



## LEGISLATIVE ALERT

July 26, 2023

The Honorable Patrick McHenry, Chairman  
House Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, DC 20515

The Honorable Maxine Waters, Ranking Member  
House Committee on Financial Services  
4340 O'Neill House Office Building  
Washington, DC 20515

Dear Chairman McHenry and Ranking Member Waters:

I am writing on behalf of the AFL-CIO to urge you to oppose the Guiding Uniform and Responsible Disclosure Requirements and Information Limits (GUARDRAIL) Act (H.R. 4790), the Protecting Americans' Retirement Savings from Politics Act (H.R. 4767), the Businesses Over Activists Act (H.R. 4655), the American Financial Institution Regulatory Sovereignty and Transparency (American FIRST) Act (H.R. 4823), and a joint resolution disapproving the rule submitted by the Consumer Financial Protection Bureau relating to the Small Business Lending Under the Equal Credit Opportunity Act (H.J. Res. 66) that are scheduled for markup by the House Financial Services Committee this week. If enacted, these bills will interfere with the Securities and Exchange Commission's (SEC) mandate to protect investors – including the retirement savings of working people – and the ability of banking regulators to enact regulations designed to bolster the safety and soundness of our financial system and to prevent unlawful discrimination.

Earlier this month, the AFL-CIO Executive Council issued a statement titled “[Pension Plans Need the Freedom to Consider Environmental, Social and Governance Risks and Responsible Workforce Management Principles](#)” to make clear the labor movement's united opposition to lawmakers playing politics with working people's pension plans. The statement explains our view that “[t]he proper stewardship of retirement savings requires the freedom to consider all relevant investment considerations, including ESG risks.”

Since the 1930s, the SEC's uniform disclosure rules have provided consistency and comparability for investors. But if adopted, H.R. 4790 will effectively make compliance with future SEC disclosure rules voluntary depending on whether corporate management deems ESG information to be “material” to investors. The legislation will radically curtail the SEC's authority to issue disclosure rules for public companies.

H.R. 4767 and H.R. 4655 will effectively abolish the SEC's shareholder proposal rule that dates back to the 1940s. This rule simply requires that public companies include shareholder proposals in company proxy statements to allow investors to vote by proxy on items at annual shareholder meetings. If adopted, these bills will disenfranchise shareholders from the ability to hold corporate CEOs accountable on ESG issues.

Finally, H.R. 4823 will undermine the ability of banking regulators to implement recommendations made by the Financial Stability Oversight Council. H.J. Res. 66 will repeal the Consumer Financial Protection Bureau's ability to collect data to ensure that lenders to small businesses comply with the Equal Credit Opportunity Act. If adopted, these bills will undermine the safety, soundness, and fairness of our banking system.

For these reasons, we strongly urge you to oppose H.R. 4790, H.R. 4767, H.R. 4655, H.R. 4823, and H.J. Res. 66 that will unduly interfere with the rulemaking authority of financial regulators. We ask for you to stand up for working people by voting against these bills that will shield corporate CEOs and bankers from transparency and accountability.

Sincerely,

A handwritten signature in black ink, appearing to read "William Samuel".

William Samuel  
Director, Government Affairs