

# AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS



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## **LEGISLATIVE ALERT!**

(202) 637-5057



December 10, 2009

Dear Representative:

On behalf of the AFL-CIO, I am writing to express our strong support for the Wall Street Reform and Consumer Protection Act of 2009 (H.R. 4173), which is scheduled for floor consideration later today.

Our financial meltdown brought to light just how vulnerable workers and consumers have become to abuses in consumer lending practices and Wall Street recklessness. Bailouts of major banking institutions reinforced the idea that workers and consumers must fight for protections they rightly deserve.

At the core of H.R. 4173 is the creation of the Consumer Financial Protection Agency (CFPA). The CFPA would be the first agency charged with focusing solely on consumer protection laws. The CFPA would rebuild confidence in the market and reassure working families that their interests are being served.

We urge you to oppose amendments that would weaken the CFPA—specifically the Minnick amendment (# 88), which would eliminate the streamlined, straightforward process proposed for the CFPA.

H.R. 4173 also addresses the need for proper derivatives regulation. We urge you to build on committee efforts and support the Stupak, DeLauro, Larson, and Van Hollen amendment (#48), which would narrow the exemptions intended to protect corporations that use derivatives for bona fide hedging. As written, these exemptions are so broad that they permit hedge funds, private equity firms, and commodity speculators to avoid regulation, defeating the very purpose of the legislation.

We also ask that you support the Kanjorski amendment (#51), which would strike the provisions exempting public companies with less than \$75 million in market capitalization from the requirements of the Sarbanes-Oxley Act related to external audit of internal controls.

And we ask you to support the Conyers, Turner, Lofgren and Marshall amendment (#201), which would help thousands of working families avoid foreclosure and stay in their homes by allowing for judicial modification.

Finally, after passage of the House bill it is imperative that the conference committee work to include language that will provide systemic regulatory authority to the Board of Governors of the Federal Reserve only if the Federal Reserve System is reformed to remove the banks themselves from a role in overseeing the Federal Reserve's regulatory staff at the Federal Reserve banks.

In addition, the proposed CFPA needs to have jurisdiction over the Community Reinvestment Act (CRA). The CRA is vital to fighting discriminatory, deceptive, and unsustainable lending practices in minority communities.

Finally, in order to protect investors and prevent systemic risk, the provisions of the bill that apply to hedge funds and private equity should include laws applicable to both the funds and their advisors and should be expanded to include venture capital.

We urge you to vote for H.R. 4173 and oppose all weakening amendments, and to support amendments aimed at strengthening protections for workers, investors, and consumers.

Sincerely,

A handwritten signature in black ink, appearing to read 'William Samuel', written over a light blue horizontal line.

William Samuel, Director

GOVERNMENT AFFAIRS DEPARTMENT