

CHAMBER OF COMMERCE  
OF THE  
UNITED STATES OF AMERICA

R. BRUCE JOSTEN  
EXECUTIVE VICE PRESIDENT  
GOVERNMENT AFFAIRS

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TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America's free enterprise system, supports H.R. 4167, the "Restoring Proven Financing for American Employers Act."

H.R. 4167 would correct a major issue stemming from the regulations implementing Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, known as the "Volcker Rule." This bill would prevent the unnecessary fire sale of existing collateralized loan obligations (CLOs), which would depress the existing CLO market and raise the cost of capital for thousands of American businesses. Passage of H.R. 4167 would also allow regulators the opportunity to fix the adverse impacts of the Volcker Rule upon thousands of Main Street businesses.

CLOs provide roughly \$300 billion in financing throughout our economy and, unlike other asset classes, performed remarkably well during the financial crisis. The final Volcker Rule regulations unexpectedly swept CLOs into a prohibition designed to restrict bank ownership of certain investments. Such action went well beyond what was intended in the statute, and banks will now be expected to divest themselves of ownership stakes in CLOs. This would make it more difficult for business to obtain capital, and potentially incentivize riskier behavior in the financial system.

H.R. 4167 would correct this regulatory deficiency by allowing banks to continue investing in CLOs, thereby preserving this important source of financing that supports growth and job creation throughout our economy.

The Chamber supports H.R. 4167 and urges its swift passage by the House of Representatives.

Sincerely,



R. Bruce Josten