



July 11, 2013

Senators:

Michael Bennet – Colorado;

Tom Carper – Delaware;

Kirsten Gillibrand – New York;

Kay Hagan – South Carolina;

Heidi Heitkamp – North Dakota;

Charles Schumer – New York;

As institutional faith-based and socially responsible investors with a 30 year record of engaging the financial services sector and the major traders on Wall Street, we believe that a regulatory framework that has broad authority and capacity for monitoring and regulating derivatives trading is in the best interests of our financial system and the countless millions who rely on its stability and transparency. It was therefore with profound dismay and disappointment that we learned of your letter to Treasury Secretary Jacob Lew urging delay of the adoption of proposed rules on the regulation of derivatives.

It has been only five years since unchecked derivatives trading here in the U.S., most of it done by the top five derivatives traders, threatened the entire global financial system. The aftereffects, including long-term damage to world economies and the financial security of countless citizens who have lost their jobs, homes and pensions, are still being felt.

What happens on Wall Street doesn't stay on Wall Street, but has far-reaching geopolitical consequences. Reforms that recognize this are urgently needed to undergird world markets. Yet, as the CFTC moves to implement cross-border regulations that will include the foreign affiliates of American banks and foreign banks operating in the U.S., you have asked the Treasury Secretary to intervene and request a delay.

Any further delay in implementing these and other rules mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 impedes the restoration of public confidence in our financial system and in the transparency of U.S. capital markets, and undermines the leadership shown by the U.S. in the response to this crisis. Delays will only embolden those who are intent on weakening or eliminating these rules.

Were these rules in place last year we might have avoided the \$6 billion “London Whale” debacle. When AIG could not meet its margin calls in the swaps market to the tune of tens of billions of dollars, it was taxpayers who footed the bill.

Have we so easily forgotten the herculean effort required by the New York Federal Reserve Bank and other international regulators to clear the backlog of counterparty exposures that derivatives trading had accumulated between major dealers? Recent history is rife with examples of derivatives misconduct and proof of the critical need for their regulation.

The U.S. government and its citizens have neither the resources nor the inclination to rescue institutions that take excessive risks and trade recklessly while exposing the system to the destructive consequences of such behaviors. We look forward to receiving your explanation for your request for delay.

cc: Bart Chilton; Gary Gensler; Scott O’Malia; Mark Wetjen

Contact:

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Signatories:

1. American Baptist Home Mission Societies
2. Aquinas Associates
3. Bernardine Franciscan Sisters of Reading, PA
4. Bon Secours Health System, Inc.
5. Catholic Health East
6. Conference of Major Superiors of Men
7. Congregation of the Holy Spirit, Province of the USA
8. Congregation of St. Basil
9. Franciscan Action Network
10. Franciscan Sisters of the Atonement
11. Franciscan Sisters of the Poor
12. Friends Fiduciary Corporation
13. Daughters of Wisdom
14. Dominican Sisters, Sparkill, NY
15. Leadership Conference of Women Religious
16. Maryknoll Fathers and Brothers
17. Maryknoll Sisters
18. Missionary Oblates of Mary Immaculate
19. Missionary Society of St. Columban

20. Oblate International Pastoral Investment Trust
21. Religious of Jesus and Mary
22. Religious of the Sacred Heart of Mary-Eastern American Province
23. Sisters of Charity of Leavenworth
24. Sisters of Notre Dame de Namur
25. Sisters of Providence – Mother Joseph Province Leadership Team
26. Sisters of St. Dominic- Blauvelt, NY
27. Sisters of St. Dominic of Caldwell, NJ
28. Sisters of St. Francis of Philadelphia
29. Sisters of St. Joseph, Brentwood NY
30. Sisters of the Order of St. Dominic, Amityville, NY
31. Sisters of the Presentation, New Windsor
32. Society St. Ursula, American Region
33. Sustainability Group of Loring, Wolcott & Coolidge
34. Tri-State Coalition for Responsible Investment
35. Ursuline Sisters, Eastern Province, USA
36. Xaverian Brothers
37. Zevin Asset Management LLC.