Rep. Forlini offered the following resolution:

House Resolution No. 223.

A resolution to memorialize the Congress of the United States to enact the Retail Investor Protection Act and also to enact legislation that prohibits the United States Department of Labor from amending fiduciary duty regulations to define retirement savings brokers and agents as fiduciaries, including those previously not deemed fiduciaries.

Whereas, With over 10,000 people retiring every day, each year for the next 17 years, it is imperative that future retirees plan, save, and have choices about who they consult for retirement guidance. Financial professionals provide guidance to consumers about their investments, including investments in IRAs, 401(k) accounts, and other assets invested to produce retirement income; and

Whereas, Financial professionals are generally compensated through one of two business models. A majority of transactions fall into the broker-dealer model, in which compensation is paid by the product provider to the broker-dealer and registered representatives, and not by the consumer. In other transactions, the buyer is more financially sophisticated and has significant assets and may prefer to engage an advisor under a fee-based arrangement, paying the advisor directly; and

Whereas, For many, especially those with small- to medium-size accounts, consulting with a trusted professional using the broker-dealer model is more cost efficient, more accessible, and preferable to a fee-based arrangement; and

Whereas, The U.S. Department of Labor has proposed regulations that would define certain professionals operating under the broker-dealer model to be fiduciaries. And if receiving third-party compensation is a violation of the fiduciary standard, the effect will be to force retirement account savers to use a fee-based model or not receive advice; and

Whereas, The Retail Investor Protection Act (H.R. 1090) would prohibit the U.S. Department of Labor from prescribing any regulation pursuant to the Employee Retirement Income Security Act of 1974 that defines the circumstances under which an individual is considered a fiduciary until 60 days after the Securities and Exchange Commission issues a final rule governing standards of conduct for brokers and dealers under specified law. Similar legislation passed the U.S. House on a bipartisan vote in the previous Congress; now, therefore, be it

Resolved by the House of Representatives, That we oppose efforts by the United States Department of Labor to place onerous regulatory rules on the broker-dealer community that will adversely affect low- and middle-income investors’ ability to have access to affordable, reliable, retirement advice; and be it further

Resolved, That we memorialize the Congress of the United States to enact the Retail Investor Protection Act and also to enact legislation that prohibits the United States Department of Labor from amending fiduciary duty regulations to define retirement savings brokers and agents as fiduciaries, including those previously not deemed fiduciaries; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, the members of the Michigan congressional delegation, and the United States Secretary of Labor.