



Americans for Financial Reform
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November 4, 2015

Dear Members of Congress,

We, the undersigned organizations, write to ask you to oppose the amendment by House Financial Services Chairman Jeb Hensarling (R-TX) to the Highway Trust Fund bill because it would undermine investor protections, and because it involves matters unrelated to the underlying bill.

The provisions in the Hensarling amendment to the Highway Trust Fund bill are completely unrelated to transportation funding. The items are substantive and deserve individual debate under regular order. The inclusion of the Hensarling amendment in the Highway bill is an opening salvo – if it succeeds, it increases the already serious danger of more unrelated and in many cases highly controversial items being attached to must pass budget legislation, as occurred last year when the “swaps push out” provision of Dodd-Frank was gutted in the omnibus spending bill. Tacking on this unrelated amendment is another attempt by Wall Street and their Congressional allies to force Americans to accept weakened financial system oversight as the ransom for addressing basic problems like passing a budget or fixing safety and funding problems in public infrastructure.

Some of the provisions in the Hensarling amendment are reasonable and moderate adjustments. However, others are not. In any case, they should be voted on as stand-alone legislation. Among the provisions that are much more than technical changes and that would undermine investor protection are one that would pre-empt state law on the regulation of Small Business Investment Companies (SBIC), and allow advisers of SBICs and private equity funds to completely exclude SBICs from the assets under management threshold that requires a firm to register with the Securities and Exchange Commission.¹ Another could allow emerging growth companies to game the filing calendar in order to omit historical financial disclosures, and loosen registration requirements, possibly depriving investors of important financial information.² The amendment would also eliminate important privacy disclosures by mega-banks, allowing them to cease telling consumers when their information is being shared with other companies – a terrible idea in light of recent consumer data breaches.

¹ Marcus M. Stanley, Testimony Before the Securities, Insurance and Investment Subcommittee on Banking, Housing and Urban Affairs, United States Senate, AMERICANS FOR FINANCIAL REFORM, (Mar. 24, 2015), <http://ourfinancialsecurity.org/wp-content/uploads/2015/03/Marcus-Stanley-AFR-Testimony-Senate-Banking-Securities-Subcommittee-March-24th.pdf>.

² Statement of Theresa A Gabaldon at Hearing Before the Subcommittee on Capital Markets, House Financial Services Committee, (Apr. 29, 2015), <http://financialservices.house.gov/uploadedfiles/hhrg-114-ba16-wstate-tgabaldon-20150429.pdf>.

In addition, we are concerned about a provision in the underlying text of the bill – also unrelated to transportation – that outsources tax debt collection to private interests, a move that will expose the public to potential abuse, disproportionately affect low-income taxpayers, and waste taxpayer money. An IRS experiment to outsource collections to private debt collectors has already been tried and failed—twice. A 1996-1997 pilot lost the government \$17 million, and a program in the mid-2000s lost it nearly \$4.5 million.³

The Highway bill is not the place to try to force through gifts to Wall Street and potentially to financial fraudsters. [Two-thirds of likely voters](#) believe that we need more regulation of the financial industry, not less.⁴ After the terrible lesson of the financial crisis, any attempts to reverse of the progress we have made on financial reform must at the very least be debated and voted on as stand-alone measures in an open process – not used as a bargaining chip while infrastructure spending is held hostage. The Hensarling amendment must not be attached to the Highway Trust Fund bill.

We urge Members of Congress and Senators to oppose the Hensarling amendment to the Highway bill. This legislation is not the place for un-related, special interest-driven rollbacks of investor and public protections.

Sincerely,

Alliance for a Just Society
American Federation of Teachers
Center for Responsible Lending
Consumer Action
Consumer Federation of America
NAACP
National Association of Consumer Advocates
National Consumer Law Center (on behalf of its low income clients)
National Fair Housing Alliance
Strong Economy For All Coalition
The Other 98%
U.S. PIRG
Woodstock Institute

³ Senate Bill Would Expose Taxpayers to Potential Abuse While Lining Private Debt Collectors' Pockets, NATIONAL CONSUMER LAW CENTER (Jul. 24, 2015), http://www.nclc.org/images/pdf/debt_collection/pr_privatetaxcollection_Jul2015.pdf.

⁴ AFR/CRL Poll: National Survey by Lake Research Finds Continued Strong Support for Financial Regulation, AMERICANS FOR FINANCIAL REFORM, (Jul. 7, 2015), <http://ourfinancialsecurity.org/2015/07/new-afrcrl-poll-national-survey-by-lake-research-finds-continued-strong-support-for-financial-regulation/>. (After hearing a brief description of Dodd-Frank, “nearly three-quarters of likely 2016 voters (73%) say they favor it, including 80% of Democrats, 72% of Independents, and 65% of Republicans.” The poll also found that “voters also consistently favor the CFPB’s mission and enforcement actions. Support for the CFPB after voters hear a description of its purpose has held steady since last year at 75%, with 85% of Democrats, 74% of Independents, and 66% of Republicans in favor.”)

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.

- AARP
- A New Way Forward
- AFL-CIO
- AFSCME
- Alliance For Justice
- American Income Life Insurance
- American Sustainable Business Council
- Americans for Democratic Action, Inc
- Americans United for Change
- 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
- Center for Effective Government
- 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
- Green America
- Greenlining Institute
- Good Business International
- Government Accountability Project
- HNMA Funding Company
- Home Actions
- Housing Counseling Services
- Home Defenders League
- Information Press
- Institute for Agriculture and Trade Policy
- 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
- Lawyers' Committee for Civil Rights Under Law
- Main Street Alliance
- Move On
- NAACP
- 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 Council of Women's Organizations
- National Fair Housing Alliance
- National Federation of Community Development Credit Unions
- National Housing Resource Center
- National Housing Trust
- National Housing Trust Community Development Fund
- National NeighborWorks Association
- National Nurses United
- National People's Action
- National Urban League
- Next Step
- OpenTheGovernment.org
- Opportunity Finance Network
- Partners for the Common Good
- PICO National Network
- 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 Leadership Conference on Civil and Human Rights
- The Seminal
- TICAS
- U.S. Public Interest Research Group
- UNITE HERE
- 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

List of State and Local Partners

- 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
- Empowering and Strengthening Ohio's People (ESOP), Cleveland OH
- 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
- New Economy 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
- New Yorkers for Responsible Lending
- 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

Small Businesses

- Blu
- Bowden-Gill Environmental
- Community MedPAC
- Diversified Environmental Planning
- Hayden & Craig, PLLC
- Mid City Animal Hospital, Pheonix AZ

- UNET

