

# United States Senate

WASHINGTON, DC 20510

March 28, 2017

The Honorable Steven Mnuchin  
Secretary of the Treasury  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue NW  
Washington, DC 20500

Dear Secretary Mnuchin,

We write in strong support of President Trump's Executive Order setting core principles for regulating the United States financial system. As part of your review and report on the existing laws, regulations, guidance and government policies "that inhibit Federal regulation of the United States financial system in a manner consistent with the Core Principles," we hope that you will review the policies and procedures underlying the Financial Stability Oversight Council's (FSOC) determination that a nonbank financial company shall be subject to supervision by the Board of Governors of the Federal Reserve System and subject to enhanced prudential standards.

The FSOC's process for designating non-bank systemically important financial institutions lacks transparency and accountability, insufficiently tracks data, and does not have a consistent methodology for determinations. Consequently, the designation process has created substantial new regulatory costs while putting taxpayers on the hook for any future bailout to these firms. It frustrates the ability of American companies to be competitive with foreign firms, while thwarting economic growth.

Please know you have our strong support for using all the tools available as Secretary of Treasury to end 'Too Big To Fail' and ensure that hard-working Americans are not responsible for any new bailouts.

Sincerely,

Tom Cotton

Mike Crapo

Richard Shelby

Ben Sasse

Pat Romney

David A. Perdue

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John Kennedy  
Tom Tillis

W. Mark Ross  
Jeff