



May 15, 2024

The Honorable Joe Manchin
United States Senate
306 Hart Office Building
Washington, DC 20510

The Honorable Ted Budd
United States Senate
304 Russell Office Building
Washington, DC 20510

The Honorable Bill Cassidy
United States Senate
455 Dirksen Office Building
Washington, DC 20510

The Honorable Roger Marshall
United States Senate
479A Russell Senate Office Building
Washington, DC 20510

Dear Senators Manchin, Budd, Cassidy, and Marshall:

On behalf of the National Association of Insurance and Financial Advisors (NAIFA) and our members across the country, I write to thank you for your leadership in introducing Congressional Review Act (CRA) resolution disapproving the Department of Labor (DOL) “Retirement Security Rule (“the final rule”): Definition of an Investment Advice Fiduciary” ([89 FR 32122](#)) published in the Federal Register on April 25, 2024.

NAIFA is one of the nation’s oldest and largest associations representing the interests of financial services and insurance professionals. Our members are Main Street financial professionals who primarily serve and maintain long-standing relationships with individuals, families, and small businesses in their communities. Nine out of ten NAIFA members report serving middle-income individuals and families and 67 percent work with small businesses. A typical client’s annual household income falls below \$150,000 for 69 percent of NAIFA members. NAIFA members serve the exact clients the DOL intends to protect with this rule but this rule will have the opposite effect.

As you know, the final rule raises significant issues for NAIFA. Briefly, let me recap those concerns. First, the final rule will negatively impact and impose new costs on middle- and low-income savers, the very people we serve, as well as financial services professionals. The DOL 2016 rule, which this rule closely resembles, adversely affected the wealth creation of low-income savers and savers of color, an effect supported in studies by Deloitte and the Hispanic Leadership Fund. In addition, since the DOL last acted on this issue, the regulatory landscape has been significantly strengthened to provide additional consumer protections and address potential conflicts of interest. The Securities and Exchange Commission has adopted Regulation Best
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Interest and 45 States have adopted the National Association of Insurance Commissioners' model best interest regulation for annuities. Moreover, DOL's previous efforts to expand the reach of fiduciary standards have consistently been rejected by federal courts. The final rule is clearly inconsistent with the 5th Circuit's opinion that invalidated the 2016 Fiduciary Rule.

Finally, consumers themselves want a choice of a financial professional who can provide sound financial guidance to help obtain financial security. The final rule will limit that choice. In conclusion, the final rule is unnecessary at this time and is inconsistent with the existing regulatory framework that meets consumer protection goals while ensuring Main Street investors can afford to access professional financial services.

NAIFA applauds your efforts to bring the CRA resolution to the floor and we urge its adoption.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin Mayeux". The signature is fluid and cursive, with a large, stylized initial "K" and a long, sweeping tail.

Kevin Mayeux
CEO

cc: Senator Bernie Sanders, Chairman of the Senate Committee on Health, Education, Labor, and Pensions