Americans for Financial Reform
1629 K St NW, 10th Floor, Washington, DC, 20006
202.466.1885

Financial Stability Oversight Council
Attn: Amias Gerety
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

RE: Proposed Regulations Regarding Money Market Mutual Fund Reform; Docket Number FSOC-2012-0003

To Whom It May Concern:

Americans for Financial Reform ("AFR") appreciates this opportunity to comment on the above-referenced Proposed Regulations Regarding Money Market Mutual Fund Reform (the "Proposed Regulations") by the Financial Stability Oversight Committee ("FSOC"). AFR is a coalition of more than 250 national, state, and local groups who have come together to advocate for reform of the financial industry. Members of AFR include consumer, civil rights, investor, retiree, community, labor, faith based, and business groups along with prominent independent experts.

Money market mutual funds (MMFs) provide a valued service to investors. However, AFR agrees with the FSOCs assessment that money market funds also pose a significant systemic risk which is not fully addressed through current oversight rules. Additional regulation of money market funds is thus required. The comment below provides additional discussion of the systemic risks associated with money market funds and assesses the various FSOC proposals for additional regulation. We also discuss the need for additional supporting improvements in regulation of banks and the broader financial system.

Key points that we would like to emphasize include the following.

1) A floating Net Asset Value (NAV) has advantages, including simplicity and transparency. However, it is unlikely that a floating NAV alone will address the systemic issues created by money market funds or prevent investor runs. A capital buffer of some sort is thus necessary. We view a 3 percent capital buffer as the most straightforward of the options presented.

2) The systemic risks associated with money market funds could also be created by other, less regulated types of funds such as liquidity funds. Some migration to these funds may occur due to increased regulation of money market funds. It is thus important to increase

oversight of liquidity funds more generally through improvements in Form PF disclosures when reforms in money market funds are adopted.

3) The focus on prime funds in the proposal is useful and appropriate. In particular, we support the exemption of Treasury-only funds from new regulatory requirements. This exemption should help to preserve the valuable services offered by money market funds and prevent migration to riskier types of vehicles without exposing investors and the larger financial system to credit risk.

4) While we support a capital buffer for MMFs, we do not believe a buffer of the size recommended here will fully address the potential for systemic risk without additional improvements in the regulation of banks and the broader financial system.

Money Market Funds And Systemic Risk

Money market funds promise a service to investors that they value – an account which provides liquidity on demand and security of principal, while at the same time offering returns in excess of bank depository accounts. The promise of liquidity and security is aided by the special accounting and tax treatment provided to MMFs, which allow them to present a fixed net asset value (NAV) to investors.

However, these services are not provided within the prudentially regulated banking sector and are not guaranteed by the Federal government. Money market funds are thus vulnerable to investor runs. In addition, because they are not subject to the costs of prudential regulation such as capital requirements or deposit insurance fees, money market funds compete for funds with depository banks that are subject to prudential supervision.

The discussion of the systemic risks created by money market funds has focused on run risk, and especially the events around the failure of Lehman Brothers during the 2008 crisis. This caused the failure of a significant money market fund (the Reserve Primary Fund) and led to large scale redemptions from the sector. Dozens of funds required sponsor intervention and the Federal Government provided a wide-ranging guarantee of investments in money market funds.

Although this is the only case of the failure of a major money market fund requiring government intervention, it is far from the only case of significant run risk in the sector. A Moody's study identified almost 150 cases of sponsor intervention to rescue money market funds from 'breaking the buck' that occurred prior to the 2008 crisis.[1] Furthermore, there were large scale redemptions by institutional investors in money market funds during the European debt crisis in 2011.

