

May 5, 2022

The Honorable Maxine Waters
Chair
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

Dear Madam Chair:

We are writing to request that you immediately convene a hearing with the full Securities and Exchange Commission. As you know, on October 5, 2021, Securities and Exchange Commission Chair Gary Gensler testified before the Committee on Financial Services (Committee) for the second time.¹ The next day, Committee Republicans requested that you schedule a hearing with the full Commission no later than April 2022.² It is now May, and we have yet to hear from you. However, since then, the SEC has taken several actions outside the scope of its authority and jurisdiction, and it has done so without giving stakeholders a fair chance to provide input. It is imperative that our full Committee convene to discuss the SEC's unprecedented rulemaking agenda and hear the full range of views on the Commission.

Hearing from the Chair alone is insufficient to fully understand the Commission's ongoing deliberations. Moreover, at the time of the hearing, Chair Gensler repeatedly refused to testify about forthcoming rulemakings. In fact, as of October 2021, only one open meeting with one rulemaking had occurred—leaving Members unable to question him or obtain additional information. His responses to questions including those for the record have been less than forthcoming and insufficient. This is unacceptable.

Unfortunately, over the last seven months, our concerns have been realized. After the October 2021 hearing, the SEC has embarked on a scorched earth rulemaking agenda that includes 54 separate items for fall 2021 alone³—perhaps “the most ambitious agenda in the SEC's 87-year history.”⁴ Meanwhile, Chair Gensler has set “short and overlapping comment

¹ Hearing before H. Comm. on Financial Services, *Oversight of the U.S. Securities and Exchange Commission: Wall Street's Cop Is Finally Back on the Beat*, 117th Cong. (Oct. 5, 2021).

² Press Release, House Financial Services Republicans, October 6, 2021, https://republicans-financialservices.house.gov/UploadedFiles/2021-10-06_Letter_to_Chair_Waters_-_Full_Commission_Hearing.pdf.

³ See OIRA website at

https://www.reginfo.gov/public/do/eAgendaMain?operation=OPERATION_GET_AGENCY_RULE_LIST¤tPub=true&agencyCode=&showStage=active&agencyCd=3235&csrf_token=BE4F9317D217B943E573A6C611ED0FA9476204D948D5D1A24B3900A8C272ADA7A2D3D4085128188C63C8D40B1848324D224D.

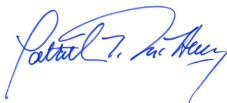
⁴ Bloomberg, *SEC Chief to Wall Street: The Everything Crackdown is Coming* (Oct. 8, 2021), available at <https://www.bloomberg.com/news/articles/2021-10-08/sec-chief-to-wall-street-the-everything-crackdown-is-coming>. See also Market Watch, Chris Matthews, *Gensler's aggressive agenda continues as SEC proposes shortening settlement times in wake of GameStop saga* (Feb. 9, 2022) (stating “Securities and Exchange Commission Chairman Gary Gensler has been one of the most active regulators appointed by President Joe Biden, proposing a slew of new regulations at a pace that could make his chairmanship the most significant era of financial

periods” as the new normal for the SEC.⁵ This undermines the public’s role in the rulemaking process and invites litigation, among other things.

The SEC’s unilateral actions under Chair Gensler are even more troubling in light of the 10-year anniversary of the Jumpstart Our Business Startups Act, which President Obama signed into law in April 2012. This bipartisan legislation helped small businesses access capital by reducing the regulatory barriers and created new avenues to facilitate capital formation. While the SEC’s mission is to: protect investors; maintain fair, orderly, and efficient markets; and facilitate capital formation, the Commission has and continues to chill the environment for small business capital formation. This is evident by the fact the Commission’s rulemaking agenda does not include one capital formation proposal. Many Members of our Committee—on both sides of the aisle—are focused on expanding opportunities for entrepreneurs and businesses. It is important that they, and all Members, can discuss relevant policies with the full Commission.

There is precedent for this Committee inviting the full Commission. As you will recall, you invited the full Commission to testify before the Committee in the 116th Congress.⁶ Our Members deserve to hear from the full Commission. Moreover, the public has a right to know the full range of views among the SEC Commissioners, especially in the absence of a meaningful notice-and-comment process under Chair Gensler. Thank you for your attention to our request and we look forward to working with you.

Sincerely,



Patrick McHenry
Ranking Member



Bill Huizenga
Ranking Member
Subcommittee on Investor Protection,
Entrepreneurship, and Capital Markets

reform since the passage of the Dodd-Frank Financial Reform Act more than a decade ago.”), available at <https://www.marketwatch.com/story/genslers-aggressive-agenda-continues-as-sec-proposes-shortening-settlement-times-in-wake-of-gamestop-saga-11644439740>.

⁵ Al Barbarino, *SEC Under Fire Over Shorter Rule Proposal Comment Periods*, LAW360, Mar. 9, 2022, <https://www.law360.com/articles/1471291/sec-under-fire-over-shorter-rule-proposal-comment-periods>.

⁶ Hearing before H. Comm. on Financial Services, *Oversight of the Securities and Exchange Commission: Wall Street’s Cop on the Beat*, 116th Cong. (Sept. 24, 2019).