September 30, 2015

The Honorable Ann Wagner
435 Cannon House Office Building
Washington, DC 20515

Dear Representative Wagner:

The Bond Dealers of America ("BDA") writes to express support for H.R. 1090, the Retail Investor Protection Act. BDA has consistently supported the Department of Labor (DOL) and the Securities and Exchange Commission (SEC) crafting a harmonized best interest standard of care applicable to broker-dealers. BDA believes, due to the significant issues with the DOL’s rule proposal, that ensuring the SEC plays a lead role is more necessary than ever to ensure retail investors are provided robust, enforceable protections and the ability to invest in multiple asset classes. Furthermore, BDA is disappointed by the DOL’s stated desire to publish a final rule, without an additional opportunity for public comment, on this significant and sweeping regulatory proposal.

The DOL’s rule will restrict investor choice, decrease access to advice for smaller balance investors, increase investor cost and confusion, and put restrictions and requirements on broker-dealers that are duplicative, or in violation of, current rules. The DOL proposal ends the brokerage model for municipal bonds, which will decrease demand and increase the interest rates on debt issued by creditworthy municipalities and thwarts the ability of a dealer to recommend a CD or unit investment trust (UIT) shares out of inventory. BDA believes that restricting the ability of a retirement investor to build a diversified portfolio of high-quality fixed-income assets, including municipal bonds, is not in the best interests of U.S. retirement savers. BDA urges the SEC and the DOL to draft rules that are business-model neutral and allow investors to chose whether they want a commission-based brokerage account, a fee-based advisory account, or both.

BDA urges House Financial Services Committee members to vote for passage of H.R. 1090 to protect investment choice, cost, quality, and access.

Sincerely,

Michael Nicholas
Chief Executive Officer