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INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA – UAW

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IN REPLY REFER TO
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March 6, 2018

Dear Senators:

On behalf of the more than 1 million active and retired members of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, I urge you to oppose the Economic Growth, Regulatory Relief and Consumer Protection Act (S.2155). This legislation reverses consumer and taxpayer protections that were rightfully enacted after the great recession. Many of these protections were put in place to stop the same predatory unaffordable mortgage loans and speculative investments on Wall Street that nearly brought down the entire economy and cost Americans over tens of trillions in household wealth.

This shortsighted bill puts us at greater risk of another financial crisis by deregulating many large banks, including several that are foreign owned. Banks with up to $250 billion in assets would be exempt from many Dodd-Frank regulations under this bill. Many of the impacted banks are the same size as the predatory subprime lender Countrywide at the time of its failure. Countrywide's toxic mortgages had ripple effects across larger financial institutions that posed systemic risks. S.2155 mistakenly weakens consumer protections for the millions of Americans who obtain adjustable rate mortgages from banks with less than $10 billion in assets and exempts most homes in rural areas from appraisal requirements. This legislation weakens the Home Mortgage Disclosure Act, thereby making it harder to detect redlining and other discriminatory lending practices.

S. 2155 is bad for taxpayers because it weakens safety and soundness requirements applicable to mid-size banks that collectively hold roughly $3.7 trillion in assets and were the recipients of $47 billion in during the last financial crisis. This bill weakens the "Volcker rule" thereby enabling more speculation in high risk financial markets with taxpayer-backed funds. Meanwhile, it fails to hold Wells Fargo accountable for opening 3.5 million fake accounts. The Senate should reject this bill and instead work to strengthen consumer protections and our middle class.

Sincerely,

Josh Nassar
Legislative Director