

Congress of the United States
Washington, DC 20515

November 13, 2019

The Honorable Jay Clayton
Chairman
U.S. Securities and Exchange Commission
100 F St., NW
Washington, DC 20549-1090

The Honorable Heath P. Tarbert
Chairman
U.S. Commodity Futures Trading Commission
Three Lafayette Centre, 1155 21st St., NW
Washington, DC 20581

Re: Customer Margin Rules Relating to Security Futures

Dear Sirs:

Margin requirements for security futures and exchange-traded options (which create similar risk profiles to security futures) were a particular area of focus of the Commodity Futures Modernization Act of 2000 ("CFMA"). Ultimately, the CFMA specifically mandated that security futures margin levels could be no lower than margin levels applicable to comparable options positions.

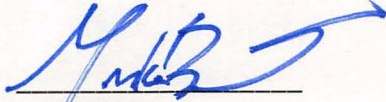
Specifically, the CFMA amended Section 7(c) of the Securities Exchange Act of 1934 to provide that initial and maintenance margin levels for a security future could not be "lower than the lowest level of margin, exclusive of premium, required for any comparable option contract traded on any [national securities exchange], other than an option on a security future."

The Securities and Exchange Commission ("SEC") and the Commodity Futures Trading Commission ("CFTC") (together, the "Commissions") are proposing to lower margin levels for security futures held outside of a portfolio margin account to 15% while margin levels for exchange-traded options held outside of a portfolio margin account are to remain at 20%.

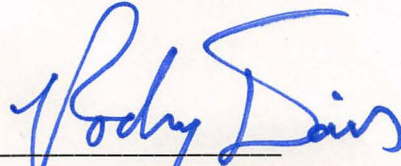
We have both been made aware of concerns that the proposed change to the margin level for security future held outside of a portfolio margin account may not be in line with the spirit or letter of the Commodity Futures Modernization Act of 2000. We would like to call upon the Commissions to outline how you have ensured that the proposal is consistent with the CFMA.

Thank you for the opportunity to share our thoughts on this important issue. If you have any questions or concerns, please reach out to Rep. Bost's office at 202-225-5661 or Rep. Davis's office at 202-225-2371.

Sincerely,



Mike Bost
Member of Congress



Rodney Davis
Member of Congress