

## ICI VIEWPOINTS

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## Fact Checking the Media on Money Market Funds

By Mike McNamee

The media has heavily covered the [unanimous vote](#) by the Securities and Exchange Commission (SEC) to proceed with another round of regulatory changes for money market funds. In digesting this coverage, readers and journalists alike should make sure they have solid facts about money market funds. They also should be on guard for errors and omissions that tend to recur in stories and commentary on this issue.

A recent [Q&A item](#) from the Associated Press illustrates one such omission. The Q&A states:

[Money market] funds have been the subject of high drama since the 2008 financial crisis. At issue have been years-long efforts by the Securities and Exchange Commission, Wall Street's cop, to reform the rules under which these funds operate in order to avoid investor panics of the sort that occurred a few years ago. Those efforts have been dogged by opposition from the mutual fund industry.

Unfortunately, the story fails to mention that in January 2010 the SEC completed a [comprehensive postcrisis overhaul](#) of the rules governing money market funds, imposing tough new requirements around credit quality, maturity, disclosure, and liquidity. Far from putting up "dogged" opposition, the industry embraced these measures and worked cooperatively with regulators to accomplish them.

And the results of this regulation? As [ICI research has documented](#), the 2010 reforms have been proven effective in helping money market funds weather market turmoil (such as the 2011 European sovereign debt crisis).

### Get the Facts About Money Market Funds

ICI has prepared a range of materials that provide the facts on money market funds. Click through the links to learn more on these key points.

1. [Money market funds are not "susceptible to runs."](#)
2. [Money market funds did not cause the 2008 financial crisis.](#)
3. [The U.S. federal government did not guarantee "\\$3 trillion" in money market fund assets during the financial crisis.](#)
4. [Investors receive ample disclosure of money market fund risks, and money market fund investors tend to be knowledgeable about those risks.](#)
5. [The SEC's 2010 reforms for money market funds created substantial new investor protections.](#)
6. [The SEC's 2010 money market fund reforms are a proven success.](#)

You can find information on these topics and more at ICI's [Money Market Fund Resource Center](#).

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