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Congress of the United States
Washington, DC 20515

December 10, 2015

The Honorable Mary Jo White
Chair
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Chair White,

As members of the House Financial Services Committee, we respectfully request that the Securities and Exchange Commission (SEC) revise proposed Rule 30e-3 to maintain the current option for investors to automatically receive mutual fund financial reporting information in paper form. Elderly investors, who own nearly half of mutual fund assets, and those residing in rural communities often do not have access to internet technology. In order to read such critical information, they rely heavily on paper reports. In drafting the Rule, the SEC clearly intends to protect those who must rely on paper by acknowledging that "it is critical that these investors continue to receive disclosure in a means that is convenient and accessible for them." As described below, we respectively submit that this proposed Rule needs revising in order to fulfill this worthy goal.

Even though the SEC currently allows mutual fund investors to opt-out of paper delivery, only a small percentage does. Rule 30e-3 completely shifts the burden to investors. Under the proposed Rule, mutual fund companies would only be required to send investors a single paper letter announcing the switch to digital delivery unless the investor affirmatively opts-in to receiving paper reports.

Such a letter and its response form could easily be lost in the mail, or accidently discarded. Additionally, for millions of senior citizen savers and investors, these forms are frequently confusing, causing them to be filled out incorrectly. If the letters and forms are received but then lost or destroyed, an untold number of elderly investors and/or those living in rural area without internet access will find it difficult, or even impossible, to secure paper reports for this disclosure information. We are pleased that the SEC cited this as a potential problem when requesting comment on proposed Rule 30e-3.

We are also concerned that this specific SEC rulemaking puts forward the notion of "implied consent." This creates an unhealthy legal precedent for future actions in the financial services space. In the long run, it is inappropriate and harmful for investors to have this type of generally unwanted change forced upon them by Wall Street.

Limiting or eliminating the automatic receipt of paper financial reports will increase the cost of saving and investing for American families by imposing the expense of printing long documents on personal equipment, and only if the investor has adequate broadband for such printing. We

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are confident that the SEC wishes to assist, not inhibit, investors in building adequate retirement and other funds to promote their financial security and well-being.

By a wide majority, the American people do not want to stop automatically receiving paper mutual fund reports through the mail, as dictated in proposed Rule 30e-3. In 2012, the SEC contracted Siegel + Gale to conduct a study regarding investor preferences and other issues. The research concludes that 71% of mutual fund investors prefer paper rather than online reports. In 2013, an InfoTrends national survey finds that 84% of respondents object to private sector companies forcing them to use electronic-only formats. This objective data confirms the feedback we hear from constituent investors across the country.

Thank you for the prompt consideration of this request. We look forward to working with your staff to ensure that all American investors and savers are able to conveniently, securely, and inexpensively receive critically important mutual fund financial reports in the desired paper form.

Sincerely,

Bruce Poliquin
Member of Congress

Kyrsten Sinema
Member of Congress