



Americans for Financial Reform
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Oppose Moran (#391) To Gut CFPB; Oppose DeMint (#394) To Repeal All of Dodd-Frank
Moran amendment changes CFPB mission from
“Protect Consumers” to “Protect Banks, No Matter What They Do”

June 8, 2011

Dear Senator,

We are writing because we strongly oppose amendments to the Economic Development Revitalization Act, S. 782, to gut the new Consumer Financial Protection Bureau (CFPB) (#391, Moran) or repeal the Dodd-Frank Wall Street Reform and Consumer Protection Act altogether (#394, DeMint).

In particular, we call your attention to Moran, #391, which would effectively strip the CFPB, the nation’s first financial agency with only one job, protecting consumers, of its very ability to protect consumers. The Moran amendment places the regulators who failed to protect us from the predatory practices that led to the 2008 financial collapse in charge of the CFPB. It proposes this major change less than six weeks before the CFPB turns on the lights.

Among the flaws of the Moran amendment are the following:

- **Replaces CFPB’s independent director with a stacked board dominated by current regulators:** Three seats on the proposed six-member Board would be filled by the current prudential regulators (OCC, FDIC, and the Fed); three would be appointed by the President with a 2/1 party split. This puts failed regulators into authority over consumer protection, a job they couldn’t and didn’t do. This also establishes an even-numbered membership board, which is a recipe for regulatory paralysis. Further, the current CFPB structure already gives the current regulators a veto over its decisions, which this amendment retains.
- **Makes CFPB the only financial regulator subject to appropriations process:** The amendment replaces CFPB’s independent funding from the Federal Reserve with a 100% appropriations-based process. No other bank regulator is subject to the politically-charged appropriations process. The CFPB, by the way, is the only bank regulator that already has a capped budget.

- **Adds additional rulemaking burden:** The amendment requires that CFPB consider the impact of a rule on the safety or soundness of “an insured financial institution;” again, current CFPB structure already provides that any rule can be vetoed if it threatens financial stability. The purpose of this change is to allow any financial institution conducting any predatory practice to erect a false “safety and soundness” defense to trump consumer protection rules.

The Moran amendment must be defeated. It is designed to change the mission of the CFPB from protecting consumers to protecting banks. The CFPB is already fully accountable to the President, Congress, the judiciary and the American people. Yet, in a careful balance that would be upended by the Moran amendment, it is also independent of banking industry pressure. In enacting the CFPB, Congress took numerous steps to ensure that the CFPB’s independence would not be compromised by overwhelming political pressure from the financial services industry, as happened with several key banking regulators. At the same time, the Dodd-Frank Act placed a number of unprecedented controls on the CFPB’s authority to ensure that the agency pursues its consumer protection mission in a balanced and responsible manner. The CFPB must also comply with a number of existing laws that govern and restrict the actions of federal agencies, such as the Administrative Procedures Act.

We urge your strong opposition to the Moran amendment to gut the CFPB. Further, we urge strong opposition to the DeMint amendment designed to repeal the landmark law designed to clean up the economic recession caused by unsafe Wall Street practices. What happened on Wall Street wreaked havoc on jobs, home and retirement values and the economy. In 2011, average Americans -- from soldiers to factory workers to retirees – continue to suffer from the fallout of the economy's collapse in 2008. We need a strong consumer cop on the beat. We also need to implement, not repeal, Wall Street reform.

Sincerely,

Americans for Financial Reform
AFL-CIO
Alliance for a Just Society
California Reinvestment Coalition
Campaign for America’s Future
Center for Digital Democracy
Center for Media and Democracy
Center for NYC Neighborhoods
Center for Responsible Lending
Communications Workers of America
Community Organizations in Action
Community Reinvestment Association of North Carolina
Consumer Action
Consumer Federation of America
Consumer Watchdog

