

114TH CONGRESS
1ST SESSION

H. R. 4216

To protect the investment choices of American investors, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 10, 2015

Ms. MOORE (for herself and Mr. STIVERS) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To protect the investment choices of American investors,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Consumer Financial
5 Choice and Capital Markets Protection Act of 2015”.

6 **SEC. 2. TREATMENT OF MONEY MARKET FUNDS UNDER**
7 **THE INVESTMENT COMPANY ACT OF 1940.**

8 The Investment Company Act of 1940 (15 U.S.C.
9 80a et seq.) is amended by adding at the end the following:

1 **“SEC. 66. MONEY MARKET FUNDS.**

2 “(a) ELECTION TO BE TREATED AS MONEY MAR-
3 KET FUND.—Notwithstanding any other provision of this
4 title, any open-end investment company (or a separate se-
5 ries thereof) may elect, in its registration statement filed
6 under section 8, to be a money market fund and may com-
7 pute the current price per share, for purposes of distribu-
8 tion or redemption and repurchase, of any redeemable se-
9 curity issued by the company using the amortized cost
10 method of valuation, or the penny-rounding method of
11 pricing, regardless of whether its shareholders are limited
12 to natural persons, if—

13 “(1) the company or series has as its objective
14 the generation of income and preservation of capital
15 through investment in short-term, high-quality debt
16 securities;

17 “(2) the company or series elects to maintain a
18 stable net asset value per share or stable price per
19 share, by virtue of the amortized cost valuation
20 method, as that term is defined in section 270.2a–
21 7(a)(2) of title 17, Code of Federal Regulations, as
22 in effect on the date of enactment of this section,
23 and in accordance with the requirements specified
24 with respect to the use of the amortized cost valu-
25 ation method as set forth in that section, as in effect
26 on the date of enactment of this section, or the

1 penny-rounding pricing method, as that term is de-
2 fined in section 270.2a–7(a)(21) of title 17, Code of
3 Federal Regulations, as in effect on the date of en-
4 actment of this section, and in accordance with the
5 requirements specified with respect to the use of the
6 penny-rounding pricing method as set forth in that
7 section, as in effect on the date of enactment of this
8 section, the board of directors of the company has
9 determined, in good faith, that—

10 “(A) it is in the best interests of the com-
11 pany or series, and its shareholders, to do so;
12 and

13 “(B) the money market fund will continue
14 to use such method or methods only as long as
15 the board of directors believes that the resulting
16 share price fairly reflects the market-based net
17 asset value per share of the company or series;
18 and

19 “(3) the company or series agrees to comply
20 with such quality, maturity, diversification, and li-
21 quidity requirements, including reasonable proce-
22 dural and recordkeeping requirements and provisions
23 relating to liquidity fees and restrictions on redemp-
24 tions, as the Commission, by rule or regulation or
25 order, may prescribe or has prescribed as necessary

1 or appropriate in the public interest or for the pro-
2 tection of investors to the extent that such require-
3 ments and provisions are not inconsistent with this
4 section.

5 “(b) PROHIBITION AGAINST FEDERAL GOVERNMENT
6 BAILOUTS OF MONEY MARKET FUNDS.—

7 “(1) DEFINITIONS.—In this subsection—

8 “(A) the term ‘covered Federal assistance’
9 means Federal assistance used for the purpose
10 of—

11 “(i) making any loan to, or pur-
12 chasing any stock, equity interest, or debt
13 obligation of, any money market fund;

14 “(ii) guaranteeing any loan or debt
15 issuance of any money market fund; or

16 “(iii) entering into any assistance ar-
17 rangement (including tax breaks), loss
18 sharing, or profit sharing with any money
19 market fund; and

20 “(B) the term ‘Federal assistance’
21 means—

22 “(i) insurance or guarantees by the
23 Federal Deposit Insurance Corporation;

24 “(ii) transactions involving the Sec-
25 retary of the Treasury; or

1 “(iii) the use of any advances from
2 any Federal Reserve credit facility or dis-
3 count window that is not part of a pro-
4 gram or facility with broad-based eligibility
5 established in unusual or exigent cir-
6 cumstances.

7 “(2) PROHIBITION.—Notwithstanding any other
8 provision of law (including regulations), covered
9 Federal assistance may not be provided directly to
10 any money market fund.

11 “(c) DISCLOSURE OF THE PROHIBITION AGAINST
12 FEDERAL GOVERNMENT BAILOUTS OF MONEY MARKET
13 FUNDS.—No principal underwriter of a redeemable secu-
14 rity issued by a money market fund nor any dealer shall
15 offer or sell any such security to any person unless the
16 prospectus of the money market fund and any advertising
17 or sales literature for such fund prominently discloses the
18 prohibition against direct covered Federal assistance as
19 described in subsection (b). The Commission may, after
20 consultation with and taking into account the views of the
21 Board of Governors of the Federal Reserve System, the
22 Federal Deposit Insurance Corporation, and the Depart-
23 ment of the Treasury, adopt rules and regulations, and
24 issue orders consistent with the protection of investors,

1 prescribing the manner in which the disclosure under this
2 subsection shall be provided.

3 “(d) CONTINUING OBLIGATION TO MEET REQUIRE-
4 MENTS OF THIS TITLE.—A company that elects to be a
5 money market fund in accordance with subsection (a) or
6 is otherwise a money market fund operating in accordance
7 with the rules and regulations of the Commission applica-
8 ble to money market funds shall remain subject to the pro-
9 visions of this title and the rules and regulations of the
10 Commission thereunder that would otherwise apply to a
11 registered open-end company, as long as those provisions
12 do not conflict with the provisions of this section.”.

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