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January 7, 2015

**Vote NO on HR 37, the “Promoting Job Creation and Reducing Small Business Burdens Act”**

Dear Representative,

On behalf of more than 350,000 members and supporters of Public Citizen, we urge you to Vote NO on the bill deceptively titled the “Promoting Job Creation and Reducing Small Business Burdens Act.”

Not a month since Congress unwisely pierced a key Wall Street safeguard that would have prevented certain bank speculation with taxpayer-insured funds, the House now considers a package with several measures that threaten the fabric of other protections. We highlight a few of the more glaring problems:

- Title VIII delays the implementation of the Volcker Rule until 2019 with respect to collateralized loan obligations (CLOs). The bill also defines a CLO as a security composed primarily of loans, which means that a substantial portion that may be as much as 49% of the assets may be higher risk gambles. The largest banks dominate ownership of CLOs. This extension simply lets the mega-banks gamble through 2019 with taxpayer-insured deposits.
- Title I removes the ability of regulators to mandate collateral margin requirements for certain swaps with real economy firms. Already, the regulators have agreed that some margin collateral requirements need not apply to derivative transactions. If such transactions prove an arena of systemic risk, it is important for regulators to redeploy this tool.
- Title I also bypasses the normal rulemaking proposal and comment period by requiring the regulators to issue an interim final rule. While Wall Street ties up needed reform with calls for unnecessary analysis, they want to bypass analysis with this deregulation.
- Title VII exempts companies with less than \$250,000,000 in revenue from filing financial statement with computer readable XBRL. This will disadvantage investors as they analyze companies that constitute roughly 60 percent of all publicly traded stocks. And it doesn't help

firms attract capital, as intelligent investors will be wary of firms hiding behind outdated technology.

- Title VI permits certain smaller companies to omit historical financial information. This allows firms to choose a convenient history as they promote their securities.

Thank you for your consideration. For questions, contact Bartlett Naylor at [bnaylor@citizen.org](mailto:bnaylor@citizen.org), or 202.580.5626.

Sincerely,

Public Citizen