Investor runs are the most visible danger of money market funds, as they are the issue that has required direct government intervention. But they are not the only way in which money market

[1] Moody's Investors Service Special Comment, "Sponsor Support Key to Money Market Funds", Aug. 9, 2010.

funds contribute to systemic risk. MMFs are a key link in the shadow banking system.[2] By moving what is effectively deposit funding off bank balance sheets, and then using these funds as a source of short term funding for longer-term assets in the banking system, they extend intermediation chains that perform maturity transformation in the market. Professor David Scharfstein has estimated that 97 percent of the non-governmental assets of prime MMFs consist of financial sector commercial paper, and prime MMFs provide a quarter of short-term wholesale funding for large financial institutions.[3] Money market funds were key customers funding the off balance sheet securitization vehicles that were so central to the financial crisis. This shadow banking activity extends the boundaries of banking beyond the regulated system, and as money market funds do not hold capital, also leads maturity transformation activity to be more leveraged than it otherwise would be. Extending intermediation chains makes it more difficult for regulators to perform oversight and understand the overall leverage ratio of the financial system.

The interaction between run risk and shadow banking activities results in a situation where short-term bank funding is rendered more unstable. If MMFs engage in yield seeking behavior during normal times – and the evidence shows that institutional MMF investors in particular are highly sensitive to yield – then MMF investments will flow to the riskiest forms of maturity transformation in the financial system.[4] When the system comes under stress, the same type of yield seeking will lead to rapid exit from funds and make it difficult for banks to turn over short term funding.

It is important to realize that the existing restrictions on the maturity or even the asset quality of money market fund assets do not fully address these systemic risks. The maturity and even the perceived quality of the asset can easily be manipulated by financial institutions that sell short term debt to MMFs -- while the debt may be short term, the bank asset being funded by the debt may be long term and/or subject to liquidation risk. If the paper is backed by a put provided by the bank, then this transfers the risk created by the maturity transformation from the MMF to the bank, and depending on the terms of the put may require adequate capitalization by the bank. In fact, a reduction in the required maturity of MMF assets may even increase the amount of undercapitalized maturity transformation in the system by encouraging banks to increase their reliance on extremely short term funding. As regards investment quality, financial institutions demonstrated prior to the 2008 crisis that it is fairly straightforward to make short term debt appear to be safer than it is, as such debt accumulates a long track record of turning over safely in between periodic episodes of financial stress.

---

[2] Poszar, Zoltan, Tobias Adrian, Adam Ashcraft, and Hayley Boesky, "Shadow Banking", Federal Reserve Bank of New York Staff Report Number 458, July 2010.
[3] Testimony of Professor David S. Scharfstein, Hearing: Perspectives On Money Market Mutual Fund Reforms, Banking Committee, United States Senate, June 21, 2012.
[4] On yield seeking behavior by prime institutional investors, see Marcin Kacperczyk and Philipp Schnabl, "How Safe Are Money Market Funds?" Working Paper, Stern School of Business, New York University, April 2012.

The 2010 reforms simply acted to strengthen previous restrictions on the assets that could be held by MMFs, and even increased their reliance on shorter maturity debt. They thus did not fully address the basic problem of systemic risk. In evaluating the 2010 changes, the economists Tobias Adrian and Adam Ashcraft have stated:[5]

> "The MMMF rules as amended in 2010 also increase the funds' incentives to lend for short tenors and decrease their incentives to look through to the collateral. The SEC rules incent MMMFs to act as unsecured rather than secured investors—which is a problem from a financial stability point of view…. these reforms continue to leave MMMFs as a source of systemic risk."

MMFs may present even greater systemic risk today than they did in prior years. The Dodd-Frank Act has significantly restricted the ability of the Federal government to offer an ad hoc guarantee to funds. Furthermore, while the controls on credit quality presented by previous ratings restrictions on money market funds were highly inadequate due to problems with the ratings agencies, these controls have now been replaced by vaguer system of determining credit worthiness that appears if anything even more vulnerable to manipulation.[6]

Similar Systemic Risks Can Be Presented By Other Types of Short-Term Mutual Funds

The systemic risks of money market funds are amplified by the ability to use a fixed net asset value, which makes it easier to present the funds to investors as in essence liquid deposits. But it is certainly possible for other types of pooled investment vehicles to provide a similar service to MMFs without the benefit of valuing all assets using a fixed net asset value. Assurances of liquidity can be presented by the fund sponsors and can be backed by voluntarily limiting the funds to short term and liquid debt.