Consumers Union
CTW Investment
Demos
Empire Justice Center
Empowering and Strengthening Ohio's People
Food & Water Watch
Foreign Policy in Focus
Global Financial Integrity
Greenlining Institute
Insight Center for Community Economic Development
International Brotherhood of Teamsters
Main Street Alliance
NAACP
National Association of Consumer Advocates
National Consumer Law Center, on behalf of its low-income clients
National Community Reinvestment Coalition
National Council of La Raza
National Fair Housing Alliance
National People's Action
Neighborhood Economic Development Advocacy Project (NEDAP)
OSPIRG
PICO National Network
Project on Government Oversight
Public Citizen
SEIU
The Institute for College Access and Success (TICAS) and its Project on Student Debt
Tax Justice Network USA
The Leadership Conference on Civil and Human Rights
US Action
U.S. PIRG
Woodstock Institute

Following are the partners of Americans for Financial Reform.

All the organizations support the overall principles of AFR and are working for an accountable, fair and secure financial system. Not all of these organizations work on all of the issues covered by the coalition or have signed on to every statement.

- A New Way Forward
- AARP
- AFL-CIO
- AFSCME
- Alliance For Justice
- Americans for Democratic Action, Inc
- American Income Life Insurance
- Americans United for Change
- Campaign for America's Future
- Campaign Money
- Center for Digital Democracy
- Center for Economic and Policy Research
- Center for Economic Progress
- Center for Media and Democracy
- Center for Responsible Lending
- Center for Justice and Democracy
- Center of Concern
- Change to Win
- Clean Yield Asset Management
- Coastal Enterprises Inc.
- Color of Change
- Common Cause
- Communications Workers of America
- Community Development Transportation Lending Services
- Consumer Action
- Consumer Association Council
- Consumers for Auto Safety and Reliability
- Consumer Federation of America
- Consumer Watchdog
- Consumers Union
- Corporation for Enterprise Development
- CREDO Mobile
- CTW Investment Group
- Demos
- Economic Affairs Bureau/Dollars & Sense
- Economic Policy Institute
- Essential Action
- Greenlining Institute
- Good Business International

- HNMA Funding Company
- Home Actions
- Housing Counseling Services
- Information Press
- Institute for Global Communications
- Institute for Policy Studies: Global Economy Project
- International Brotherhood of Teamsters
- Institute of Women's Policy Research
- Krull & Company
- Laborers' International Union of North America
- Lake Research Partners
- Lawyers' Committee for Civil Rights Under Law
- Move On
- NASCAT
- National Association of Consumer Advocates
- National Association of Neighborhoods
- National Community Reinvestment Coalition
- National Consumer Law Center (on behalf of its low-income clients)
- National Consumers League
- National Council of La Raza
- National Fair Housing Alliance
- National Federation of Community Development Credit Unions
- National Housing Trust
- National Housing Trust Community Development Fund
- National NeighborWorks Association
- National People's Action
- National Council of Women's Organizations
- Next Step
- OMB Watch
- OpenTheGovernment.org
- Opportunity Finance Network
- Partners for the Common Good
- PICO
- Progress Now Action
- Progressive States Network
- Poverty and Race Research Action Council
- Public Citizen
- Sargent Shriver Center on Poverty Law
- SEIU
- State Voices
- Taxpayer's for Common Sense
- The Association for Housing and Neighborhood Development
- The Fuel Savers Club
- The Leadership Conference on Civil and Human Rights
- The Seminal
- TICAS
- U.S. Public Interest Research Group
- United Food and Commercial Workers

- United States Student Association
- USAction
- Veris Wealth Partners
- Western States Center
- We the People Now
- Woodstock Institute
- World Privacy Forum
- UNET
- Union Plus
- Unitarian Universalist for a Just Economic Community

