

The Honorable Maxine Waters
Chairwoman, Committee on Financial
Services
U.S. House of Representatives
Washington, D.C.

The Honorable Patrick McHenry
Ranking Member, Committee on Financial
Services
U.S. House of Representatives
Washington, D.C.

The Honorable Brad Sherman
Chairman, Subcommittee on Investor
Protection, Entrepreneurship and Capital
Markets
U.S. House of Representatives
Washington, D.C.

The Honorable Bill Huizenga
Ranking Member, Subcommittee on Investor
Protection, Entrepreneurship and Capital
Markets
U.S. House of Representatives
Washington, D.C.

April 24, 2020

RE: Endorsement of the Financial Transparency Act

Chairwoman Waters, Ranking Member McHenry, Chairman Sherman, and Ranking Member Huizenga--

We appreciate the legislation authored by Representatives Carolyn Maloney (D-NY) and Patrick McHenry (R-NC), and the undersigned organizations strongly support the bipartisan Financial Transparency Act (H.R. 4476). The proposed bill improves access to high-quality data relevant for efficient operation in financial markets and builds on recent government-wide data reforms, such as the Foundations for Evidence-Based Policymaking Act (P.L. 115-435).

The FTA would require financial regulatory agencies in the United States to apply common data standards for certain information collected from regulated entities. In short, these standards will streamline existing reporting processes, reducing long-term regulatory compliance costs while also enabling greater transparency of reported information.

The streamlining of regulatory reporting reduces the amount of time businesses must spend on compliance, freeing resources that can support private sector innovation and productivity. This important reform will particularly benefit small businesses by reducing compliance burdens over time. The data standards in FTA that generate more consistent and higher quality information will also provide the basis for investors to have better information that allows them to better select investment opportunities.

FTA will also lead to improvements in the effectiveness and efficiency for financial regulators by reducing unnecessary data errors, providing more accurate and comprehensive information about inefficiencies in financial markets. This will allow policymakers to have the tools to be proactive in reforms and actions prior to a crisis rather than after. If such a system had been in place in the late 2000s, the financial collapse leading to the Great Recession could have possibly been mitigated. It's time for financial regulators to have the tools needed to avoid unnecessary harm to the American economy from bad actors.

The Financial Transparency Act is one step toward modernizing the country's financial regulatory infrastructure for the 21st Century. The undersigned organizations encourage the

Committee and the House of Representatives to quickly take action to advance this important legislation.

Respectfully,

Data Coalition

Delv Global

Demand Progress

DFIN

DLT - A Tech Data Company

Government Information Watch

HData

Workiva

Xero