

MEMO# 14023

October 4, 2001

HOUSE COMMITTEE APPROVES INVESTMENT ADVICE LEGISLATION

[14023] October 4, 2001 TO: BOARD OF GOVERNORS No. 52-01 FEDERAL LEGISLATION MEMBERS No. 13-01 PRIMARY CONTACTS - MEMBER COMPLEX No. 75-01 PUBLIC INFORMATION COMMITTEE No. 25-01 RE: HOUSE COMMITTEE APPROVES INVESTMENT ADVICE LEGISLATION On October 3, 2001, the House Education and the Workforce Committee favorably reported H.R. 2269, the "Retirement Security Advice Act of 2001." The legislation was approved by a 29-17 vote. H.R. 2269, introduced by Chairman John Boehner (R-OH), would provide a statutory exemption from ERISA's prohibited transaction rules to allow financial institutions to provide investment advice to retirement plan participants regardless of whether the financial institution provides investment options for the plan. Current law prohibits such advice from being provided absent an individual exemption granted from the Department of Labor. The Subcommittee on Employer-Employee Relations approved H.R. 2269 on August 2. The legislation could be considered by the full House prior to the end of the session. We will inform you of further developments. Matthew P. Fink President 1 See Memorandum to Board of Governors No. 38-01, Federal Legislation Members No. 11-01, Primary Contacts - Member Complex No. 51-01, and Public Information Committee No. 23-01.

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