Most relevant here are so-called 'liquidity funds'. In the SEC's final rule on Form PF reporting, it defined a liquidity fund as "any private fund that seeks to generate income by investing in a portfolio of short term obligations in order to maintain a stable net asset value per unit or minimize principal volatility for investors." As private funds, liquidity funds are not subject to regulations and disclosure requirements that apply to Registered Investment Companies (RICs). If the manager surpasses the threshold the SEC adopted in its rules implementing Title IV of Dodd-Frank, the advisors are required to register under the Advisors Act and provide periodic confidential reports to the SEC (Form PF). Large liquidity fund managers, as defined by the SEC in its rules implementing Title IV are required to file more comprehensive disclosures on Form PF more frequently than smaller managers. However, the disclosure requirements under form PF fall well short of what would be necessary to provide accurate and timely information on fund flows to regulators and the public. Form PF should require all liquidity fund advisers to provide

---

[5] Adrian, Tobias and Ashcraft, Adam B., Shadow Banking: A Review of the Literature (October 1, 2012). FRB of New York Staff Report No. 580.

[6] See Americans for Financial Reform, Comment on RIN 3235-AL02: Proposed Amendments To Remove References to Credit Ratings in Rule 2a-7, April 25, 2011.

more frequent and comprehensive disclosures to the SEC and the public regarding their investments, certify to the accuracy of these disclosures, and comply with a consistent valuation methodology (US GAAP) in valuing their holdings

A danger of increasing the regulation of MMFs is that they could drive at least some funding to these kinds of liquidity funds, which are far less regulated than MMFs. This is not a reason to forego addressing the real systemic risks presented by MMFs. However, it does mean that increases in the regulation of MMFs should be accompanied by increased reporting requirements and oversight of other types of funds that offer similar services. This will assist both the FSOC and the SEC in determining whether systemic risks similar to those created by MMFs are emerging in other areas of the financial sector.

It is thus imperative to improve Form PF and to require managers of liquidity funds to file appropriate public disclosures, and to do so by the time that any new money market fund regulations are put in place.

Review of Major FSOC Recommendations

The FSOC advances three major options for increasing the regulation of MMFs. The first proposal is simply to eliminate special accounting and reporting treatment for the net asset values of money market funds (i.e. end the fixed NAV). The second option is to require a 'minimum balance at risk', a type of redemption limitation in which part of each investor withdrawal would be given a temporary first loss position, supplemented with a small capital buffer of 1 percent. The final option requires an effective capital buffer of 3 percent to protect money market funds from 'breaking the buck' (returning less than $1 to their investors per dollar invested).

AFR believes the most desirable option is to require a 3 percent capital buffer, supplemented with some of the changes in bank regulation discussed in the next section. AFR supports the exemption of Treasury funds and Treasury issued assets from this buffer. The exemption of Treasury-only funds will help to preserve the benefits of MMF services while focusing regulatory reform on institutional investors in prime funds, who appear to create the most systemic risk. However, outside of the Treasury exemption the capital buffer should come as close as possible to a pure leverage ratio (i.e. should not be differentiated by asset type).

The first option, ending the fixed NAV, will not provide an adequate protection against investor runs, and will even reduce current protections created by sponsor support. It is true that a fixed NAV does create some small additional incentive to withdraw funds before 'breaking the buck', when investors can still take advantage of the slight additional valuation of their shares created by rounding to the buck. However, the overwhelming incentive for investor withdrawals when a fund is under pressure is not the relatively small arbitrage opportunity created by the fixed NAV, but the fact that those investors withdrawing their funds early can take advantage of higher-

quality and more liquid assets, which are the assets that will be sold off first.[7] A floating NAV will not affect this incentive at all.

