



July 15, 2025

The Honorable French Hill
Chairman
Financial Services Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
Capital Markets Subcommittee
U.S. House of Representatives
Washington, DC 20515

Re: July 15th Hearing Entitled “Dodd-Frank Turns 15: Lessons Learned and the Road Ahead”

Dear Chairman Hill and Ranking Member Waters:

The American Securities Association (ASA)¹ submits these comments for the scheduled July 15th hearing of the House Financial Services Committee to examine the impact of the 2010 Dodd-Frank Act (Dodd-Frank) on the American economy and the competitiveness of the U.S. capital markets.

I. Overview.

Dodd-Frank was passed in the wake of the 2008-2009 financial crisis and was intended to address the underlying causes of that crisis and promote lasting stability within the financial system. Yet, since then, the Federal Reserve and Treasury have had to step in multiple times to “backstop” the American financial markets. This has taught a generation on Wall Street that no matter what speculative risks they take, the Federal Government, with taxpayer money, will always bail them out.

Additionally, Dodd-Frank shifted significant decision-making authority away from Congress and toward administrative state bureaucrats. This produced a sprawling set of nearly 400 new rules, many of which have little connection to the causes of the financial crisis or to financial stability in general.

Most glaringly, Dodd-Frank overtly politicized the Securities and Exchange Commission (SEC), an agency that before Dodd-Frank was admired for its objective and thorough approach to regulation and enforcement.

To ensure accountability and effective oversight, Congress *must* reclaim its central role over the policymaking process, rather than delegating broad powers to unelected partisan regulators.

¹ ASA is a trade association that represents the retail and institutional capital markets interests of regional financial services firms who provide Main Street businesses with access to capital and advise hardworking Americans how to create and preserve wealth. ASA’s mission is to promote trust and confidence among investors, facilitate capital formation, and support efficient and competitively balanced capital markets. This mission advances financial independence, stimulates job creation, and increases prosperity. ASA has a geographically diverse membership base that spans the Heartland, Southwest, Southeast, Atlantic, and Pacific Northwest regions of the United States.





The ASA wishes to raise for the Committee the following issues and supports certain bills that will be discussed as part of the hearing.

II. Dodd-Frank Improperly Delegated Authority to Unelected Regulators.

The passage of Dodd-Frank represented an incredible delegation of rulemaking authority from the people's elected representatives in Congress to unelected federal financial regulators.

For 15 years, these agencies proposed and finalized hundreds of thousands of pages' worth of new regulations that impact every aspect of the American economy and politicized our capital markets. This meant major policy decisions were made by career bureaucrats with little or no experience in the private sector.

Dodd-Frank provides an important lesson to lawmakers about the dangers of delegating authority in such a reckless manner. Not only was this a violation of the nondelegation doctrine, but it also greenlighted unaccountable bureaucrats to change their minds and make rules up as they went along. This uncertainty had a negative impact on long-term investment and capital allocation, and it's also one explanation why economic growth has been historically weak since Dodd-Frank passed.

Congress should never abdicate its responsibilities in this manner again.

ASA would support legislation to require this Committee and the Senate Banking Committee to approve or disapprove of every new policy financial regulators propose that reaches a set level of economic impact, like the Regulations from the Executive in Need of Scrutiny (REINS) Act.

This would prevent agencies from pursuing radical new rules – such as the SEC's climate disclosure rule – and wasting valuable private sector resources without approval from Congress. ASA also supports Rep. Barr's Business Owners Protection Act which would repeal any unused authority for new regulations that were granted to the SEC under Dodd-Frank.

III. Congress Should Establish SRO Boards Composed of Industry Representation.

One of the more problematic provisions of Dodd-Frank was a mandate that the Municipal Securities Rulemaking Board (MSRB) be made up of majority 'public' members as opposed to industry representation. The SEC also approved a rule to require Financial Industry Regulatory Authority (FINRA) to have a majority-public member board.

Board composition in these self-regulatory organizations (SROs) has drifted far from their original purpose and is not consistent with the concept of "self-regulation." By shifting control to public members who are hostile to the industry and have limited or no direct industry experience, SROs have lost sight of their foundational role as bodies designed to leverage the expertise and accountability of industry participants. Even worse, many of these so-called public directors have significant conflicts of interest that color their view of the regulation.

Instead of serving as effective stewards of market integrity, these organizations are now being guided by individuals who lack a deep real-world understanding of the markets they oversee, and/or who have prioritized outside political agendas over the functioning of the market.





There is no benefit to investors to having academics, “public interest” advocates, and other political actors wielding this kind of authority over the functioning of highly sophisticated financial markets.

As a result, SROs do not understand the markets, and the industry must sue them to stop their misguided regulatory priorities. This political takeover of the SRO boards has undermined the credibility and effectiveness of self-regulation, eroded the public trust, and failed to serve investors’ best interests.

To restore effectiveness, integrity, and trust in SROs, Congress should require their boards to return to a composition rooted in actual real world industry expertise and leadership and free from special interest groups, academics, and other conflicted individuals with political agendas.

IV. ASA Supports Efforts to Depoliticize the SEC.

ASA commends the Committee for including legislation that would repeal harmful Dodd-Frank disclosure mandates, including the conflict minerals rule and resource extraction rule. Using the SEC’s corporate disclosure regime to try and solve complex geopolitical or social issues did not work, has never been appropriate, and resulted in substantial costs to public company shareholders.

Mandates that empower special interests to pursue their own agendas within the SEC has led to some harmful rulemakings, most notably the climate disclosure rule.

Additionally, the ASA supports Rep. Downing’s Protecting Private Job Creators Act which provides for a permanent exemption for fixed income securities from SEC Rule 15c2-11. The SEC inappropriately applied this rule to debt securities of private companies that would be forced to disclose sensitive information. While the SEC provided temporary relief, Congress needs to make the exemption permanent.

V. Conclusion.

ASA commends the Committee for holding this hearing and will continue to work with members on both sides of the aisle on these important issues.

Sincerely,

Christopher A. Iacovella

Christopher A. Iacovella
President & Chief Executive Officer
American Securities Association

