



June 8, 2017

Dear Representative,

On behalf of the People's Action network, we are writing to express our strong opposition to the so-called "Financial CHOICE Act" (H.R. 10). People's Action is a nationwide network of grassroots organizations dedicated to racial, economic and gender justice. Our over 50 member organizations in 30 states are a leading voice for economic justice with a 40 year history of fighting for working families. Our network's over one million members stand united in urging you to vote no on the CHOICE Act.

This bill would be more accurately described as the "Wall Street's CHOICE Act." It represents a radical attack on consumer protections and would have a devastating effect on the ability of regulators to protect consumers and our very financial system from financial exploitation and risky Wall Street speculation.

The so-called CHOICE Act effectively turns back the clock, repealing protections put in place after reckless financial speculation by Wall Street created the 2008 financial crisis by repealing major elements of the Dodd-Frank Act and directly attacking the Consumer Financial Protection Bureau, the only federal agency directly charged with protecting consumers from financial fraud and abuse. In its first six years, the CFPB has successfully returned more than \$11.8 billion to over 29 million consumers who've been defrauded by big banks and financial companies and enacted key rules to protect consumers.

The so-called CHOICE Act stops the effort to rein in the worst abuses of the payday loan sharks in its tracks. Last year, the CFPB began a rule-making process to mitigate the harms caused by an industry that traps more than 12 million Americans in a cycle of debt and desperation every year and strips billions of dollars from local communities. People's Action members alone submitted over 100,000 comments in support of a strong rule to the CFPB. The so-called CHOICE Act would remove the CFPB's ability to stop this abuse entirely before the agency even finishes its deliberative process. To make matters worse, the CHOICE Act includes a provision to expand preemption of state interest rate caps which would put state protections against usury in jeopardy.

Beyond protecting payday loan sharks, the CHOICE Act represents a broader attack on consumers and the CFPB. The bill would eliminate the CFPB's examinations, the way the agency checks that banks, credit reporting agencies, debt collectors, student lenders and other financial companies are following the law. It also eliminates the

CFPB's authority to stop unfair, deceptive and abusive acts and practices. Without the ability to examine financial companies and detect wrong-doing and the ability to intervene when financial institutions abuse and deceive consumers, the CFPB could not have stopped the Well's Fargo false accounts scandal, keep lenders from making false threats in debt collection or refund money to consumers who've been defrauded. These powers are at the core of the CFPB's success in protecting your constituents and must be preserved.

The bill eliminates the CFPB's supervision and enforcement authority over large banks, the architects of the financial crisis. The bill also eliminates the CFPB's independent funding, making the CFPB vulnerable to interference from industry lobbyists and political interference. In addition, it erases the CFPB's authority to stop forced arbitration, a process that allows consumers to band together to force companies to follow the law and it even gets rid of public consumer complaint system that gives consumers a direct way to raise the alarm when companies exploit them.

In addition to its attacks on the CFPB, the CHOICE Act rolls back or weakens a wide variety of other crucial financial protections. From allowing mega-banks to return to financial speculation to hedge funds manipulating our markets to predatory lenders peddling subprime mortgages again, the bill is filled with special interest give aways to financial predators. Among other roll-backs, the CHOICE Act would:

- Repeal the rule requiring investment advisers to act in the best interests of their clients, which put \$17 billion back into the pockets of Americans saving for retirement. Without this protection, advisers can disguise a sales pitch as independent advice.
- Allow banks to charge more for a debit card, costing consumers \$6 billion dollars per year
- Create unprecedented barriers to future regulation that effectively gives large financial institutions veto power to overturn or avoid government oversight
- Allow big banks to begin speculating like hedge funds again by repealing the Volker Rule and allowing banks to bet against securities that sell to their own customers.
- Gut the Dodd Frank provisions that limited excessive executive bonuses and allows the government to claw back bonuses based on erroneous information or misstated earning meaning financial executives could once again rake in millions in bonuses while mismanaging their companies and driving our economy off a cliff.
- Destroy the Dodd-Frank era regulations that protect against "too big to fail" banks destroying our economy and leave the government, and American consumers, to pay to fix the disasters they created.
- Attack protections against racial discrimination including stalling the CFPB's enforcement of anti-discrimination laws in the auto-lending and scaling back data collection under the Home Mortgage Database Act.

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- Hurt small businesses by stopping the efforts to collect small business lending data, undermining the Equal Credit Opportunity Act and missing the chance to help struggling small businesses get access to fair credit to grow their businesses.

The so-called CHOICE Act is a parade of anti-family, anti-consumer provisions. It is a dangerous and radical Wall Street wish list and would be an unprecedented blow to our ability to protect ordinary consumers and our financial system as a whole. Nearly a quarter of a million people have signed petitions asking Congress to reject this bill. The People's Action joins this public outcry and asks you to reject the CHOICE Act.

Our families deserve strong protections from financial tricksters, Wall Street gamblers and payday loan sharks. The so-called CHOICE Act rips those protections away. We call on you to choose hard-working American families over financial fraudsters and corporate profiteering and vote no on the CHOICE Act. For more information, please contact People's Action Policy Director Liz Ryan Murray at l.ryanmurray@peoplesaction.org or (562) 310-7330.

We hope and expect you will vote no on the CHOICE Act.

Sincerely,

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