

House Passes Towns-Leahy Bill to Eliminate SEC FOIA Exemption in the Wall Street Reform Bill

WASHINGTON – The House of Representatives today passed by voice vote S [.3717](#) , legislation to eliminate broad Freedom of Information Act (FOIA) exemptions for the Securities and Exchange Commission (SEC) that were enacted when the [Dodd-Frank Wall Street Reform and Consumer Protection Act](#) (Dodd-Frank Act) was signed into law.

S. 3717 is companion legislation to [H.R. 6086, which Chairman Edolphus “Ed” Towns \(D-NY\) introduced on August 10, 2010](#)

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During a House Financial Services Committee hearing on September 16, 2010 entitled, “Legislative Proposals to Address Concerns over the SEC’s New Confidentiality Provision,” Chairman Towns [testified](#) in support of H.R. 6086.

“The Dodd-Frank Act made essential improvements to the accountability and transparency of our nation’s financial system. However, the legislation includes a secrecy provision that I believe undermines the purposes of the Act,” said Chairman Towns.

“The legislation we passed today strikes a careful balance to ensure that the spirit of that landmark legislation is carried out to the fullest extent.”

In a [letter](#) to Chairman Towns last month expressing support for H.R. 6086, a coalition of more than 30 public interest organizations wrote, “...this bill sends a clear message that public access is vital to accountability.”

S. 3717 strikes FOIA exemptions that were included in section 929I of the Dodd-Frank Act that allow the SEC to avoid disclosing records or other information obtained from its registered entities if the information is used for “surveillance, risk assessments, or other regulatory and oversight activities.”

The bill also clarifies that the SEC can protect sensitive records obtained under its examination authority by using an existing FOIA exemption covering records of financial institutions. The bill provides that any entity that the SEC is responsible for regulating, supervising, or examining is a “financial institution” for purposes of FOIA Exemption 8.

S. 3717 was introduced in the Senate on August 5, 2010 by Senators Leahy, Cornyn, Kaufman, and Grassley.

“I thank Senator Leahy for his leadership on this bill as well as Chairman Frank for his support in bringing this bill to the floor for consideration,” added Chairman Towns.

President Obama is expected to sign the legislation into law.

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[Chairman Towns' Statement in Support of S. 3717](#)