



Americans for Financial Reform
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December 7, 2015

Dear Ranking Members Mikulski, Lowey, Coons and Serrano:

We are writing to express our strong opposition to the inclusion of policy riders rolling back financial regulation on the year-end spending bill, and in particular to any proposals that would change the leadership structure of the Consumer Financial Protection Bureau (CFPB) into a Commission.

Consumer groups have consistently voiced opposition to moving the CFPB to a Commission. In February, almost 350 national, state, and local organizations – including consumer, community service, labor, senior, and other groups – sent a letter to Congress documenting the CFPB’s effectiveness and urging that its structure be maintained.¹ And in September, seventy-five consumer groups signed onto a joint letter opposing H.R. 1266, the “Financial Product Safety Commission Act of 2015,” which would have changed the CFPB leadership to a Commission of five members.²

Despite this unified stance by consumer advocates, the very industries regulated by the CFPB are still arguing that moving to the CFPB to a Commission would be in consumers’ best interest. On November 19th, a group of twenty-four trade associations that represent the very industries regulated by the CFPB wrote to the Chairs of the House and Senate Appropriations Committees and requested that the language of H.R. 1266 be included in a rider on the FY16 omnibus. These trade associations rightfully expect that a Bureau hamstrung by a gridlocked commission will develop weaker consumer protections.

Since the industry groups know they cannot win concessions by an open vote on their bill, they are calling on Congress to undo the broadly popular work of the Bureau by attaching it to the must-pass spending bill.³ Members of Congress must reject this blatant attempt to serve the

¹ Letter to Congress: AFR and 340 Organizations Urge Congress to Support the CFPB, AMERICANS FOR FINANCIAL REFORM, (Feb. 27, 2015), <http://ourfinancialsecurity.org/2015/03/letter-to-congress-afr-and-341-organizations-urge-congress-to-support-the-cfpb/>.

² Letter To Congress: AFR, 75 Organizations Urge Congress To Reject HR 1266, AMERICANS FOR FINANCIAL REFORM, (Sep. 29, 2015), <http://ourfinancialsecurity.org/blogs/wp-content/ourfinancialsecurity.org/uploads/2015/09/HR-1266-Oppo-Letter-9.29.151.pdf>

³ AFR/CRL Poll: National Survey by Lake Research Finds Continued Strong Support for Financial Regulation, AMERICANS FOR FINANCIAL REFORM, (Jul. 7, 2015), <http://ourfinancialsecurity.org/2015/07/new-afr-crl-poll-national-survey-by-lake-research-finds-continued-strong-support-for-financial-regulation/>. (After hearing a brief description of Dodd-Frank, “nearly three-quarters of likely 2016 voters (73%) say they favor it, including 80% of Democrats, 72% of Independents, and 65% of Republicans.” The poll also found that “voters also consistently favor the CFPB’s mission and enforcement actions. Support for the CFPB after voters hear a description of its purpose has

narrowest interests of the nation's largest financial firms at the expense of the financial security of American consumers.

When the CFPB was established as part of the Wall Street Reform and Consumer Protection Act ("Dodd-Frank"), the idea of a 5-member Commission was debated and ultimately discarded in favor of a single director. The Bureau receives additional oversight from the Financial Stability Oversight Council (FSOC) which has veto power over the agency's rulemaking. Seeking to change the agency's structure now would benefit the powerful special interests looking to slow or limit the CFPB's efforts to protect consumers and make markets more fair and transparent, without increasing the Bureau's accountability. While there are some financial regulatory agencies with single directors and some with commissions, there is certainly no measurable evidence that boards or commissions work better. In the case of the CFPB, a single director allows the Bureau to succeed in its vital consumer protection mission.

Multi-member boards, even with strong chair-people, often fall into a pattern of gridlock and inactivity. And we have seen the disastrous results of inaction and unwillingness to challenge the industries regulators are charged with overseeing in the run-up to the financial crisis of 2008. Regulators were asleep at the switch for years, and the cost – in taxpayer dollars spent bailing out Wall Street, as well in lost homes, jobs, income and economic security – were enormous and devastating.

