

October 31, 2024

The Honorable Sherrod Brown
Chairman
Senate Committee on Banking,
Housing and Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Tim Scott
Ranking Member
Senate Committee on Banking, Housing
Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Brown and Ranking Member Scott:

The organizations and individuals signed below write to express opposition to S. 3815/H.R. 1807, The Improving Disclosure for Investors Act of 2024,¹ which has been referred to the Senate Committee on Banking, Housing, and Urban Affairs. As presently constituted, the bill would make it much harder for many investors to find and review important information on their investments, including the fees that they pay. Should it be enacted, it would override choices investors have already made, opening the door for many investors to be pushed into a disclosure system that investors did not choose, depriving them of information in a format that works for them.

Presently federal securities laws require the default delivery of disclosures in paper. The federal E-Sign Act allows delivery of disclosures only where investors have requested such “e-delivery,” and only after the investor has demonstrated their actual ability to access and retain the disclosures that will be delivered electronically. The bill would eliminate this critical protection required by Congress to protect consumers in 15 U.S.C. 7001(c).

S. 3815 would change the law to allow investment firms to instead “default” retail investors into receiving electronic delivery (e-delivery) of important regulatory documents required by our securities laws, including investment disclosures and account statements. Under the legislation, investment firms could make the change even though there is no evidence that investors who prefer e-delivery face any difficulties in exercising their choice today.

Current e-delivery disclosure frameworks are preferred by some but importantly, not by all. Most have low click-through rates and a multi-step process, which can frustrate and dissuade recipients from reading important disclosures, especially where they are less tech savvy or have limited access to email and the internet. Investors who are pushed into

¹ The corresponding House bill is H.R. 1807, the Improving Disclosure for Investors Act of 2023, which passed out of the House Financial Services Committee, despite opposition from Ranking Member Waters.

these could potentially need to monitor websites for the availability of new regulatory communications and then search for them. Further, where investors miss the notice, fail to check an online account, or do not see a notice in their spam filter, they also may never see these vital disclosures.

On the whole, instead of improving disclosure, S. 3815 stands to significantly *reduce* effective disclosure for investors – especially older investors and investors living in rural areas. Indeed, millions of Americans, many who are 50 and older or living in rural areas, do not have regular broadband internet access or do not routinely use computers at home. This means they would miss out on critical account information if the default delivery were electronic.

More basic even than the aforementioned technical challenges is the fact that investors are well aware that electronic delivery is an option for receiving investor communications. Those who have not selected e-delivery have made their choice and their choice should be respected - they should not be forced to jump through new hoops to reverse the self-serving decisions of Wall Street firms seeking to save relatively minor administrative costs. Firms should not be allowed to force investors into a disclosure system that investors did not choose, as S. 3815 proposes. Instead, investor's choices should be respected, and S. 3815 should be rejected.

Sincerely,



Andrew Park
Senior Policy Advisor
Americans for Financial Reform



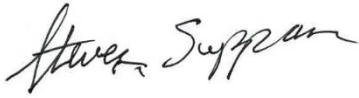
Dennis M. Kelleher
President, Co-Founder and CEO
Better Markets



Micah Hauptman
Director of Investor Protection
Consumer Federation of America



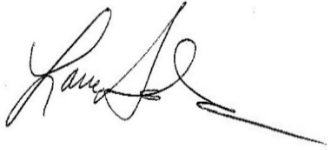
Charles F. Bell
Programs Director, Advocacy
Consumer Reports



Steve Suppan
Senior Policy Analyst
Institute for Agriculture and Technology Policy



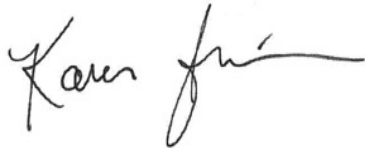
Karen Friedman
Executive Director
National Association of Consumer
Advocates



National Consumer Law Center
(on behalf of its low income clients)
National Consumer Law Center



Christine Hines
Senior Policy Director
National Consumers League



Karen Garrett
Executive Director
Pension Rights Center

Bart Naylor

Bartlett Naylor
Financial Policy Advocate
Public Citizen



Adam Gana
President
Public Investors Advocate Bar Association



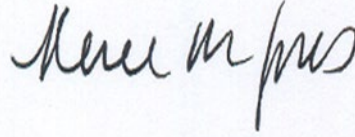
Alex Thornton
Senior Director for Financial Policy
Center for American Progress

/S/
Nora Flaherty-Stanford
Maine People's Alliance

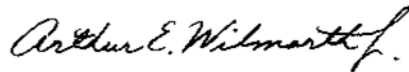
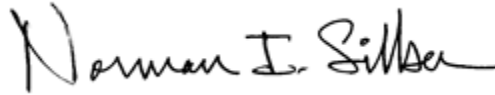
Signing in their individual capacity.



The Honorable Allison H. Lee
Former Acting Chair and Commissioner
U.S. Securities and Exchange Commission



Reene Jones
Former Corporation Finance Division Director,
U.S. Securities and Exchange Commission, and
Professor and Distinguished Scholar,
Boston College Law School



Arthur E. Wilmarth, Jr.
Professor Emeritus of Law
George Washington University Law School

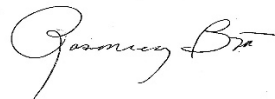
Norman I. Silberman
Maurice A. Deane School of Law
Hofstra University



/S/

Andrew M. Boas
Mark L. Claster Distinguished Professor
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Adam Levitin
Carmack Waterhouse Professor of
Law and Finance
Georgetown University School of Law



/S/

Irene Leech
Associate Professor, Consumer Studies
Virginia Tech University

Rosemary Batt
Alice H. Cool Professor of Women and
Work
ILR School. Cornell University

CC: Members of the United States Senate