Communications Workers of America
Chris Shelton | *President*

Legislative Department
Shane Larson |*Director*

May 1, 2017

The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
U.S. House of Representatives
4340 Thomas P. O'Neill, Jr. Federal Office Building
Washington, DC 20515

Dear Ranking Member Waters:

On behalf of the 700,000 members and officers of the Communications Workers of America, I am writing in strong opposition to H.R. 10, a bill that should be known as the "Wrong CHOICE Act."

As you know, the 2008 financial and foreclosure crisis created by too-big-to-fail megabanks cost American families trillions of dollars and resulted in millions of workers losing their jobs and their homes. There remains an urgent need to remedy the threats posed to consumers, workers and the stability of the American economy by these large financial institutions. To that end, Congress should promptly consider legislation to break up the biggest banks, close tax loopholes that benefit large banks at the expense of taxpayers and other sectors, enhance access to financial services by implementing postal banking, and strengthen the ability of bank workers to report wrongdoing and ensure compliance with the law.

The Wrong CHOICE Act, unfortunately, goes in the opposite direction by gutting protections for consumers, making it extremely difficult to hold large financial institutions accountable, and enabling predatory actors to swindle workers out of retirement savings.

First, the Wrong CHOICE Act would gut the Consumer Financial Protection Bureau (CFPB), one of the Dodd-Frank Wall Street Reform and Consumer Protection Act's most successful provisions. The CFPB has already secured $11.8 billion in relief for 29 million consumers who were wronged by financial institutions. It has also played a major role in rooting out and halting extraordinary wrongdoing, such as Wells Fargo's fake accounts scandal and Santander Bank's abusive overdraft protection marketing. The Wrong CHOICE Act would gut the CFPB by ending its supervision and enforcement authority for large banks, repealing its authority to stop unfair, deceptive and abusive practices, ending its status as an independent agency, and subjecting it to the whims of the appropriations process. It makes no sense in the current context to take the watchdog looking out for consumers off the beat.

Second, the Wrong CHOICE Act would actually expand the advantages provided to too-big-to-fail banks and would make it harder to hold them accountable. Rather than totally ensuring that taxpayers are not forced to subsidize reckless gambling by Wall Street traders by implementing a 21st Century Glass-Steagall Act, it does the opposite by eliminating the Volcker Rule. The bill would also eliminate Orderly Liquidation Authority for large banks, making it much harder to wind down insolvent banks and greatly increasing the likelihood of future bailouts. Finally, it greatly undermines the Financial Stability

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Oversight Council, increasing the odds that further abusive behavior by too-big-to-fail banks will slip through the regulatory cracks.

Finally, the Wrong CHOICE Act would repeal the Department of Labor's conflict of interest rule that was designed to ensure that all retirement advisors provide advice that actually serves the best interests of their clients. Given the severe crisis in retirement savings, repealing a rule that ensures that investors get good, unbiased advice will only cause greater pain and suffering for millions of retirees struggling to make ends meet.

For all of these reasons, CWA urges you to oppose the Wrong CHOICE Act. Instead, the Financial Services Committee should advance legislation to protect consumers, hold financial industry wrongdoers accountable, and reduce the massive amount of political and economic power concentrated in the hands of a very small group of Wall Street bankers. Thank you in advance for your consideration.

Sincerely,

Shane Larson
Legislative Director
Communications Workers of America (CWA)