

116TH CONGRESS  
1ST SESSION

# H. R. 4492

To protect the investment choices of investors in the United States, and  
for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 25, 2019

Ms. MOORE (for herself, Mr. STIVERS, Mr. HASTINGS, Mr. GONZALEZ of Texas, Mr. MICHAEL F. DOYLE of Pennsylvania, Mr. ESTES, and Mr. MOONEY of West Virginia) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To protect the investment choices of investors in the United  
States, 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 2019”.

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

3 The Investment Company Act of 1940 (15 U.S.C.  
4 80a–1 et seq.) is amended by adding at the end the fol-  
5 lowing:

6 **“SEC. 66. MONEY MARKET FUNDS.**

7 “(a) DEFINITIONS.—In this section—

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

10 “(A) making any loan to, or purchasing  
11 any stock, equity interest, or debt obligation of,  
12 any money market fund;

13 “(B) guaranteeing any loan or debt  
14 issuance of any money market fund; or

15 “(C) entering into any assistance arrange-  
16 ment (including tax breaks), loss sharing, or  
17 profit sharing with any money market fund;  
18 and

19 “(2) the term ‘Federal assistance’ means—

20 “(A) insurance or guarantees by the Fed-  
21 eral Deposit Insurance Corporation;

22 “(B) transactions involving the Secretary  
23 of the Treasury; or

24 “(C) the use of any advances from any  
25 Federal Reserve credit facility or discount win-  
26 dow that is not part of a program or facility

1 with broad-based eligibility established in un-  
2 usual or exigent circumstances.

3 “(b) ELECTION TO BE A STABLE VALUE MONEY  
4 MARKET FUND.—

5 “(1) IN GENERAL.—Notwithstanding any other  
6 provision of this title, any open-end investment com-  
7 pany (or a separate series thereof) that is a money  
8 market fund that relies on section 270.2a–7 of title  
9 17, Code of Federal Regulations, may, in the pro-  
10 spectus included in its registration statement filed  
11 under section 8 state that the company or series has  
12 elected to compute the current price per share, for  
13 purposes of distribution or redemption and repur-  
14 chase, of any redeemable security issued by the com-  
15 pany or series by using the amortized cost method  
16 of valuation, or the penny-rounding method of pric-  
17 ing, regardless of whether its shareholders are lim-  
18 ited to natural persons, if—

19 “(A) the objective or principal investment  
20 strategy of the company or series is not incon-  
21 sistent with the generation of income and pres-  
22 ervation of capital through investment in short-  
23 term, high-quality debt securities;

24 “(B) the board of directors of the company  
25 or series elects, on behalf of the company or se-

1           ries, to maintain a stable net asset value per  
2           share or stable price per share, by using the  
3           amortized cost valuation method, as defined in  
4           section 270.2a–7(a) of title 17, Code of Federal  
5           Regulations (or successor regulation), or the  
6           penny-rounding pricing method, as defined in  
7           section 270.2a–7(a) of title 17, Code of Federal  
8           Regulations (or successor regulation), and the  
9           board of directors of the company has deter-  
10          mined, in good faith, that—

11                   “(i) it is in the best interests of the  
12                   company or series, and its shareholders, to  
13                   do so; and

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

20                   “(C) the company or series will comply  
21                   with such quality, maturity, diversification, li-  
22                   quidity, and other requirements, including re-  
23                   lated procedural and recordkeeping require-  
24                   ments, as the Commission, by rule or regulation  
25                   or order, may prescribe or has prescribed as

1           necessary or appropriate in the public interest  
2           or for the protection of investors to the extent  
3           that such requirements and provisions are not  
4           inconsistent with this section.

5           “(2) EXEMPTION FROM DEFAULT LIQUIDITY  
6           FEE REQUIREMENTS.—Notwithstanding section  
7           270.2a–7 of title 17, Code of Federal Regulations  
8           (or successor regulation), no company or series that  
9           makes the election under paragraph (1) shall be sub-  
10          ject to the default liquidity fee requirements of sec-  
11          tion 270.2a–7(c)(2)(ii) of title 17, Code of Federal  
12          Regulations (or successor regulation).

13          “(c) PROHIBITION AGAINST FEDERAL GOVERNMENT  
14          BAILOUTS OF MONEY MARKET FUNDS.—Notwith-  
15          standing any other provision of law (including regula-  
16          tions), covered Federal assistance may not be provided di-  
17          rectly to any money market fund.

18          “(d) DISCLOSURE OF THE PROHIBITION AGAINST  
19          FEDERAL GOVERNMENT BAILOUTS OF MONEY MARKET  
20          FUNDS.—

21                 “(1) IN GENERAL.—No principal underwriter of  
22                 a redeemable security issued by a money market  
23                 fund nor any dealer shall offer or sell any such secu-  
24                 rity to any person unless the prospectus of the  
25                 money market fund and any advertising or sales lit-

1 erature for such fund prominently discloses the pro-  
2 hibition against direct covered Federal assistance as  
3 described in subsection (c).

4 “(2) RULES, REGULATIONS, AND ORDERS.—  
5 The Commission may, after consultation with and  
6 taking into account the views of the Board of Gov-  
7 ernors of the Federal Reserve System, the Federal  
8 Deposit Insurance Corporation, and the Department  
9 of the Treasury, adopt rules and regulations and  
10 issue orders consistent with the protection of inves-  
11 tors, prescribing the manner in which the disclosure  
12 under this subsection shall be provided.

13 “(e) CONTINUING OBLIGATION TO MEET REQUIRE-  
14 MENTS OF THIS TITLE.—A company or series that makes  
15 an election under subsection (b)(1) shall remain subject  
16 to the provisions of this title and the rules and regulations  
17 of the Commission thereunder that would otherwise apply  
18 if those provisions do not conflict with the provisions of  
19 this section.”.

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