Partial list of State and Local Signers

- Alaska PIRG
- Arizona PIRG
- Arizona Advocacy Network
- Arizonans For Responsible Lending
- Association for Neighborhood and Housing Development NY
- Audubon Partnership for Economic Development LDC, New York NY
- BAC Funding Consortium Inc., Miami FL
- Beech Capital Venture Corporation, Philadelphia PA
- California PIRG
- California Reinvestment Coalition
- Century Housing Corporation, Culver City CA
- CHANGER NY
- Chautauqua Home Rehabilitation and Improvement Corporation (NY)
- Chicago Community Loan Fund, Chicago IL
- Chicago Community Ventures, Chicago IL
- Chicago Consumer Coalition
- Citizen Potawatomi CDC, Shawnee OK
- Colorado PIRG
- Coalition on Homeless Housing in Ohio
- Community Capital Fund, Bridgeport CT
- Community Capital of Maryland, Baltimore MD
- Community Development Financial Institution of the Tohono O'odham Nation, Sells AZ
- Community Redevelopment Loan and Investment Fund, Atlanta GA
- Community Reinvestment Association of North Carolina
- Community Resource Group, Fayetteville AR
- Connecticut PIRG
- Consumer Assistance Council
- Cooper Square Committee (NYC)
- Cooperative Fund of New England, Wilmington NC
- Corporacion de Desarrollo Economico de Ceiba, Ceiba PR

- Delta Foundation, Inc., Greenville MS
- Economic Opportunity Fund (EOF), Philadelphia PA
- Empire Justice Center NY
- Empowering and Strengthening Ohio's People, Cleveland OH
- Enterprises, Inc., Berea KY
- Fair Housing Contact Service OH
- Federation of Appalachian Housing
- Fitness and Praise Youth Development, Inc., Baton Rouge LA
- Florida Consumer Action Network
- Florida PIRG
- Funding Partners for Housing Solutions, Ft. Collins CO
- Georgia PIRG
- Grow Iowa Foundation, Greenfield IA
- Homewise, Inc., Santa Fe NM
- Idaho Nevada CDFI, Pocatello ID
- Idaho Chapter, National Association of Social Workers
- Illinois PIRG
- Impact Capital, Seattle WA
- Indiana PIRG
- Iowa PIRG
- Iowa Citizens for Community Improvement
- JobStart Chautauqua, Inc., Mayville NY
- La Casa Federal Credit Union, Newark NJ
- Low Income Investment Fund, San Francisco CA
- Long Island Housing Services NY
- MaineStream Finance, Bangor ME
- Maryland PIRG
- Massachusetts Consumers' Coalition
- MASSPIRG
- Massachusetts Fair Housing Center
- Michigan PIRG
- Midland Community Development Corporation, Midland TX
- Midwest Minnesota Community Development Corporation, Detroit Lakes MN
- Mile High Community Loan Fund, Denver CO
- Missouri PIRG
- Mortgage Recovery Service Center of L.A.
- Montana Community Development Corporation, Missoula MT
- Montana PIRG
- Neighborhood Economic Development Advocacy Project
- New Hampshire PIRG
- New Jersey Community Capital, Trenton NJ
- New Jersey Citizen Action
- New Jersey PIRG
- New Mexico PIRG
- New York PIRG
- New York City Aids Housing Network
- NOAH Community Development Fund, Inc., Boston MA
- Nonprofit Finance Fund, New York NY

- Nonprofits Assistance Fund, Minneapolis M
- North Carolina PIRG
- Northside Community Development Fund, Pittsburgh PA
- Ohio Capital Corporation for Housing, Columbus OH
- Ohio PIRG
- OligarchyUSA
- Oregon State PIRG
- Our Oregon
- PennPIRG
- Piedmont Housing Alliance, Charlottesville VA
- Michigan PIRG
- Rocky Mountain Peace and Justice Center, CO
- Rhode Island PIRG
- Rural Community Assistance Corporation, West Sacramento CA
- Rural Organizing Project OR
- San Francisco Municipal Transportation Authority
- Seattle Economic Development Fund
- Community Capital Development
- TexPIRG
- The Fair Housing Council of Central New York
- The Loan Fund, Albuquerque NM
- Third Reconstruction Institute NC
- Vermont PIRG
- Village Capital Corporation, Cleveland OH
- Virginia Citizens Consumer Council
- Virginia Poverty Law Center
- War on Poverty - Florida
- WashPIRG
- Westchester Residential Opportunities Inc.
- Wigamig Owners Loan Fund, Inc., Lac du Flambeau WI
- WISPIRG

