

Securities Regulation Daily Wrap Up, BROKER-DEALERS—House passes bill to slow DOL fiduciary rule, (Oct. 28, 2015)

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By Mark S. Nelson, J.D.

The House passed a bill that would slow the Department of Labor's bid to reform standards for brokers who advise savers on retirement planning and also would place limits on the SEC's ability to move forward under its own authority to adopt similar rules. The measure passed by a vote of 245-186.

The Retail Investor Protection Act (H.R. 1090), sponsored by Rep. Ann Wagner (R-Mo), pits members who want the Department of Labor's fiduciary standard proposal to move forward against those who want the SEC to act before the DOL finalizes its rule to revamp how brokers offer retirement advice. Representative Wagner's bill cleared the House Financial Services Committee in September by a recorded vote of 34-25.

House Financial Services Committee Chairman Jeb Hensarling (R-Tex) lauded Rep. Wagner's bill as a way for savers to keep their financial advisors. "The Department of Labor's proposed fiduciary rule would make professional retirement investment advice either unavailable or unaffordable for millions of low and moderate income Americans," Hensarling said.

Investment Company Institute president and CEO Paul Schott Stevens said passage of the bill was a step towards ensuring more consistent federal regulations. "H.R. 1090 reflects a commonsense goal of ensuring that federal agencies work to adopt a harmonized fiduciary duty for all investors, and that they do so in a manner that does not jeopardize investor access to personalized and cost-effective investment advice," said Stevens. "Simply put, H.R. 1090 reflects a strong purpose—one shared by ICI—to get the fiduciary rules right."

Three other bills are on tap this week in the House. According to the floor schedule posted on the House website, these bills will be considered under suspension of the rules tomorrow.

A bill sponsored by Rep. Gwen Moore (D-Wis) (H.R. 1317) would clarify the clearing requirements for affiliates' swaps under the Commodity Exchange Act and the Exchange Act. Representative Kyrsten Sinema's (D-Ariz) bill, the Securities and Exchange Commission Reporting Modernization Act (H.R. 3032), would eliminate an outmoded SEC privacy law reporting requirement. Both bills sailed through the FSC with overwhelming support in July.

Meanwhile, the lone Senate bill to be considered, the Equity in Government Compensation Act of 2015 (S. 2036), sponsored by Sen. David Vitter (R-La), would limit pay packages for the top brass at the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. The bill also provides that its terms would not limit the application some provisions of the STOCK Act.

Companies: Investment Company Institute; Federal National Mortgage Association; Federal Home Loan Mortgage Corporation

LegislativeActivity: BrokerDealers DoddFrankAct InvestmentAdvisers