

May 23, 2018

The Honorable Charles Schumer
Minority Leader
U.S. Senate
322 Hart Senate Office Bldg.
Washington, D.C. 20002

Dear Senator Schumer,

We are writing to urge you to move quickly to offer the White House strong progressive candidates for open leadership positions at key financial agencies, including the Securities and Exchange Commission (SEC) and the Federal Deposit Insurance Corporation (FDIC).

As the primary regulator of the nation's capital markets, the SEC is at the center of everything from protecting the retirement savings of ordinary investors to protecting the economy from another disastrous financial crash. Many of the entities and markets at the heart of the 2008 crisis, from broker-dealers to credit rating agencies, are regulated by the SEC. Today, the SEC is responsible for crucial rules determining whether financial market professionals will be required to put the interests of ordinary investors first. The ability of the Commission to protect the public, including when this requires opposing up the interests of the giant Wall Street firms and traders that it regulates, is crucial to the safety of our economy.

At the end of this year, Commissioner Kara Stein's seat will become open for a Democratic replacement. Commissioner Stein has been a tireless advocate of the public interest and has consistently prioritized the interests of the public and of ordinary investors over the profits of Wall Street firms. Her independent voice will be sorely missed. It is crucial that you nominate a new SEC Commissioner who will likewise be a strong and independent voice for the public interest.

The FDIC also plays a critical role in safeguarding the stability of our financial system, and assuring that banks effectively serve all communities. As the key prudential regulator overseeing the deposit insurance system, the FDIC acts to protect taxpayers from bankers seeking to take advantage of the public deposit guarantee to make reckless bets that can enrich them but harm the economy. Should a major bank fail, the FDIC will be entrusted with resolving the bank and preserving the integrity of the financial system. The agency also plays a key role in the design and enforcement of rules on fair lending and access to credit.

It is critical that FDIC board members be proven champions of the public interest. As in the case of the SEC, this regulatory agency is subject to tremendous pressure from big-money interests who can profit by endangering the stability and fairness of the financial system. Americans require nominees to these positions who have proven track records of commitment to the public interest and reform of the financial system. Such a record must include a demonstrated willingness to stand

up to Wall Street or banking interests when that is necessary to protect investors, consumers, or borrowers.

The need for strong public interest nominees is even greater today. This Administration has been filling key regulatory positions with people pursuing Wall Street's agenda at the public's expense, and the revolving door is spinning faster than ever. There is an enormous amount at stake at both the SEC and FDIC as the financial industry and their friends in the Trump administration work to undo the progress made in Dodd-Frank and to undermine key investor protection standards.

The next SEC Commissioner and members of the FDIC's Board of Directors must be ready and willing to shine a bright, public light of scrutiny on misguided deregulation designed to enhance profits at the expense of market safety and public well-being. The leaders you nominate must understand that their duty to the public interest is more important than comity between senior officials.

We urge you and the entire Senate Democratic caucus to move expeditiously and energetically to advance progressives for these openings, and to ensure that there will be no unnecessary delays in filling Democratic Party slots.

Sincerely,

AFL-CIO

American Family Voices

Americans for Financial Reform

California Reinvestment Coalition

Center for Popular Democracy

Color of Change

Communications Workers of America (CWA)

Consumer Action

Consumer Federation of America

CREDO

Daily Kos

Demand Progress/Rootstrikers

Democracy for America (DFA)

Economic Policy Institute Policy Center

Friends of the Earth

Global Witness

Harrington Investments, Inc.

Indivisible

MoveOn Civic Action

National Community Reinvestment Coalition (NCRC)

National Consumer Law Center (on behalf of its low income clients)

New Economy Project

New Progressive Alliance
New York Communities for Change (NYCC)
OIP Trust, Missionary Oblates
Presente
Progressive Change Campaign Committee
Public Citizen
Publish What You Pay US
Reinvestment Partners
Revolving Door Project
U.S. PIRG
Women's Institute for Freedom of the Press
Woodstock Institute
Working Families Party (WFP)

CC: Members of the Democratic Caucus