

Closing Floor Statement
Honorable Maxine Waters
Opposing H.R. 78
January 12, 2017

As Prepared for Delivery

WASHINGTON - Mr. Chairman, Democrats support smart regulations and, to ensure that they are appropriately calibrated to our ever-changing financial markets, a regular review of those regulations. But make no mistake that is not what H.R. 78 would do. Instead, the bill is another thinly veiled attempt by Republicans to support Wall Street, including Trump's cronies, over Main Street.

As I stated earlier, there is no doubt that the SEC is already analyzing the economic effects of its rules and reviewing existing rules where appropriate. So what is the problem that this bill is trying to fix? The problem is that Republicans believe that the SEC should alter its mission to instead favor the interests of the financial industry over the interests of investors like retirees, small businesses and market stability. But rather than attempt to change the SEC's statutory mission outright, they are attempting to help special interests through the backdoor, by passing H.R. 78.

This bill would require the SEC to adopt the least burdensome approach, regardless of it is the most cost-effective regulatory approach or the approach that adequately protects investors. There is no requirement that the Commission consider investor protection or market integrity, stability, and transparency. The SEC would also be required to explain its reasons for not addressing concerns raised by "industry groups" related to costs and benefits but could ignore the concerns raised by investors, retirees and other savers. And, without providing one red cent, H.R. 78 would require the SEC to review all of its rules dating back to 1934 and every five years thereafter, regardless of whether there is any cause for concern with a particular regulation.

Worse, the bill, in direct contravention with Executive Orders, would allow industry to sue the SEC for its performance in fulfilling these requirements, opening up the Commission to litigation risk and further encouraging it to only write rules that industry wants.

So Mr. Chairman, the intent of the bill to favor Wall Street should be clear to everyone. Republicans have forgotten that less than a decade ago it was Wall Street that brought our economy to its knees, leaving tens of millions of Americans without a job, a house, or a nest egg. Unfortunately, I think we can expect this amnesia to only continue with Republicans planning to dismantle Dodd-Frank and Donald Trump nominating Wall Street insiders to nearly every top economic post in his administration.

Indeed, Trump has appointed Jay Clayton to head the SEC, an attorney who has been devoted to helping megabanks avoid prosecution and secure sweetheart deals for their fraudulent misconduct and predatory practices. At the helm of the SEC, the very agency that regulates and polices these megabanks, Mr. Clayton will likely surround himself with other industry allies. For that reason, I will offer an amendment to prevent Trump's SEC officials from enriching

themselves and their cronies at the expense of investors, small businesses and our financial markets. With everything in H.R. 78 designed to tilt the SEC's analysis in favor of Wall Street, my amendment would provide some balance for investors.

So, I urge my colleagues to join me in supporting my amendment and opposing H.R. 78.

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