

**COMMENT LETTER**

March 18, 1998

# **Institute President Comments on Financial Services Act of 1997, March 1998**

March 18, 1998

The Honorable Newt Gingrich  
Speaker of the House  
United States House of Representatives  
H-232 U.S. Capitol Building  
Washington, DC 20515

Re: [H.R. 10, the "Financial Services Act of 1997"](#)

Dear Mr. Speaker:

I am writing on behalf of the Investment Company Institute<sup>1</sup> to applaud the efforts of the House leadership and the Banking and Commerce Committees to bring financial modernization legislation to the House floor.

The compromise package released on March 11 makes progress in three ways important to the mutual fund industry, including: 1) balanced regulatory oversight; 2) functional regulation; and 3) affiliations between financial and commercial firms. The Institute feels that in order to progress on these and other issues, the legislative process should move forward.

Both the House Banking and Commerce Committees have worked diligently with the leadership and others to create this compromise package. This has indeed been a difficult process and not without significant controversy.

We respectfully urge that this bill be considered and passed. The historic efforts that H.R. 10 represents can lead to financial services modernization legislation that reflects changes in the markets and protects investors. The Institute looks forward to working with you in this endeavor.

Sincerely,

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cc: All Members of the House of Representatives

## **endnotes**

1 The Investment Company Institute is the national association of the American investment company industry. Its membership includes 6,896 open-end investment companies ("mutual funds"), 436 closed-end investment companies, and 10 sponsors of unit investment trusts. Its mutual fund members have assets of about \$4.505 trillion, accounting for approximately 95% of total industry assets, and have over 62 million individual shareholders.

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