



Americans for Financial Reform
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December 7th, 2010

Dear Member of Congress,

As Congress moves to finalize plans to fund the federal government for fiscal year 2011, Americans for Financial Reform urges you to include the increased funding for the Securities and Exchange Commission (SEC) and Commodity Futures Trading Commission (CFTC), as recommended by the House and Senate Appropriations Committees.

Earlier this year, Congress adopted landmark legislation to rein in financial industry excesses and restore safety and stability to our financial system, legislation that Americans for Financial Reform strongly supported. Now the massive job of implementing the legislation to ensure that it achieves its promise has passed to the regulatory agencies. Those agencies will be unable to fulfill that mandate unless Congress meets its responsibility to provide these agencies with the necessary resources. The cost of funding these agencies is negligible compared to the cost to the financial markets and the broader economy of another financial crisis.

Two agencies in particular are in jeopardy: the Securities and Exchange Commission and the Commodity Futures Trading Commission, since neither has a stable funding source independent of the congressional appropriations process.

- The SEC was suffering from inadequate funding before passage of the Dodd-Frank Act greatly expanded its responsibilities. That under-funding, while not solely responsible for the agency's regulatory failures during the financial crisis, was clearly a contributing factor. Now the SEC has been given expansive new responsibilities, not just to conduct the many studies and adopt the many rules required under the Act, but also to create a new office to oversee credit rating agencies and to assume responsibility for oversight of securities-based swaps, as well as hedge funds and private equity funds. Giving the agency new responsibilities without providing the funding to fulfill them effectively is a prescription for regulatory failure. Having turned aside the SEC's self-funding request in favor of a dramatic increase in the agency's authorized funding, it is incumbent on Congress to show that it can fulfill its responsibility by providing the agency with the appropriations that turn that authorization into a reality.
- The CFTC is a tiny agency that has been given regulatory responsibility for a vast over-the-counter derivatives market. Among other things, the agency is charged under the Dodd-Frank Act with reviewing swaps to determine which are required to clear, enforcing business conduct and implementing disclosure requirements to improve market transparency. Just as reckless swaps and derivatives trading played a critical role in the financial crisis, turning the fallout from the crash of the domestic housing market into a global economic catastrophe, effective regulation of these markets is critical to restoring safety and stability to the financial system. For the CFTC to provide that effective oversight, it must receive a significant new infusion of funds.

Americans for Financial Reform urges you to complete the job of financial regulatory reform by adopting fiscal year 2011 funding levels for these two agencies that will serve as a signal that Congress is serious about giving the agencies the resources they need to carry out dramatically increased responsibilities. Failure to adhere to the schedule of increased appropriations authorized under Dodd-Frank will make it impossible for regulators to fulfill their responsibilities under the Act, effectively sabotaging the vital work Congress has done to rein in the casino economy.

Sincerely,

Americans for Financial Reform

AFL-CIO

AFSCME

Arizona Consumers Council

Arkansas Oil Marketers Association, Inc.

California Reinvestment Coalition

Center for Digital Democracy

Consumer Action

Consumer Assistance Council

Consumer Federation of America (on behalf of their state and local groups)

Communications Workers of America

Council of Institutional Investors

Empire State Petroleum Association

International Brotherhood of Teamster

Maryknoll Office for Global Concerns

Neighborhood Economic Development Advocacy Project (NYC)

National Association of Consumer Advocates

National Latino Farmers & Ranchers Trade Association

New York Oil Heating Association, Inc.

New Jersey Citizen Action Oil Group

New Mexico Petroleum Marketers Association

Petroleum Marketers Association of America

Privacy Rights Clearinghouse

Public Citizen

The Colorado Wyoming Petroleum Marketer

The Institute for Agriculture and Trade Policy

U.S. PIRG

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
- AARP
- ACORN
- AFL-CIO
- AFSCME
- Alliance For Justice
- Americans for Democratic Action, Inc
- American Income Life Insurance
- Americans for Fairness in Lending
- Americans United for Change
- Calvert Asset Management Company, Inc.
- 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
- 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
- Leadership Conference on Civil Rights
- Move On
- 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 Fair Housing Alliance
- National Federation of Community Development Credit Unions
- National Housing Trust
- National Housing Trust Community Development Fund
- National NeighborWorks Association
- National Training and Information Center/National People's Action
- National Council of Women's Organizations
- Next Step
- OMB Watch
- Opportunity Finance Network
- Partners for the Common Good
- PICO
- 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 Seminal
- U.S. Public Interest Research Group
- 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

Partial list of State and Local Signers

- 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
- 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
- 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