



OMB Concludes Review of Fiduciary Rule Delay Request

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To the editor:

The Office of Management and Budget this week concluded its review of the Trump administration's proposed delay of the Obama-era fiduciary rule by marking it "economically significant," a move that keeps the rule in limbo but will likely have little impact on financial firms preparing for the initially scheduled April 10 implementation date.

Still, the administration shows no sign of slowing efforts to stall the Labor Department rule, and the delay is expected to go forward with a short window for public comment, analysts said in interviews Tuesday.

The measure's "economically significant" designation, which indicates an annual economic impact of \$100 million or more, does not necessarily wield influence over legal consequences, said Amit Narang, regulatory policy advocate at Public Citizen. He said the administration may allow only a short comment period on the delay despite that label.

"Given the timeframe here, it's hard for me to believe that this is a real, credible and plausible economic analysis," Narang said, adding that while he remains cautious about the rule's prospects under a White House bent on regulatory rollbacks, a string of recent court victories offer some hope of preserving the rule.

Earlier this month, the Trump administration ordered the Labor Department to review the rule, and it sent OMB a separate proposal to delay implementation, a move labeled "economically significant" on Monday by the OMB's Office of Information and Regulatory Affairs. The rule, aimed at curbing conflicts of interest among retirement advisers, has divided supporters who say it's necessary to shine light on adviser fees and a financial industry that finds it too prescriptive.

OIRA's conclusion follows publicly scheduled meetings in recent weeks with proponents of the rule, such as Better Markets, the Financial Planning Coalition and AARP. But while "economically significant" designation means the delay is a big deal to the economy, it doesn't necessarily signal its demise, especially given President Donald Trump's broader regulatory rollback agenda, according to some analysts.

The delay isn't likely to change operations significantly at financial firms, said Thaya Brook Knight, associate director of financial regulation studies at the Cato Institute.

"A lot of companies have already put a lot of money into compliance, since it was supposed to go live April 10," Knight said.

The Trump administration's early jump on the fiduciary measure marks it as a "good place to start" in broader regulatory rollbacks, said Norbert Michel, the Heritage Foundation's research fellow in financial regulations. The executive memo, he said, "was probably a signal that it was a priority."