

“ . . . With all this being said, I have not been convinced that ‘floating the NAV’ is the proper avenue to go down in order to address the perception by some that money funds represent a systemic risk.

“For one, I am not convinced that replacing a stable NAV with a floating NAV solves the worry about runs in money market funds.

“Additionally, policymakers must take into account the impact a floating NAV would have on both corporate and governmental issuers of debt and on our broader economy. There is compelling evidence that such an action would lead to a loss of access to a significant source of short-term funding.

“A floating NAV would also impact investors of all shapes and sizes.

“And while I can understand some level of concern about money market funds, we can’t ignore concerns about banks, which is likely where much of the money now invested in money market funds would migrate to if a floating NAV is instituted . . .”

- **Congressman Scott Garrett (R-NJ-5th), Chairman of the Financial Services Subcommittee on Capital Markets and Government-Sponsored Enterprises, during opening remarks at a June 24th subcommittee hearing to explore the state of the mutual fund industry.**