

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

I have spent the last 41 years helping families prepare for retirement, educating their children and insuring their lives. The regulatory environment has grown more complex as the years have passed. It has reached the point that I fear for the average person's access to financial advice. A new advisor has no hope of starting a career helping startup investors. They must focus on people of means in order to make a living. They cannot afford the time to educate people who can only afford to put a \$100/mo away. As a result, the startup investor is on their own and frankly many will not even begin to invest because their education does not equip them to recognize the need to invest rather than simply save money at a bank. The regulations meant to protect the common person from unscrupulous sales practices have had the effect of closing off meaningful access to financial advice. The consequences for the new generation of young adults are troubling. The existing regulatory regime is more than adequate to protect investors. Another layer at the state level will only make the access issue worse.

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.