

United States Senate

WASHINGTON, DC 20510

August 2, 2018

The Honorable Jerome H. Powell
Chairman
Board of Governors of the Federal Reserve
System
20th Street and Constitution Avenue NW
Washington, DC 20551

The Honorable Jelena McWilliams
Chair
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

The Honorable Joseph M. Otting
Comptroller
Office of the Comptroller of the Currency
400 7th Street SW
Washington, DC 20219

The Honorable Jay Clayton
Chairman
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

The Honorable J. Christopher Giancarlo
Chairman
U.S. Commodity Futures Trading
Commission
1155 21st Street NW
Washington, DC 20581

Dear Chairman Powell, Chair McWilliams, Comptroller Otting, Chairman Clayton, and Chairman Giancarlo:

We write to express our strong disappointment with the recent effort to weaken the Volcker Rule, which prohibits risky trading practices at federally-backed institutions. We are concerned that the proposed rule released on May 30 by the Federal Reserve would undermine a fundamental provision of the Dodd-Frank Wall Street Reform Act that prevents taxpayers from being asked to bail out financial institutions that make high-risk trades.

Reckless gambling on Wall Street played a major role in the financial crisis and resulted in massive taxpayer bailouts. To protect taxpayers and the economy, Congress enacted the Volcker Rule to separate traditional banking from these risky trading practices. The Volcker Rule's ban on high-risk trading by large, federally insured banks was a key provision of the Dodd-Frank Wall Street Reform Act intended to ensure that American taxpayers would never again be on the hook when Wall Street banks gamble.

The proposed rule issued by the federal banking regulators is not a minor change or an attempt to cut red tape for community banks and credit unions. Instead, it creates potentially major loopholes for Wall Street banks to avoid complying with a core protection put in place by Congress to protect taxpayers and investors. Loosening the Volcker Rule for Wall Street banks opens the door for them to once again engage in risky trading behavior and put the financial stability of our economy at risk.

As you consider any potential changes to the Volcker Rule, we urge you to consider the potential ramifications of risky trading practices at federally insured institutions.

Sincerely,



Jeffrey A. Merkley
United States Senator



Jeanne Shaheen
United States Senator



Kirsten Gillibrand
United States Senator



Dianne Feinstein
United States Senator



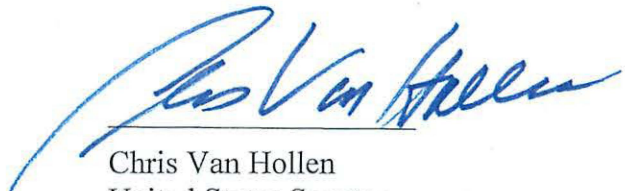
Elizabeth Warren
United States Senator



Tina Smith
United States Senator



Cory A. Booker
United States Senator



Chris Van Hollen
United States Senator



Richard Blumenthal
United States Senator



Sherrod Brown
United States Senator



Kamala D. Harris
United States Senator



Edward J. Markey
United States Senator



Robert P. Casey Jr.
United States Senator



Margaret Wood Hassan
United States Senator



Ron Wyden
United States Senator



Robert Menendez
United States Senator



Maria Cantwell
United States Senator



Mazie K. Hirono
United States Senator



Benjamin L. Cardin
United States Senator



Bernard Sanders
United States Senator



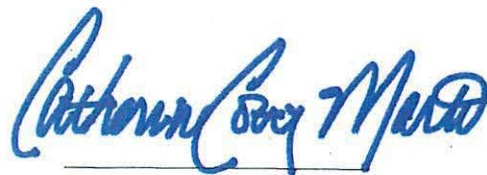
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United States Senator



Tammy Baldwin
United States Senator




Brian Schatz
United States Senator



Catherine Cortez Masto
United States Senator


Jack Reed
United States Senator



Sheldon Whitehouse
United States Senator


Richard J. Durbin
United States Senator


Martin Heinrich
United States Senator


Tom Udall
United States Senator


Bill Nelson
United States Senator


Amy Klobuchar
United States Senator