

ICI VIEWPOINTS

February 12, 2013

ICI Responds to Letter on Money Market Funds from Federal Reserve Bank Presidents

Today, ICI made the following statement in response to a [comment letter](#) on money market fund reforms filed with the Financial Stability Oversight Council (FSOC) by the presidents of the 12 regional Federal Reserve banks.

We welcome the Federal Reserve Bank presidents' recognition that different types of money market funds have distinct risk profiles and had different investor redemption experiences during the financial crisis. It is abundantly clear that there is no case for further, fundamental changes in Treasury, government, or tax-exempt money market funds. ICI firmly believes that any money market fund issues should be considered and directed by the Securities and Exchange Commission, which has direct authority over mutual funds, including money market funds.

For the reasons detailed in ICI's [comment letter to FSOC](#), we believe a temporary redemption gate and liquidity fee for prime money market funds is the only proposal under discussion that would stop redemptions during extreme market stress. FSOC's other proposals would not accomplish regulators' stated goals and would harm investors and the economy.

Please visit ICI's [resource center](#) for more information on money market funds.

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