Having a strong director at the helm is vital to ensuring the CFPB's ability to move quickly and effectively to implement critical reforms to protect consumers, reduce the risk of another financial or housing crisis, and level the playing field between different actors in the financial services industry. With a single director, individual issues are likely to be decided on their own merits, rather than as part of a deal encompassing various commissioners' pet projects or interests.

The change in structure proposed in this legislation would reduce the Bureau's effectiveness in standing up for the public interest. It would also – contrary to claims of proponents – reduce the accountability of its leadership. With a single director, responsibility for actions is clear and the public and Congress can more easily see who has made what decisions. The endemic confirmation logjam in the Senate makes it difficult enough to confirm even one director; the need to confirm five commissioners would undoubtedly hobble the process even more and jeopardize the effectiveness of the CFPB's programs.

A single director is not unique: the larger and more powerful Office of the Comptroller of the Currency (OCC), which, like the CFPB, regulates banks, has such a structure. Similarly, the Federal Housing Finance Agency was established, with the strong support of the financial

held steady since last year at 75%, with 85% of Democrats, 74% of Independents, and 66% of Republicans in favor.")

industry, as an agency with a single director. The EPA and FDA are both effective single-director-led agencies.

Multiple mechanisms already exist to ensure the CFPB's accountability. The FSOC has the authority to veto the Bureau's (and no other financial regulator's) rules. The CFPB has a requirement to report twice a year to Congress – an obligation shared only with the Federal Reserve Board. The CFPB is also accountable to the independent Inspector General for the Board of Governors of the Federal Reserve System, and the Government Accountability Office. The GAO, both on its own behalf and in response to Congressional requests, has conducted oversight and audits of the CFPB on multiple occasions. The CFPB itself has established systems of accountability to the public and to lawmakers. For example, the Bureau reports on its supervisory work. Through its publicly searchable database of complaints and responses, a database that allows consumers and policymakers to better understand problems in the financial services market, we can better understand and evaluate the agencies' actions.

The CFPB's performance in its nearly four years of existence vindicates the arguments for a single director. Unlike other financial regulators, the CFPB has completed all of its mandatory rulemakings on time. It is moving ahead effectively with enforcement actions, discretionary rulemakings and education campaigns to make markets fairer and more transparent and to provide consumers with the information they need to make wise choices. The CFPB is enforcing the law and returning money – more than \$11.2 billion thus far – to people defrauded by unfair financial practices. It has done all of this while being open, responsive and transparent itself.

The question of what form of leadership is best for the CFPB has already been asked and answered several times. In crafting the Dodd-Frank Act, Congress considered both options, and chose the single director. The Senate further ratified that decision when a majority confirmed Director Cordray rather than move to change the leadership structure of the CFPB. Revisiting this issue is a recipe for disaster, potentially delaying a number of pending rulemaking and enforcement actions while threatening both the certainty and continuity that makes sense for the public and for the regulated industries.

Those who backed the CFPB's creation and support its work overwhelmingly agree that one director is the preferred structure. Those who push hardest for a change to a commission opposed the creation of a consumer protection agency at the outset. Consumer advocates are united in their support for the current structure. This is not a case of the public demanding "reform." Rather, it is a campaign manufactured by the very Wall Street banks, payday lenders, and other financial firms the CFPB was created to regulate. We urge you to defend a strong CFPB and to reject proposals to change the leadership structure, weaken the funding, narrow the authority, or otherwise hobble the effectiveness of this crucially important agency.

