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Definition of the Term ‘‘Fiduciary’’; Conflict of Interest Rule—Retirement Investment Advice

Comment On: EBSA-2010-0050-3491
Definition of Term Fiduciary; Conflict of Interest Rule-Retirement Investment

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Submitter Information

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General Comment

It shouldn't be difficult for me to know if I am receiving sound advice from a trusted advisor rather than a salesman.

Prior to DOL's issuance of its final rule, the best interest standard did not apply to advice given on a one-time basis, advice regarding rollovers, or any advice on investing in an individual retirement account (IRA). Instead, such advice often has been subject only to an extremely weak "suitability" standard, which allows financial advisers to provide recommendations that serve their own interests instead of their clients'. The adviser may receive a better commission, but the investor may be subject to excessive costs, poor performance and unnecessary risk.

Currently, some financial advisers can legally provide financial recommendations that serve their own interests instead of their clients' interests, including when providing advice regarding rolling over investments in the Thrift Savings Plan.

As a Thrift Savings Plan participant, I am troubled that the people I seek advice from may have a financial incentive to advise me to roll my account into a fund they manage because that's how they would make money, even if it would result in lower returns for me, because there are no legal ramifications for such behavior.

There has been extensive analysis regarding the economic benefits of the fiduciary rule, yet there is little support as to why a delay would benefit the public.

Many investment advisor firms have already changed their models to reduce conflicts of interest in light of the original rule; we should not interrupt these positive developments by delaying the rule.

Please support full and immediate implementation of DOL's final rule as it would have done prior to this most recent delay.