Furthermore, the additional information created by a floating NAV is unlikely to be particularly useful to investor risk monitoring. As many industry commenters have pointed out, the NAV will vary only a very small amount in normal economic times. So a floating NAV may even reinforce the belief that MMFs are effectively similar to cash. The run problem is most significant during systemic events when there are relatively sudden and dramatic swings in valuation.

The floating NAV proposal advanced by the FSOC would also ban sponsor support of MMFs. This is necessary to preserve the informational content of a floating NAV, as without the ban sponsors can use small amounts of support to effectively maintain a stable NAV. However, this ban will also cut off one of the most powerful protections against investor runs. As noted in the systemic risk section above, sponsor support has been used hundreds of times to stabilize MMF value in the face of investor withdrawals. Cutting off the possibility of a sponsor guarantee or support will make MMFs more risky and less resistant to runs, a highly undesirable outcome.

The 'minimum balance at risk' option relies on temporarily holding back a portion of withdrawals by larger investors and placing it in a first loss position. In this way, the equivalent of a capital buffer is created using the funds of early withdrawing investors. In theory, a minimum balance at risk is an elegant way to fund a capital buffer and at the same time reverse the ordinary incentives to withdraw funds quickly when the fund is under stress. In the FSOC's proposal, holdbacks are limited to larger institutional investors as these present the greatest run risk; retail investors are exempted. The minimum balance at risk is certainly a superior option to a floating NAV alone in addressing run incentives and systemic risks.

However, the minimum balance at risk relies on the assumption that MMF investors will fully understand the complex incentives embedded in the minimum balance at risk. This is questionable. Furthermore, the actual incentives created are heavily dependent on the amount of time that withdrawn funds are held back in a first loss position. The holdback period in this proposal is 30 days. But if decline in mutual fund asset value is expected to occur over a longer period, investors may still have incentives to withdraw early in order to successfully wait out the holdback period. This situation could have applied to the early phases of the 2008 crisis, which first affected assets related to subprime mortgages over an extended period before the sharp shock of the Lehman failure. When combined with a potential investor lack of understanding of the possibility of losses during the holdback period, this makes the full impact of the minimum balance at risk difficult to predict. Investor losses at a single fund taken due to holdbacks early in a crisis could lead to incentives for investors to exit other funds, and possibly a run on the sector.

---

[7] For recent empirical research supporting this contention, see Gordon, Jeffrey N., Money Market Funds Run Risk: Will Floating Net Asset Value Fix the Problem? (July 16, 2012). 7th Annual Conference on Empirical Legal Studies Paper.

Finally, it is also important to note that by requiring holdback a minimum balance at risk reduces the value to the public of the services offered by MMFs.

In contrast to the first two alternatives, a 3 percent capital buffer is more straightforward and will provide a large cushion relative to the type of historical fluctuations seen in MMF valuation. For example, it was a 3 percent loss that triggered the run on the Reserve Primary Fund after the Lehman bankruptcy.[8] Such a straightforward capital requirement comes closest to replicating the prudential regulation applied to banks and evening the playing field between deposit-type liabilities held in banks and those held in MMFs. Unlike a floating NAV, it will provide effective systemic protection, and unlike the minimum balance at risk, it will not change investor incentives in unpredictable ways. We therefore believe the capital buffer is the superior option.

We also support the exemption of Treasury assets from the buffer, as these do not present counterparty credit risk and the exemption of Treasury-only funds will ensure that basic liquidity services provided by MMFs remain widely available. However, rules regarding the nature and turnover of Treasury assets should be put in place to ensure that Treasury-only funds are not subject to significant changes in valuation due to shifts in interest rates.

Outside of the exemption for Treasury assets, AFR believe that the capital buffer should come as close as possible to a pure leverage ratio. The FSOC proposal sets differential levels of the capital buffer for 'daily liquid assets' (a 2.25 percent buffer) and all other assets. However, the issuer of commercial paper or other short-term assets may be able to manipulate the classification of assets by the use of puts or other options. The SEC will not have the capacity to inspect assets closely to determine whether asset classification presents risks. Furthermore, the reduction in capital charges for extremely short term assets could help to encourage bank reliance on short term funding, which is a negative outcome.

