



November 2, 2015

The Honorable Jeb Hensarling  
Chairman  
House Financial Services Committee  
2129 Rayburn HOB  
Washington, DC 20515

The Honorable Maxine Waters  
Ranking Member  
House Financial Services Committee  
4340 O'Neill Federal Office Building  
Washington, D.C. 20515

Dear Chairman Hensarling and Ranking Member Waters,

The Securities Industry and Financial Markets Association (SIFMA) strongly supports the Financial Stability Oversight Council (FSOC) Improvement Act of 2015, H.R. 1550. This bipartisan bill would codify the FSOC's announced transparency and process improvements, promote better understanding of the systemically important financial institution (SIFI) designation process, and enable non-bank financial companies to self-cure by undertaking certain de-risking activities prior to being designated SIFIs. Specifically, this level of transparency will enable clearer analysis of the methods that the FSOC uses to assess the unique characteristics of risk associated with the asset management industry.

The Securities Industry and Financial Markets Association's Asset Management Group (SIFMA AMG) members represent a broad swath of the asset management industry. Their investors maintain legal ownership and control over their assets and make decisions on how their assets are allocated. The success or failure of an asset management firm does not impact investors assets. Therefore, asset managers and the funds they manage do not pose the systemic risks that may exist elsewhere.

However, the consequences of designating an asset management company as a systemically important financial institution (SIFI) are significant. The designation would impose stringent, bank-like capital standards resulting in undue and burdensome costs that would be passed onto investors, ultimately harming their retirement savings and future financial security.

We encourage you to advance this important, bipartisan legislation to bring much needed transparency to the FSOC's SIFI designation process. We strongly believe that this legislation will help preserve fund managers' ability to serve investors, facilitate capital formation, and drive economic growth.

SIFMA and its member firms applaud Congressman Ross and Congressman Delaney for their leadership on this proposal and urge the Committee to adopt this legislation.

Sincerely,

A handwritten signature in black ink that reads "Andy Blocker". The signature is fluid and cursive, with a long, sweeping underline.

Andy Blocker  
Executive Vice President, Public Policy & Advocacy

**Washington** | New York

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