

RECEIVED  
JUL 30 2013  
OFFICE OF THE SECRETARY

RALEIGH  
Mayor Nancy McFarlane  
Chair

HUNTERSVILLE  
Mayor Jill Swain  
Vice Chair

ROCKY MOUNT  
Mayor David Combs  
Treasurer

DURHAM  
Mayor William V. "Bill" Bell  
Past Chair

APEX  
Mayor Keith Weatherly

ASHEVILLE  
Mayor Terry Bellamy

BOONE  
Mayor Loretta Clawson

BURLINGTON  
Mayor Ronnie Well

CARRBORO  
Mayor Mark Chilton

CARY  
Mayor Harold Wohlbrecht

CHAPEL HILL  
Mayor Mark Kleinschmidt

CHARLOTTE  
Mayor Patsy Kinsey

CONCORD  
Mayor J. Scott Padgett

FAYETTEVILLE  
Mayor Anthony Chavonne

GASTONIA  
Mayor John Bridgeman

GOLDSBORO  
Mayor Al King

GREENSBORO  
Mayor Robble Perkins

GREENVILLE  
Mayor Allen Thomas

HICKORY  
Mayor Rudy Wright

HIGH POINT  
Mayor Bernita Sims

JACKSONVILLE  
Mayor Sammy Phillips

KANNAPOLIS  
Mayor Robert Misenheimer

MONROE  
Mayor Bobby Kilgore

MOORESVILLE  
Mayor Miles Adkins

SALISBURY  
Mayor Paul Woodson

WILSON  
Mayor Bruce Rose

WINSTON-SALEM  
Mayor Allen Jones

WILMINGTON  
Mayor Bill Saffo

EXECUTIVE DIRECTOR  
Julio White  
jwhite@metromayors.com

3605 Glenwood Ave.  
Sta. 500  
Raleigh, NC 27612  
919-787-8880  
www.ncmetromayors.com

July 24, 2013

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

Re: Request for Comment on Proposed Money Market Mutual Fund Rule (File Number S7-03-13)

Dear Ms. Murphy,

We are writing to express our concerns with the Securities and Exchange Commission's (SEC) proposal to require a floating net asset value (NAV) for institutional prime and institutional tax-exempt money market funds (MMFs). The North Carolina Metropolitan Mayors Coalition is a non-partisan, mayor-driven organization that focuses on issues of great interest to North Carolina's largest cities.

Our cities and our local businesses are both investors in MMFs, as well as issuers of the securities purchased by these funds. The stable NAV is a hallmark feature of the product. As mayors of the state's 28 largest cities representing more than three million citizens, we are concerned the SEC's proposal to move to a floating NAV could undermine the value and utility of MMFs, and make it more difficult and expensive for us to provide services and programs for our communities.

As investors, money market funds are an integral part of our cash management, because the funds are highly regulated, have minimal risk, and provide administrative efficiencies. Additionally, many of our municipalities have specific requirements to invest only in products with stable values. Therefore, forcing MMFs to move to a floating NAV could actually prohibit many of our cities from being able to invest in MMFs. Meanwhile, most MMF alternative products do not have the same transparency and regulatory protections as MMFs.

A floating NAV will also create additional tax and accounting burdens when purchasing or redeeming fund shares. This would lead to new operational and administrative costs to invest in money market mutual funds.

As issuers of short-term debt purchased by MMFs, we are concerned that a floating NAV would dampen investor demand for the funds, shrinking the amount of capital available to purchase municipal debt. This would increase financing costs for critical projects in our cities. MMFs are the largest investor in the short-term bonds issued by state and local governments. These are funds used to finance critical community projects such as building and improving schools, roads, bridges, airports, and water and sewage treatment plants. As of the 4th quarter of 2012, money market mutual funds owned 76 percent of all outstanding short-term municipal debt.

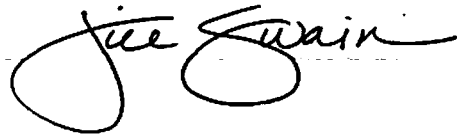
As the SEC moves forward with its money market fund rule proposal, we urge you to preserve the utility of money market funds for our cities, local businesses and individual investors.

Removing the stable NAV feature of MMFs will impose significant costs on our cities and limit our short-term investment options. These higher costs will make it much more difficult for our cities to provide the services and programs necessary to generate economic growth, foster innovation and create jobs. We respectfully urge you to refrain from making this structural change to MMFs.

Sincerely,

Handwritten signature of Nancy McFarlane in black ink.

Raleigh Mayor Nancy McFarlane  
Chair, N.C. Metropolitan Mayors Coalition

Handwritten signature of Jill Swain in black ink.

Huntersville Mayor Jill Swain  
Vice-Chair, N.C. Metropolitan Mayors Coalition