At the same time, it should be understood that a 3 percent capital buffer alone will not eliminate the potential for runs in the MMF sector. The Reserve Primary Fund would certainly have suffered losses greater than 3 percent in 2008 had redemptions not been halted, and other MMFs would have as well in the absence of government support for the fund sector and the commercial paper market. As discussed in the final section below, a capital buffer for MMFs must thus be seen as a supplement, not a replacement, for other necessary changes in banking regulation and financial sector oversight.

Other Options Discussed in FSOC Report

The FSOC report also raises two other possibilities for reform. The first is increased transparency and disclosures, and the second is redemption limitations and fees along the lines proposed by Blackrock in their 'gating' proposal. We do not believe either of these options will

[8] See Petruno, Tom, "Money Market Fund Falters", Los Angeles Times, September 17, 2008.

address the systemic risks created by money market funds as effectively or as straightforwardly as a capital buffer.

MMFs already have substantial transparency and significant disclosures are already required. (Indeed, abnormally high returns are already an excellent indicator to investors of fund risk, but do not discourage investment). The prime institutional investors who present the most systemic risk are the most likely to already take advantage of this information. It seems highly doubtful that increased transparency alone will discourage 'yield chasing' behavior and create greater stability for MMFs.

Redemption limitations create some of the same problems with unpredictable incentives that come into play for a minimum balance at risk, except that they are not as effective in creating a capital buffer. Redemption limitations at a single fund may trigger a run on the broader MMF sector by leading investors at other funds to exit before redemption limitations are imposed elsewhere. Furthermore, there are issues in how a redemption limit is triggered. Any sharp valuation trigger for the redemption limitation will create incentives for investors to exit the fund before the valuation trigger is reached. Redemption triggers based on liquidity levels will increase MMF demand for extremely short-term assets, which will encourage issuance of short term paper by banks. Again, this is an undesirable systemic outcome.

The Need For Broader Improvements In Financial Sector Oversight

The systemic issues created by MMFs are to a significant degree the result of broader shortcomings in the regulation of banks and the financial sector. Absent stronger regulation of credit intermediation and maturity transformation more broadly, a 3 percent capital buffer for MMFs alone will not address the potential for systemic runs and pressures for ad hoc bailouts.

Since MMFs are mostly invested in short maturity financial sector paper and can frequently take advantage of bank puts, the channel by which they affect the wider economy is through the banking or financial sector. Changes in broader financial sector regulation are thus important in reducing the systemic risk posed by MMFs and also in making that sector more durable to losses.

These changes include:

- **Less financial sector reliance on extremely short term funding of long term assets.** The risks of MMFs are deeply connected to excessive and undercapitalized maturity transformation in the system more broadly. This issue should be addressed by clear limits on maturity transformation by banks and systemically critical non-banks, e.g. hard caps on the proportion of long term assets that can be funded by very short term paper.

- **Increases in bank equity capital.** The systemic risk created by large-scale exit from MMFs occur through losses in the long term assets that banks fund through the short term

paper sold to MMFs. Increases in the loss absorption capacity of banks will thus reduce the economic spillover effects created by runs on MMFs.

- **Wherever possible, MMFs and related funding guarantees should be placed on sponsor balance sheets.** Connections between the financial sector and the 'shadow banking' sector should be made as transparent as possible to both regulators and the public. This is a natural complement to sponsor provision of a capital buffer, and would also be relevant to non-sponsors who provide liquidity support to MMF assets. Prior to the 2008 crisis regulators and the market clearly did not understand the systemic risk being created by overleveraged maturity transformation, and this was to a significant degree because the key relationships were not visible on balance sheets.

As discussed above, oversight of non-MMF funds who provide similar liquidity and maturity transformation services should also be increased, and the FSOC should examine the systemic implications of these funds as well.

Thank you for the opportunity to comment on this proposal. Should you have any questions, please contact Marcus Stanley, AFR's Policy Director, at marcus@ourfinancialsecurity.org or (202) 466-3672.

