



March 20, 2018

The Honorable Paul Ryan
Speaker of the House of Representatives
H-232, US Capitol
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader, House of Representatives
H-204, US Capitol
Washington, DC 20515

Dear Speaker Ryan and Minority Leader Pelosi,

The Securities Industry and Financial Markets Association (SIFMA)¹ recommends the House of Representatives approve H.R. 4566, the Alleviating Stress Test Burdens to Help Investors Act. Introduced by Representative Poliquin (R-ME) and approved by the House Financial Services Committee with bipartisan support, this bill would provide relief to non-banks from certain stress test requirements under the Dodd-Frank Act.

Traditional prescriptive stress testing is typically used to measure the financial resiliency of commercial banks, whose balance sheets are assessed to determine whether they have sufficient capital to withstand various economic stress scenarios. Asset managers in a completely different business model than a traditional bank, acting as a manager of separately custodied accounts. As such, traditional stress testing as envisioned under Dodd-Frank are anomalous in their application to an asset manager which require alternative risk assessment metrics.

SIFMA applauds Rep. Poliquin for his leadership on this proposal, and recommends the House pass this commonsense legislation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ken Bentsen", is written over a light blue horizontal line.

Kenneth E. Bentsen, Jr.
President & CEO
Securities Industry and Financial Markets Association

CC: The Honorable Bruce Poliquin

¹ SIFMA is the voice of the U.S. securities industry. We represent the broker-dealers, banks and asset managers whose nearly 1 million employees provide access to the capital markets, raising over \$2.5 trillion for businesses and municipalities in the U.S., serving clients with over \$20 trillion in assets and managing more than \$67 trillion in assets for individual and institutional clients including mutual funds and retirement plans. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA).