



Americans for Financial Reform writes to express our support for the following bills:

- ¶ H.R. 3332 with the amendment no. 2 offered by Representative Axne;
- ¶ H.R. 4618, with the amendment no. 4 offered by Chair Waters;
- ¶ H.R. 4619 with the amendment no. 9 offered by Representative Green; and
- ¶ H.R. 4620 with the amendment offered no. 8 by Representative Ocasio-Cortez.

We write to express our opposition to H.R. 935.

H.R. 3332 Manufactured Housing Community Preservation Act (Axne) would provide financial assistance to nonprofits, resident-formed cooperatives, and other local entities that will enable them to purchase, maintain and preserve affordable manufactured home communities and keep rents affordable for residents in the process.

H.R. 4618 (Waters) provides greater transparency with regard to short sale transactions and better position reporting of derivative holdings, which will protect investors and help maintain fair, orderly, and efficient markets. By contrast, opacity in short sale transactions can lead to extreme price volatility while forced derivative unwinds can amplify market disruptions, all of which harm retail investors.

H.R. 4619 (Green) restricts the ability of market makers to use their knowledge of a customer's orders to trade ahead of the customer. This practice profits the market maker at the expense of their customer, and treating this practice as a form of insider trading protects investors and promotes investor confidence in the integrity of markets.

H.R. 4620 (Ocasio-Cortez) would provide more transparency into the risks posed by very large investment funds that are currently opaque and largely unregulated. The Archegos episode reveals the dangers of investors, regulators and the public having too little information on the investments and leverage of large investment funds that fit within the current family office exemption. Even some of the largest investment banks seem not to have understood the risks they faced from Archegos and thus suffered multibillion dollar losses. Decades of experience have taught us that large positions from opaque investment funds can cause significant risks for entire financial markets. We should not wait for another Archegos or Long-Term Capital Management to require better information from large opaque funds.

With respect to H.R. 935, broker-dealer registration gives the Securities and Exchange Commission, other regulators, and investors crucial information and tools to protect investors. Exemptions from this registration, particularly when those exemptions involved large thresholds, diminish the ability of regulators and the investing public to monitor crucial financial intermediaries.

Thank you for your attention to this matter. If you have any questions, please contact Erik Gerding (erik@ourfinancialsecurity.org) and Andrew Park (andrew@ourfinancialsecurity.org).

Sincerely,

Americans for Financial Reform