Following are the partners of Americans for Financial Reform.

All the organizations support the overall principles of AFR and are working for an accountable, fair and secure financial system. Not all of these organizations work on all of the issues covered by the coalition or have signed on to every statement.

- A New Way Forward
- AFL-CIO
- AFSCME
- Alliance For Justice
- American Income Life Insurance
- American Sustainable Business Council
- Americans for Democratic Action, Inc
- Americans United for Change
- Campaign for America's Future
- Campaign Money
- Center for Digital Democracy
- Center for Economic and Policy Research
- Center for Economic Progress
- Center for Media and Democracy
- Center for Responsible Lending
- Center for Justice and Democracy
- Center of Concern
- Change to Win
- Clean Yield Asset Management
- Coastal Enterprises Inc.
- Color of Change
- Common Cause
- Communications Workers of America
- Community Development Transportation Lending Services
- Consumer Action
- Consumer Association Council
- Consumers for Auto Safety and Reliability
- Consumer Federation of America
- Consumer Watchdog
- Consumers Union
- Corporation for Enterprise Development
- CREDO Mobile
- CTW Investment Group
- Demos
- Economic Policy Institute
- Essential Action
- Greenlining Institute
- Good Business International
- HNMA Funding Company
- Home Actions
- Housing Counseling Services

- Home Defender’s League
- Information Press
- Institute for Global Communications
- Institute for Policy Studies: Global Economy Project
- International Brotherhood of Teamsters
- Institute of Women’s Policy Research
- Krull & Company
- Laborers’ International Union of North America
- Lake Research Partners
- Lawyers' Committee for Civil Rights Under Law
- Move On
- NAACP
- NASCAT
- National Association of Consumer Advocates
- National Association of Neighborhoods
- National Community Reinvestment Coalition
- National Consumer Law Center (on behalf of its low-income clients)
- National Consumers League
- National Council of La Raza
- National Council of Women’s Organizations
- National Fair Housing Alliance
- National Federation of Community Development Credit Unions
- National Housing Resource Center
- National Housing Trust
- National Housing Trust Community Development Fund
- National NeighborWorks Association
- National Nurses United
- National People’s Action
- National Urban League
- Next Step
- OMB Watch
- OpenTheGovernment.org
- Opportunity Finance Network
- Partners for the Common Good
- PICO National Network
- Progress Now Action
- Progressive States Network
- Poverty and Race Research Action Council
- Public Citizen
- Sargent Shriver Center on Poverty Law
- SEIU
- State Voices
- Taxpayer’s for Common Sense
- The Association for Housing and Neighborhood Development
- The Fuel Savers Club
- The Leadership Conference on Civil and Human Rights
- The Seminal
- TICAS

- U.S. Public Interest Research Group
- UNITE HERE
- United Food and Commercial Workers
- United States Student Association
- USAction
- Veris Wealth Partners
- Western States Center
- We the People Now
- Woodstock Institute
- World Privacy Forum
- UNET
- Union Plus
- Unitarian Universalist for a Just Economic Community

List of State and Local Affiliates

- Alaska PIRG
- Arizona PIRG
- Arizona Advocacy Network
- Arizonans For Responsible Lending
- Association for Neighborhood and Housing Development NY
- Audubon Partnership for Economic Development LDC, New York NY
- BAC Funding Consortium Inc., Miami FL
- Beech Capital Venture Corporation, Philadelphia PA
- California PIRG
- California Reinvestment Coalition
- Century Housing Corporation, Culver City CA
- CHANGER NY
- Chautauqua Home Rehabilitation and Improvement Corporation (NY)
- Chicago Community Loan Fund, Chicago IL
- Chicago Community Ventures, Chicago IL
- Chicago Consumer Coalition
- Citizen Potawatomi CDC, Shawnee OK
- Colorado PIRG
- Coalition on Homeless Housing in Ohio
- Community Capital Fund, Bridgeport CT
- Community Capital of Maryland, Baltimore MD
- Community Development Financial Institution of the Tohono O'odham Nation, Sells AZ
- Community Redevelopment Loan and Investment Fund, Atlanta GA
- Community Reinvestment Association of North Carolina
- Community Resource Group, Fayetteville A
- Connecticut PIRG
- Consumer Assistance Council
- Cooper Square Committee (NYC)
- Cooperative Fund of New England, Wilmington NC
- Corporacion de Desarrollo Economico de Ceiba, Ceiba PR
- Delta Foundation, Inc., Greenville MS
- Economic Opportunity Fund (EOF), Philadelphia PA