Sincerely,

AFL-CIO

Alabama Appleseed
Alabama Arise
Alaska Public Interest Research Group
Alliance for a Just Society
Americans for Financial Reform
Arizona Community Action Association
Arizona Consumers Council Foundation
Arizona Housing Alliance
Arizona PIRG
Arkansans Against Abusive Payday Lending
California Reinvestment Coalition
CALPIRG
Center for Economic Integrity
Center for Economic Integrity - New Mexico Office
Center for Economic Justice
Center for Justice & Democracy
Center for NYC Neighborhoods
Center for Responsible Lending
Connecticut Fair Housing Center
ConnPIRG
Consumer Action
Consumer Federation of America
Consumer Protection Program
Consumer Watchdog
Consumers Council of Missouri
Consumers for Auto Reliability and Safety
Consumers Union
CoPIRG
Corporation for Enterprise Development (CFED)
Demos
Empire Justice Center
Financial Pathways of the Piedmont
Florida Alliance for Consumer Protection
Florida PIRG
Georgia PIRG
Green America
Heartland Alliance for Human Needs & Human Rights
Illinois Asset Building Group
Illinois PIRG
Innovative Changes
Iowa PIRG
Kentucky Equal Justice Center
Main Street Alliance
Maryland CASH Campaign
Maryland PIRG
Massachusetts Consumers Council.

MASSPIRG
MFY Legal Services, Inc
MoPIRG
Mountain State Justice (W.Va.)
NAACP
National Association of Consumer Advocates
National Coalition for Asian Pacific American Community Development
National Community Reinvestment Coalition
National Consumer Law Center (on behalf of its low income clients)
National Council of La Raza
National Fair Housing Alliance
National People's Action
NCPIRG
New Economy Project
New York Public Interest Research Group (NYPIRG)
NHPIRG
NJ PIRG
NMPIRG
Ohio PIRG
Opportunity Alliance Nevada
Opportunity Fund
Oregon Consumer League
Oregon PIRG (OSPIRG)
PennPIRG
PIRG in Michigan (PIRGIM)
Policy Matters Ohio
Primavera Foundation
Public Citizen
Reinvestment Partners
RIPIRG
Southern Poverty Law Center
Texas Appleseed
TexPIRG
The Leadership Conference on Civil and Human Rights
The Midas Collaborative
U.S. PIRG
Vermont Public Interest Research Group
Virginia Citizens Consumer Council
WashPIRG
Wisconsin Public Interest Research Group (WISPIRG)
Woodstock Institute

cc:

Senate Majority Leader Mitch McConnell	House Speaker Paul Ryan House Majority
Senate Minority Leader Harry Reid	Leader Kevin McCarthy
Senate Majority Whip John Cornyn	House Minority Leader Nancy Pelosi
Senate Minority Whip Dick Durbin	House Majority Whip Steve Scalise
	House Minority Whip Steny Hoyer

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.

- AARP
- A New Way Forward
- AFL-CIO
- AFSCME
- Alliance For Justice
- American Income Life Insurance
- American Sustainable Business Council
- Americans for Democratic Action, Inc
- 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
- Center for Effective Government
- 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 Policy Institute
- Essential Action
- Green America
- Greenlining Institute

- Good Business International
- Government Accountability Project
- HNMA Funding Company
- Home Actions
- Housing Counseling Services
- Home Defenders League
- Information Press
- Institute for Agriculture and Trade Policy
- 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
- Lawyers' Committee for Civil Rights Under Law
- Main Street Alliance
- Move On
- NAACP
- 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 Council of Women's Organizations
- National Fair Housing Alliance
- National Federation of Community Development Credit Unions
- National Housing Resource Center
- National Housing Trust
- National Housing Trust Community Development Fund
- National NeighborWorks Association
- National Nurses United
- National People's Action
- National Urban League
- Next Step
- OpenTheGovernment.org
- Opportunity Finance Network
- Partners for the Common Good
- PICO National Network
- 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
- UNITE HERE
- 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

List of State and Local Partners

- 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 A
- 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 (ESOP), 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
- New Economy 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
- New Yorkers for Responsible Lending
- 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

Small Businesses

- Blu
- Bowden-Gill Environmental
- Community MedPAC
- Diversified Environmental Planning
- Hayden & Craig, PLLC
- Mid City Animal Hospital, Pheonix AZ
- UNET

