



215 Pennsylvania Avenue, SE • Washington, D.C. 20003 • 202/546-4996 • www.citizen.org

Dear Representative,

On behalf of 300,000 members and supporters of Public Citizen, we urge you to **vote NO on HR 992**.

The “Swaps Regulatory Improvement Act” (H.R.992) is scheduled for a vote on the floor the House of Representatives Tuesday, October 1.

This bill would repeal most of Section 716 of the Dodd-Frank Act. Section 716 prohibits institutions that engage in certain risky derivatives from receiving federal assistance (i.e, access to the Fed discount window and deposit insurance and guarantees under the FDIC) unless said banks “push out” these activities into non-bank affiliates.

If it were enacted, H.R.992 would allow banks to engage in risk-taking in derivatives, including in commodities such as energy or food. The JP Morgan “London Whale” incident involved a failed derivatives gambit with \$300 billion of FDIC-guaranteed deposits. The bank lost \$6 billion, and its market capitalization declined 25 percent.

These swaps aren’t essential for Main Street business. More than 90 percent of swaps transactions are between financial institutions. Moreover, American industry flourished well before swaps soared from some \$70 trillion to \$700 trillion in the last decade.

We urge you to VOTE NO on HR 992.

For further information, contact Bartlett Naylor at bnaylor@citizen.org, 202.580.5626

Sincerely,

Lisa Gilbert, Director, Congress Watch

Bartlett Naylor, Financial Policy Advocate, Congress Watch

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