

MEMO# 14128

November 13, 2001

INVESTMENT ADVICE BILL APPROVED BY HOUSE WAYS AND MEANS COMMITTEE

[14128] November 13, 2001 TO: BOARD OF GOVERNORS No. 57-01 FEDERAL LEGISLATION MEMBERS No. 15-01 PRIMARY CONTACTS - MEMBER COMPLEX No. 84-01 PUBLIC INFORMATION COMMITTEE No. 28-01 RE: INVESTMENT ADVICE BILL APPROVED BY HOUSE WAYS AND MEANS COMMITTEE On November 7, 2001, the House Ways and Means Committee favorably reported H.R. 2269, the "Retirement Security Advice Act of 2001." The legislation was approved by a 25-15 vote. H.R. 2269, introduced by House Education and the Workforce Committee 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. The bill as approved by the Ways and Means Committee is substantially similar to the version approved by the Education and the Workforce Committee on October 3.1 The Ways and Means approved bill, however, alters the disclosure obligations for fiduciary advisers to provide for more frequent disclosure of information to plan participants. The legislation could be considered by the full House as early as this week. We will inform you of further developments. Matthew P. Fink President 1 See Memorandum to Board of Governors No. 52-01, Federal Legislation Members No. 13-01, Primary Contacts - Member Complex No. 75-01, and Public Information Committee No. 25-01.

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