



June 7, 2017

Key Vote YES on the Financial CHOICE Act, H.R. 10

On behalf of FreedomWorks' activist community, I urge you to contact your representative and urge him or her to vote YES on the Regulations from the Financial CHOICE Act, H.R. 10, introduced by Rep. Jeb Hensarling (R-Texas). The Financial CHOICE Act would significantly reform the Dodd-Frank Wall Street Reform and Consumer Protection Act by reducing its regulatory overreach and increase accountability.

Initially passed in response to the recession of 2008, Dodd-Frank created a series of reforms that were supposed to address the issues in the financial sector that had supposedly caused the recession, but instead created a climate of overregulation, authorized the creation of the Consumer Financial Protection Bureau (CFPB) with little to no oversight, and gave the Financial Stability Oversight Council (FSOC) the authority to label financial firms as too big to fail.

Dodd-Frank has actually been hurting community banks in favor of larger ones. Forced consolidation under Dodd-Frank has actually caused the number of community banks to shrink by roughly 14 percent between 2010 to 2014 while one in five U.S. banks have gone under (that's 1,708 overall, or about one per business day) with few, if any, new banks being created since the law's enactment to 2016.

Meanwhile, the Consumer Financial Protection Bureau (CFPB) has been given the power to add new regulations to Congress and has little accountability. The institution's primary goals have been to keep large banks from declaring bankruptcy and instead designate some banks as "too big to fail." Unsurprisingly, it has been accused of being a revolving door for lobbyists with several former officials of the agency getting jobs with the institutions they once regulated afterward.

In 2013, it was reported that large banks were actually increasing their control of the financial market to the point that five large banks controlled 50 percent of the banking industry by 2015. In a twist, banks have actually been incentivized to become as large as possible to get the coveted "too big to fail" status guaranteed by Dodd-Frank so that they can be eventually be

bailed out should they fail. Considering that banking profits are even higher than they were previously before Dodd-Frank, it is clear that the reforms Dodd-Frank was supposed to implement clearly did not happen.

However, the Financial CHOICE Act would eliminate the job-killing regulations that Dodd-Frank has instituted, rein in the CFPB, increase penalties for financial institutions who engage in illicit practices, and provide other reforms necessary to address the issues that earlier “well intentioned” legislation instituted.

While we are disappointed and frustrated that language in the bill that would have repealed the Durbin amendment was removed by the House Rules Committee, if passed, the Financial CHOICE Act will open up the market in the financial sector that would help create jobs and invite new businesses. This will drive compliance costs down, increase the number of banks that will be created, and provide the necessary oversight to the federal government.

FreedomWorks will count the votes for the Financial CHOICE Act, H.R. 10, when calculating our Scorecard for 2017 and reserves the right to score any related votes. The scorecard is used to determine eligibility for the FreedomFighter Award, which recognizes Members of the House and Senate who consistently vote to support economic freedom and individual liberty.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adam Brandon', with a stylized flourish at the end.

Adam Brandon
President, FreedomWorks