

Congress of the United States
Washington, DC 20515

July 29, 2015

The Honorable Thomas E. Perez
Secretary
United States Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Dear Secretary Perez,

We write to you regarding the Department of Labor's (DOL) April 14, 2015 proposed rule (RIN 1210-AB32) that would greatly expand the regulatory definition of a "fiduciary" under the Employee Retirement Income Security Act (ERISA). As the Department is well aware, this proposal consists of extensive changes to an already complex and highly regulated framework regarding the investment advice market for retirement savings. Such a rule will significantly change how millions of Americans seek help to make their investment decisions and the relationships that they have with their financial advisor. For these reasons, we believe that the DOL should adequately review and consider all relevant comments received in order to ensure that unintended disruptive changes do not impact the delivery of financial advice to investors in the retirement savings market by issuing a re-proposal of this rule.

The Department of Labor previously issued a "fiduciary" proposal in 2010, which drew significant investor as well as bipartisan Congressional concern. By the Department's own admission, this rule is significantly different than the 2010 version. In addition, throughout the new proposed rule the DOL asks numerous Questions and issues Requests for Comments on significant provisions of the regulation. As of July 21, 2015, the public comment period has closed and the Department of Labor, as well as Congressional offices, have received extensive and significant feedback and comment on the rule, showing a strong interest in this rule by a wide range of stakeholders and the impact it could have on the retirement savings advice market.

Given the concerns from stakeholders and a bipartisan group in Congress on this issue, there is a strong possibility that a final rule may widely differ in its substance from the initial proposal or contain provisions that were not part of the proposed regulation. As a result, we feel it is in the interest of our constituents that the DOL re-propose this fiduciary regulation to ensure adequate stakeholder involvement in the notice and comment period during a new formal rulemaking process.


We agree that financial advisors should act in the best interest of their clients. Heightened consumer protections in the investment space should apply broadly and should not create two classes of investors, especially at the expense of those saving for retirement. The current proposal would bi-furcate the industry into those who can afford an advisor and those who cannot. The result will be less choice for consumers and a lack of access for retail investors to sound financial advice.


Additionally, the rule should not impose further burdens on middle class Americans and unnecessarily disrupt existing relationships that they have developed with their financial advisors. It is important that Americans saving for retirement have access to quality information and advice, and Federal regulation should not hinder those striving to save for retirement.

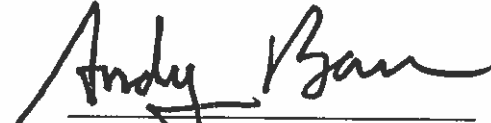
Recent events in the United Kingdom, where low dollar investors have lost access to advice from financial advisors, present a case study of what can happen if this rule is not implemented correctly. We are concerned that the rule in its current form could have a disparate impact on access, choice, and costs for millions of low- and middle-income Americans saving for their retirement. It is critical that the Department continue to work together with appropriate agencies and stakeholders on a balanced approach to both protect investors and maintain affordable access to retirement savings products.

We ask you to re-propose this rule to ensure that it achieves its stated goal of protecting Americans saving for retirement.


Sincerely,



Ann Wagner
Member of Congress



David Scott
Member of Congress

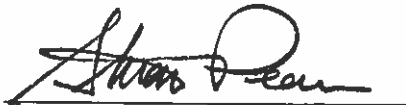

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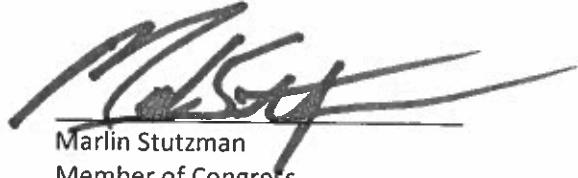

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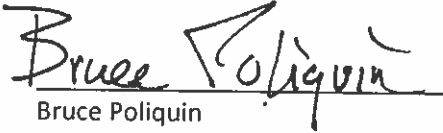

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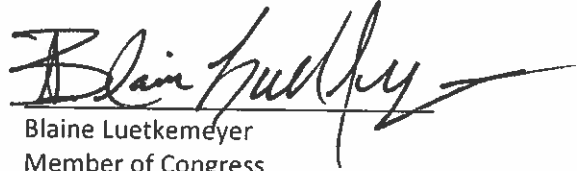
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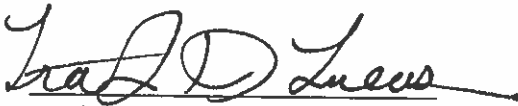
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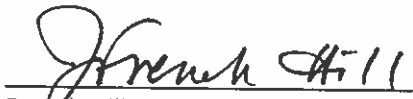
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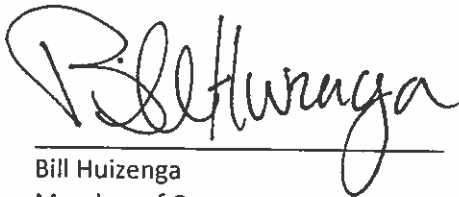
Mia Love
Member of Congress



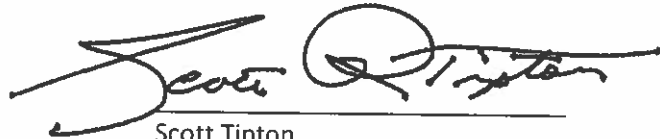
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Member of Congress



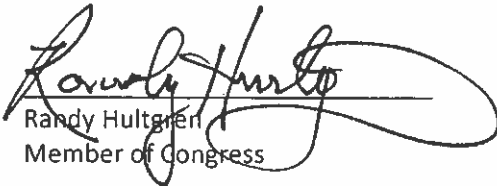
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