AFSCME
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May 21, 2018

U.S. House of Representatives
Washington, D.C. 20515

Dear Representative:

On behalf of the 1.6 million members of the American Federation of State, County and Municipal Employees (AFSCME), I urge you to oppose the Economic Growth, Regulatory Relief, and Consumer Protection Act (S. 2155), which would weaken systemic safeguards protecting our national economy and undermine key consumer protections.

S. 2155 makes harmful changes to vital statutory and regulatory safeguards governing banks with assets of $50 billion to $250 billion, which includes about 25 of America's 38 largest banks. Furthermore, S. 2155 would reduce federal oversight governing similarly large non-banks, including risky hedge funds and asset managers. It also undermines consumer protections that safeguard millions of student loan borrowers, protect mobile home buyers (especially in rural areas), and prevent banks' discriminatory lending and loan approvals, which disproportionately harm people of color and historically underserved communities.

The nonpartisan Congressional Budget Office (CBO) estimates enacting S. 2155 would increase the probability that a systemically important financial institution (SIFI) will fail or that there will be a financial crisis. This raises the likelihood a future financial crisis would result in taxpayers being forced again to bail out banks. Congress should not encourage nor reward risky practices.

The bill's provisions affecting large banks are not currently needed. For example, many affected large banks are earning record profits and their interest rates are near record lows. Moreover, the tax bill recently enacted in December 2017 grants these same large banks new tax breaks of tens of billions of dollars. We are nearing the 10-year anniversary of the 2008 financial crisis, which triggered U.S. and global recessions, America's multiyear underwater mortgage crises, and many corporate bankruptcies that nearly sank America's economy. The 2010 Dodd-Frank financial and consumer protections added essential safeguards that stabilized our economy. Now is not the time to weaken these protections – they should be strengthened.

This bill weakens key consumer protections and misses the opportunity to prevent large financial interests from taking advantage of working families struggling to make ends meet. Unfortunately, this legislation would lead to excessive fees and higher interest rates for buyers of mobile homes. It would limit loan opportunities

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for other homebuyers, reduce their affordable borrowing, and increase banks' discriminatory loans and lending decisions. It also would increase costs to students and families who borrowed college tuition with private student loans.

Rather than rolling back Dodd-Frank protections, Congress should improve protections for working families from the abuses of large banks like Wells Fargo, which fraudulently created roughly 3.5 million phantom or fake customer accounts without notifying or obtaining permission from customers and then charged these customers fees on these fake accounts. Large data companies like Equifax should also be penalized for breaches of its consumer data, which led to personal, financial, and confidential data being stolen from roughly 135 million Americans

AFSCME opposes this risky bill because it weakens key consumer protections and increases the likelihood that large banks seeking higher profits would harm working families and destabilize America's economy. AFSCME urges you to vote against S. 2155.

Sincerely,

Scott Frey

Scott Frey
Director of Federal Government Affairs

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