

Americans for Financial Reform

Accountability, Fairness, Security

United States House of Representatives
Washington, D.C. 20515

July 15, 2009

Dear Representative,

We, the nearly 200 national, state and local consumer, employee, investor, community and civil rights organizations of Americans for Financial Reform, write today to ask you to support the Consumer Financial Protection Agency Act of 2009, H.R. 3126, sponsored by Chairman Barney Frank.

Our consumer financial safety net is broken. For too long the financial wellbeing of hard-working Americans has taken a back seat to Wall Street's balance sheet. The seven federal agencies charged with protecting consumers of financial products have other responsibilities that have taken precedence over consumer protection. Some are hamstrung by insufficient resources and burdensome statutory requirements or have been captured by the financial services industry. Some have just lacked the will to protect consumers. We need an oversight body charged solely with protecting consumers from unfair, deceptive, and irresponsible financial products, one that is truly independent and has adequate resources to succeed. Had such an agency existed over the past decade, the financial crisis might have been less severe or avoided altogether.

The Consumer Financial Protection Agency (CPFA) will be that agency. It will have broad authority to police products like home mortgages and credit cards, services like credit reports, and debt collection. It would promote clear terms in contracts as well as fair and safe financial products and services. Rather than hampering the states' efforts to protect their citizens, as the Office of the Comptroller of Currency and Office of Thrift Supervision have done, the CPFA would create a federal floor of financial protection.

American consumers did not create adjustable-rate subprime mortgages. Nor did they profit from steering homeowners who qualified for safe, affordable mortgages into exploding loans. But consumers are paying the price of unfair and irresponsible financial products—through record foreclosures, rising unemployment and taxpayer bailouts. On behalf of the millions of Americans whom we represent, we urge you to support H.R. 3126 and help build a strong financial future for America.

Sincerely,

Americans for Financial Reform