Communications Workers of America
Chris Shelton | *President*

Legislative Department
Shane Larson | *Director*

May 21, 2018

Dear Representative:

On behalf of the 700,000 members and officers of the Communications Workers of America (CWA), I am writing to strongly urge you to oppose S. 2155 when it comes before the House this week.

S. 2155 represents a huge giveaway to Wall Street and large regional banks that would have the impact of increasing the likelihood of a financial sector crisis. In fact, the Congressional Budget Office recently confirmed that enactment of S. 2155 would increase the likelihood of future bank bailouts.

S. 2155 would have this effect by significantly undermining both the consumer protections enacted after the 2008 financial crisis and the measures put in place to ensure that large banks don't fail. By loosening the ability to repay rules adopted after the crisis and enabling more widespread discrimination in mortgage lending, the bill could increase the prevalence of predatory lending and force more consumers into unaffordable loans.

At the same time, S. 2155 would weaken protections that ensure that large banks whose financial investments sour do not collapse. Most notably, by raising the threshold for enhanced prudential standards to institutions with at least $250 billion in assets, the bill would raise the likelihood that the failure of only a couple of institutions below the threshold could trigger systemic harm. However, that is not the only dangerous measure regarding large bank failures in the bill. The bill also decreases the frequency of the Federal Reserve's stress tests, creates new exemptions to the Volcker Rule, weakens key capital standards for large banks, and creates new legal tools for too-big-to-fail banks to challenge safeguards.

Notably, despite ongoing scandals and behavior that harms workers and consumers, this bill fails to crack down on a wide variety of bad practices. For example, many of the banks that would no longer be treated as systemically important financial institutions under this bill use sales quotas in determining employee compensation like those used at Wells Fargo before the Consumer Financial Protection Bureau took enforcement action against Wells Fargo's fake account scandal. Similarly, many of those banks have systematically moved call center and other jobs offshore. It is strange that a bill that is supposedly designed to increase job creation would instead reward companies that have aggressively been moving jobs overseas.

At a time when large financial institutions already have excessive power, those same banks have just received huge financial windfalls from last year's tax bill, and recent scandals have exposed widespread wrongdoing on Wall Street, S. 2155 goes in the exact wrong direction by further empowering large banks and gutting needed consumer protections. Therefore, I urge you to oppose S. 2155. Thank you in advance for your consideration.

Sincerely,

Shane Larson
Legislative Director
Communications Workers of America (CWA)

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