- Empire Justice Center NY
- Empowering and Strengthening Ohio's People (ESOP), Cleveland OH
- Enterprises, Inc., Berea KY
- Fair Housing Contact Service OH
- Federation of Appalachian Housing
- Fitness and Praise Youth Development, Inc., Baton Rouge LA
- Florida Consumer Action Network
- Florida PIRG
- Funding Partners for Housing Solutions, Ft. Collins CO
- Georgia PIRG
- Grow Iowa Foundation, Greenfield IA
- Homewise, Inc., Santa Fe NM
- Idaho Nevada CDFI, Pocatello ID
- Idaho Chapter, National Association of Social Workers
- Illinois PIRG
- Impact Capital, Seattle WA
- Indiana PIRG
- Iowa PIRG
- Iowa Citizens for Community Improvement
- JobStart Chautauqua, Inc., Mayville NY
- La Casa Federal Credit Union, Newark NJ
- Low Income Investment Fund, San Francisco CA
- Long Island Housing Services NY
- MaineStream Finance, Bangor ME
- Maryland PIRG
- Massachusetts Consumers' Coalition
- MASSPIRG
- Massachusetts Fair Housing Center
- Michigan PIRG
- Midland Community Development Corporation, Midland TX
- Midwest Minnesota Community Development Corporation, Detroit Lakes MN
- Mile High Community Loan Fund, Denver CO
- Missouri PIRG
- Mortgage Recovery Service Center of L.A.
- Montana Community Development Corporation, Missoula MT
- Montana PIRG
- Neighborhood Economic Development Advocacy Project
- New Hampshire PIRG
- New Jersey Community Capital, Trenton NJ
- New Jersey Citizen Action
- New Jersey PIRG
- New Mexico PIRG
- New York PIRG
- New York City Aids Housing Network
- New Yorkers for Responsible Lending
- NOAH Community Development Fund, Inc., Boston MA
- Nonprofit Finance Fund, New York NY
- Nonprofits Assistance Fund, Minneapolis M

- North Carolina PIRG
- Northside Community Development Fund, Pittsburgh PA
- Ohio Capital Corporation for Housing, Columbus OH
- Ohio PIRG
- OligarchyUSA
- Oregon State PIRG
- Our Oregon
- PennPIRG
- Piedmont Housing Alliance, Charlottesville VA
- Michigan PIRG
- Rocky Mountain Peace and Justice Center, CO
- Rhode Island PIRG
- Rural Community Assistance Corporation, West Sacramento CA
- Rural Organizing Project OR
- San Francisco Municipal Transportation Authority
- Seattle Economic Development Fund
- Community Capital Development
- TexPIRG
- The Fair Housing Council of Central New York
- The Loan Fund, Albuquerque NM
- Third Reconstruction Institute NC
- Vermont PIRG
- Village Capital Corporation, Cleveland OH
- Virginia Citizens Consumer Council
- Virginia Poverty Law Center
- War on Poverty - Florida
- WashPIRG
- Westchester Residential Opportunities Inc.
- Wigamig Owners Loan Fund, Inc., Lac du Flambeau WI
- WISPIRG

Small Businesses

- Blu
- Bowden-Gill Environmental
- Community MedPAC
- Diversified Environmental Planning
- Hayden & Craig, PLLC
- Mid City Animal Hospital, Pheonix AZ
- The Holographic Repatterning Institute at Austin
- UNET