform  
File Number S7-11-09, Release No. 1C-28807

Dear Ms. Murphy:

The City of Charlotte supports the idea of “tightening the risk-limiting conditions of rule 2a-7” as noted in the SEC’s Money Market Fund Reform proposed rule summary. Money market fund risk can be lowered with some of the proposed changes such as reducing the weighted average maturity of portfolio holdings, increasing quality requirements of purchased securities, etc. The City, however, opposes the proposed change to a floating net asset value (NAV) from a fixed or stable NAV. The certainty of available balances each day is a key reason that investors use money market funds. If money market funds were unable to provide balance certainty, investors would have to fill that investment need from a shorter list of alternatives. Such a result, less competition for their investment dollars, would likely be damaging to the interests of money market investors. Furthermore, a move to a floating NAV would present significant issues with regard to investment accounting and administration. Finally, lower dollar flows to money market funds would likely decrease funding sources for municipal issuers. Many highly rated municipal governments issue short-term debt purchased largely by money market funds. A move to a floating NAV could possibly limit the funding choices of municipal issuers.

As noted above, the City supports regulatory ideas that lower risk in money market funds. However, the City opposes a move to a floating NAV because the change could have significant, unintended consequences that would likely have a negative impact on municipal governments across the country.

Sincerely,

Greg C. Gaskins  
Director of Finance