

**AFR** Americans for  
Financial Reform

**PUBLIC CITIZEN** 50  
YEARS



**MA** Majority  
Action



**TH!RD ACT**

**U.S. PIRG**



**STAND**.earth



ALABAMA INTERFAITH POWER & LIGHT  
*a faith-based response to climate change*



Divest Oregon  
Reinvest in a  
Fossil Free Future



May 20, 2024

Senate Majority Leader Schumer  
322 Hart Senate Office Building  
Washington, DC 20510

Speaker Mike Johnson  
568 Cannon House Office Building  
Washington, DC 20515

Senate Republican Leader McConnell  
317 Russell Senate Office Building  
Washington DC 20510

House Democratic Leader Jeffries  
2433 Rayburn House Office Building  
Washington, DC 20515

***RE: Oppose CRA efforts to nullify the SEC's disclosure rule and banking regulators' bank risk management principles on climate-related financial risk***

Dear Senator Schumer, Senator McConnell, Representative Johnson, and Representative Jeffries:

Our organizations are writing to express our strong opposition to the Congressional Review Act resolutions of disapproval against the Securities and Exchange Commission's Climate Financial Risk Disclosure Rule and the Climate-Related Financial Risk Management Principles from the Federal Reserve Board (Fed), the Office of the Comptroller of the Currency (OCC), and the Federal Deposit Insurance Corporation (FDIC).

According to financial regulators, climate-related financial risk represents a growing threat to consumers, financial institutions, and the financial system.<sup>1</sup> The accelerating property insurance crisis<sup>2</sup>—driven in large part by worsening climate impacts—is just the beginning, and these risks will spread to other parts of the financial system and continue to hurt consumers and the broader economy.

So far, U.S regulators have taken important but incredibly limited initial steps to measure and manage the accelerating financial risks caused by climate change despite clear statutory responsibilities.<sup>3</sup> The resolutions of disapproval in question would nullify modest efforts to deliver higher quality climate-related risk data to investors and more effective bank risk management in the face of growing threats to bank safety and soundness.

**We urge you and all members to vote no on the following resolutions:**

- **H.J.Res.127 / S.J.Res.72:** CRA resolution against the SEC's rule "The Enhancement and Standardization of Climate-Related Disclosures for Investors."

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<sup>1</sup> U.S. Treasury Financial Stability Oversight Council, "Report on Climate Related Financial Risk." 2021. <https://home.treasury.gov/system/files/261/FSOC-Climate-Report.pdf>

<sup>2</sup> Christopher Flavelle, Jill Cowan, and Ivan Penn, "Climate Shocks Are Making Parts of America Uninsurable. It Just Got Worse." June 2, 2023. <https://www.nytimes.com/2023/05/31/climate/climate-change-insurance-wildfires-california.html>

<sup>3</sup> Alex Martin, "American exceptionalism on climate risk amplifies financial instability," *Green Central Banking*, 8 June 2023. <https://greencentralbanking.com/2023/06/08/federal-reserve-exceptionalism-financial-instability/>

- **Vote no.** The SEC climate risk disclosure rule is critical to give investors the information they need to protect themselves from climate-related financial risk and accurately value the securities of public companies. The SEC was highly responsive to concerns raised by opponents and finalized an “incredibly modest”<sup>4</sup> disclosure rule that, while not requiring the full scope of information needed by investors, will provide an important baseline of disclosures. Further, the scope of the rule is well within the statutory authorities of the Commission, as confirmed repeatedly over 90 years of Supreme Court precedent since the Exchange Act became law.
- **H.J.Res.124 / S.J.Res.###, H.J.Res.125 / S.J.Res.###, and H.J.Res. 126 / S.J.Res.###:** CRA resolutions against the joint interagency document "Principles for Climate-Related Financial Risk Management for Large Financial Institutions" issued by the OCC, the Fed, and the FDIC.
  - **Vote No.** The bank regulators issued climate-related risk management principles that are a set of important but non-binding principles for how the largest banks should incorporate climate change into their risk management and governance. The climate risk principles do not direct, encourage, or discourage any specific lending or financial activities, but rather focus on the ways climate change can manifest as risk across the traditional financial risk stripes (e.g., credit, market, liquidity, and operational risk). Climate-related financial risks increasingly represent a threat to financial stability and to bank safety and soundness, so these risk management principles are a critical step towards ensuring a stable banking system.

Sincerely,

1000 Grandmothers for Future Generations  
 17 Communications  
 350 Bay Area Action  
 350NYC  
 350 Sacramento  
 350 Yakima Climate Action  
 Adasina Social Capital  
 Alabama Interfaith Power & Light  
 Americans for Financial Reform  
 Center for American Progress  
 Center for Citizens Conserving Environment & Management (CECIC)  
 Change the Chamber\*Lobby for Climate  
 Climate Action California  
 Climate Hawks Vote  
 Climate Reality Project Monterey Bay CA

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<sup>4</sup> Prof. Jill Fisch, Testimony before the HFSC committee, Apr. 10, 2024, <https://docs.house.gov/meetings/BA/BA00/20240410/117092/HHRG-118-BA00-Wstate-FischP-20240410.pdf>

Dayenu: A Jewish Call to Climate Action  
DISABILITY PEOPLES FORUM UGANDA  
Divest Oregon  
Elders Action Network  
Elders Climate Action  
Environmental Defense Fund  
Friends of the Earth  
Green America  
Harford County Climate Action  
Indivisible CA Green Team  
Institute for Agriculture and Trade Policy  
Interfaith Center on Corporate Responsibility  
Majority Action  
MARBE S.A.  
Micah Six Eight Mission  
National Education Association (NEA)  
Natural Resources Defense Council  
Ocean Conservancy  
Oil and Gas Action Network  
Oxfam America  
Public Citizen  
Rainforest Action Network  
Rise Economy  
SanDiego350  
Santa Cruz Climate Action Network  
Sierra Club  
SoCal 350 Climate Action  
Stand.earth  
Texas Campaign for the Environment  
The Center for Social Sustainable Systems  
The Climate Reality Project California State Coalition  
The People's Justice Council  
The Phoenix Group  
Third Act  
Transformative Wealth Management, LLC  
U.S. PIRG  
Union of Concerned Scientists