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SUBMITTED BY ELECTRONIC DOCKET

U.S. Department of Labor
Employee Benefits Security Administration
Office of Regulations and Interpretations
Office of Exemption Determinations
200 Constitution Avenue, NW
Washington, DC 20210

Re: Definition of the Term "Fiduciary", Comments on the Delay of the Applicability Date, RIN 1210-AB79

To Whom It May Concern:

The National Council of La Raza (NCLR)—the largest national Hispanic civil rights and advocacy organization in the United States—submits to the Employee Benefits Security Administration (EBSA) the following comments **in opposition** to the proposed delay of the applicability date for the finalized regulation updating the definition of the term "fiduciary" for employee benefit plans under the Employee Retirement Income Security Act of 1974 (ERISA).

NCLR has a strong track record of advancing consumer protections and retirement security through policy and practice. We have supported public policies to protect Latino and low-income consumers from harmful financial products, including mortgages with usury terms and short-term loans with exorbitant interest rates. One in four NCLR Affiliates—community-based organizations that serve millions of Hispanic Americans throughout the country—provides financial coaching and mortgage counseling. NCLR is also a leading voice for strengthening retirement savings among Latinos. Latinos are projected to account for a majority of the growth in the American workforce between 2010 and 2050; therefore, avoiding a national retirement crisis hinges on Latinos' ability to save for retirement. Protecting consumers who are making retirement investment decisions is vital to ensuring that those who have spent their lifetimes working to support their families have adequate savings.

NCLR strongly supports the final fiduciary rule and any delay in its applicability would threaten the retirement savings of millions of Americans by continuing to allow advisers and their firms to engage in harmful practices that threaten retirement security. Hispanics are already disadvantaged in the retirement marketplace: structural factors inhibit Latinos from saving enough for retirement, making it all the more imperative that the advice they receive helps them improve savings and bolster account balances. Further, as Latinos tend to have lower balances in their retirement accounts, higher fees represent a higher proportion of their retirement savings absorbed by advisers and financial institutions. This makes Latinos even more vulnerable to financial instability. Instituting quality standards for advice provided for a fee is especially important to Latino and other low-income consumers to ensure that the advice they receive is truly in their best interest.

As a result of the final rule, financial investment firms and advisers have already began shifting to improved compensation models and investment offerings in anticipation of the applicability date. Any delay would not only halt this progress, but would also cost retirement savers millions. The Department of Labor's economic analysis of the delay—while only analyzing one segment of the retirement market, mutual funds in IRAs—projected that a 60-day delay could lead to an estimates reduction of $147 million in investment gains in the first year and $890 million over 10 years using a 3% discount rate. The same DOL analysis found a 60-day delay would save the industry firms $42 million. It is clear that the costs of delay for retirement savers far outweigh the benefits for financial investment firms.

Retirement savers, particularly those with small balances, cannot afford a delay in crucial retirements investment advice protections. As more Americans struggle to save enough for retirement, investment advice that is in their best interest is crucial to building a robust nest egg. The Department of Labor should determine that the proposed delay is unjustified and the rule should be implemented on April 10.

Thank you for this opportunity to comment on the proposed delay of the applicability date of the Department of Labor's fiduciary rule. Please see NCLR's past comments on the proposed rule here. Should you have any questions on these comments, please contact Amelia Collins at acollins@nclr.org or (202) 776-1578.

Sincerely,

Eric Rodriquez
Vice President
Office of Research, Advocacy, and Legislation