



Consumer Federation of America

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Statement of CFA Director of Investor Protection Barbara Roper In Response to House Passage of Anti-Investor, Anti-Jobs JOBS Act

As expected, the House of Representatives today gave overwhelming bipartisan approval to H.R. 3606, the Jumpstart Our Business Startups Act (JOBS Act). In response, CFA Director of Investor Protection Barbara Roper issued the following statement:

“It is frankly appalling that, on the heels of a decade that began with the bursting of the tech stock bubble, included massive analyst scandals and accounting frauds, and ended with the worst financial crisis since the Great Depression, members of Congress from both parties continue to buy into the idea that excessive regulation is the main problem facing our economy. Worse, regulations that were adopted in response to those frauds in order to protect investors and promote market integrity are now being rolled back without any evidence that they create a barrier to capital formation or jobs growth,” Roper said.

“Despite its name and the wave of bipartisan support that has helped speed it through the House, there is no reason to believe the JOBS Act will result in jobs growth. The bill focuses exclusively on proposals to reduce compliance costs associated with raising capital while ignoring the likely effect on the cost of capital. In fact, by rolling back important investor protections, undermining market transparency, and increasing the risk of fraud, the bill threatens to drive up the cost of capital for the small companies it purports to benefit. That will be bad for investors, bad for small companies, and bad for the economy as a whole. That is why a growing group of securities law experts, current and former regulators, academics, economists, and consumer and investor advocates have come out in opposition to various components of the bill.”

“Now it is up to the Senate to show that it can learn from our past deregulatory mistakes and produce a more thoughtful and balanced jobs bill. We look forward to working with members of the Senate to develop an approach that narrowly targets legitimate barriers to capital formation, where they exist, without taking a hatchet to vital investor protections,” Roper concluded.

A copy of a CFA-AFR letter of opposition to the House bill is available [here](#).

A group sign-on letter in opposition to companion measures in the Senate is available [here](#).

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The Consumer Federation of America is a non-profit association of some 280 national, state, and local pro-consumer organizations founded in 1968 to promote the consumer interest through research, education and advocacy.