

PUBLIC SUBMISSION

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Definition of an Investment Advice Fiduciary

Comment On: EBSA-2023-0014-0001
Retirement Security Rule: Definition of an Investment Advice Fiduciary

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Submitter Information

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General Comment

Adding this additional layer of regulation is unnecessary and will not serve financial clients well as it may very well elad to less interaction with trained financial advisors. Especially for those clients who have smaller accounts. Why would an advisor take a risk to their license for clients with smaller balances? They wouldn't, and those are the very people who could often use the most help. I pride myself on helping younger, or less affluent clients get started on the road to secure retirement, saving and investing for their futures, but I would have to consider the additional risk to my licenses under the proposed regulations. I would very likely curtail my work with clients who have lower account balances as a simple matter of evaluating the risk /return parameters.

I'm writing to express my concerns with the Department of Labor's (DOL) Retirement Security rule proposal. I believe this proposal will harm millions of low- and middle-income households by limiting access to personalized financial guidance and advice.

As a financial professional, I'm already required to act in the best interests of my clients under the SEC's Regulation Best Interest (Reg BI) and, when considering annuities, applicable state laws that impose similar requirements. Together, these regulations ensure that my clients and I can focus on working together to build responsible savings and investments habits.

This proposal has the potential to upend our existing, comprehensive structure by limiting our ability to help our clients safeguard their savings in a manner of their choosing. In particular, the previous iteration of a substantially similar DOL rule resulted in a meaningful reduction in services offered to millions of low- and middle-income households. I am concerned that the resurrection of this rule is expected to exacerbate the racial wealth gap by roughly 20% due to a disproportionate impact on Black and Hispanic communities.

I hope the DOL will consider the harm the previous fiduciary rule had on communities, as well as the changes in securities regulations that came with the adoption of Reg BI and state insurance suitability rules and withdraw the Retirement Security rule proposal.