

October 13, 2016

Senator Chuck Schumer,

As organizations representing millions of members in the progressive base of the Democratic Party, we write to express concern about the banking industry's efforts to manipulate the membership of the Senate Banking Committee next session and beyond.

The Committee already conspicuously harbors several of the Democratic Caucus's most conservative, Wall Street-friendly members. For the Party to live up to the promise of its new platform, which demands a stronger financial regulatory framework, the Senate Banking Committee next session must include more members with a demonstrated commitment to the work of financial reform.

Any attempt to have Evan Bayh installed as chair (as was reported in *American Banker*), or other efforts to appoint members who support the interests of Wall Street above those of the American people, must be opposed. Party leaders have acknowledged the obvious: that granting Bayh seniority from his previous tenure in the Senate and installing him as chair would seemingly be without precedent. The financial industry is floating his name to the media in a brazen, cynical attempt to tilt the Committee's membership even further toward Wall Street.

In the wake of the 2008 economic disaster, the Democratic Party has become the home for those who believe in enacting strong rules on Wall Street to protect ordinary Americans from risky or reckless behavior by large financial institutions. This summer, the Democratic Party formalized a platform that seeks to build on Dodd-Frank by calling for the reinstatement of a modernized Glass-Steagall Act to separate risky investment banking from taxpayer-backed deposits, a financial transactions tax, and ensuring that Wall Street executives do not choose board members of regional Federal Reserve banks.

As the recent Wells Fargo controversy illustrates, big banks are still all too capable of inflicting widespread harm on consumers across the country. Even so, the biggest banks and their teams of lobbyists work relentlessly to prevent additional reforms from being passed and to weaken protections already enacted.

Unfortunately, these efforts frequently find willing partners within the Democratic Party and its Senate Banking Committee membership.

Several Senate Banking Committee Democrats reportedly joined an effort this year to subject independent financial regulators like the Consumer Financial Protection Bureau and Securities and Exchange Commission to rules that *The New York Times* said would create “new obstacles to the closer oversight of financial risk taking.”

This follows a series of 2015 negotiations between a bloc of conservative Democrats and Republican Sen. Richard Shelby about including rollbacks of financial regulation in must-pass budget legislation.

The three Democrats rated most highly by the U.S. Chamber of Commerce – which has repeatedly attacked Dodd-Frank and pushed to roll back financial regulations – sit on the Senate Banking Committee.

By another measure, the nonpartisan organization GovTrack.us ranks four Democrats as more conservative than Republican Sen. Susan Collins on a conservative-progressive spectrum based on legislative behavior. Three of those four Democrats already sit on the Banking Committee.

As groups representing key constituencies within the base of the Democratic Party, we write to express that should the Senate Banking Committee’s Democratic membership change in the coming months or years, it is imperative that it be made to reflect the consensus of the Senate’s Democratic caucus as a whole, and the Party’s rank-and-file, in support of strong financial reforms.

As the presumptive future leader of Senate Democrats, we request that you publicly state your intention to ensure the makeup of the Senate Banking Committee reflects the Party’s consensus in support of financial reform. We also ask that you commit to adding members with a demonstrated commitment to standing up to powerful interests on Wall Street in order to balance out the Committee’s current conservative, pro-industry lean.

Setting the Party on the side of an enormously popular Wall Street reform agenda can only be politically beneficial in this year of discontent at powerful elites, and such a commitment will demonstrate the sincerity of Democrats’ platform pledges to protect Dodd-Frank and take up additional reforms.

Respectfully,

Courage Campaign

CPD Action

CREDO Action

Democracy for America

MoveOn.org

New York Communities for Change

Other98

Presente.org

RootsAction.org

Rootstrikers