



**Americans for Financial Reform**  
1629 K St NW, 10th Floor, Washington, DC, 20006  
202.466.1885

February 27, 2015

Dear Representative/Senator,

On behalf of Americans for Financial Reform and the undersigned national, state and local organizations, we are writing to urge your strong opposition to any efforts to dismantle, weaken, or change the structure of the Consumer Financial Protection Bureau (“CFPB” or the “Bureau”) in this Congress. The CFPB was established by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010; it opened its doors as the nation’s only financial regulator completely devoted to consumer protection in July 2011, and its first Director, Richard Cordray, was confirmed in July 2013.

Since then, the CFPB has been protecting consumers by ensuring that markets work in an open, transparent, and fair way. The Bureau’s mission is to hold financial companies accountable for being upfront about the costs of, and risks associated with, their products, and also to ensure that consumers are treated with dignity and respect, rather than set up to fail. The Bureau has successfully gone to bat for consumers, delivering results that are making markets work more fairly and putting a stop to fraud and abuse. The CFPB has recovered billions of dollars in restitution for consumers, from Servicemembers to credit card holders. The Bureau has done this through their investigation of various companies for potential violations of consumer financial laws. In total, CFPB enforcements have resulted in over \$4.6 billion returned to over 12 million people who have been harmed by illegal, deceptive, and discriminatory practices of various companies.

The rollback proposals that have been debated in the past—and which we expect will be raised again in the new Congress—will not protect the public or increase agency accountability. Instead, these proposals would hamper the agency and interfere with its ability to fulfill its mission. The arguments to support them are part of a pattern of mischaracterizing the CFPB’s organization and processes. Unfortunately, opponents of consumer protection—including portions of the financial services industry that opposed the creation of the Bureau—have opposed its consumer protection efforts at every step, and possess a narrow self-interest in preventing effective consumer regulation. We strongly urge members of Congress to refrain from placing those narrow industry interests above the vital public interest in regulation of the consumer finance market place. And we urge you to be appropriately skeptical of arguments about what is in the public interest that are put forward by regulated industries, but opposed by

the broad array of organizations representing tens of millions of people from diverse constituencies that are the signatories of this letter.

Some expected proposals, such as those that would subject the CFPB to appropriations, making it the only bank regulator without independent funding, or that would replace its director with a five-member commission, are simply designed to destroy the agency. Others pursue a strategy of a ‘death by a thousand cuts.’ Below we discuss some of our major concerns about a number of the threats to the CFPB that were proposed last Congress. This is only a partial list, however, and we urge your strong opposition to all proposals to weaken or undermine the CFPB.

**The CFPB’s leadership structure is critical to its accountability to the public and consumers:**

We expect some members of Congress to again raise the issue of a single, accountable director versus a weak commission structure for the CFPB—a question that has already been asked and answered. In Dodd-Frank, Congress determined that a single-director structure, similar to the larger and more powerful OCC, was critical to carrying out the CFPB’s mandate to protect consumers. The Senate further ratified that decision when a majority confirmed Director Cordray as director, rather than changing the leadership structure of the CFPB.

It is notable that those who supported the creation of the Bureau overwhelmingly agree that a single director makes sense, whereas those who argue for a multi-person board mostly opposed the creation of a consumer protection agency in the first place. While there are financial regulators that are led by five-member boards, there is no evidence that this structure is more effective or increases accountability. In fact, five-member boards tend to increase gridlock, even with the presence of a strong chairman. We have seen several agencies with commissions effectively hobbled for extended periods by opponents blocking confirmation of the commissioners. Recent examples include the National Labor Relations Board and the Federal Election Commission. Having a strong director at the helm of the agency is vital in ensuring that the CFPB can effectively implement critical reforms to protect consumers, lower the risks of incurring another financial and housing crisis, and level the playing field between banks and non-banks. Revisiting this issue is a recipe for disaster—potentially delaying rule-making and enforcement actions in progress and threatening both the certainty and continuity that makes sense for the public and for the regulated industries.

**The CFPB’s independent funding insulates it from partisan attacks:**

It would also be a serious mistake for Congress to undo the CFPB’s current independent funding. Like the other bank regulatory agencies, the CFPB is currently funded in a way that insulates it from the pressures that Wall Street and other financial sectors—including payday and other high-cost lenders, as well as debt collectors and credit bureaus—can too easily manipulate. Changing this would leave the CFPB more vulnerable than the Federal Reserve, the OCC, and the FDIC to industry influence, once again treating consumer financial protection as a less important matter.

It would give Wall Street and the worst elements of the financial services industry endless lobbying opportunities to deny the CFPB the funding to do its job if and when the regulator took action that a sector of the industry did not like.

**The CFPB is accountable to Congress and, uniquely, its rules can already be overturned by other regulators:**

The CFPB Director is appointed by the President, subject to Senate confirmation, can be removed for cause, and is required by statute to testify before Congress twice a year, a requirement that only the Federal Reserve Board shares amongst financial regulatory agencies. The CFPB itself is also subject to an annual GAO audit. In practice, senior CFPB officials have testified before Congress at least 52 times since the creation of the bureau—more than the staff of any other bank regulator. Congress can also vote to make new laws or to change existing ones if a majority believes specific CFPB actions are wrong.

The CFPB is already the only regulator (financial, environmental, consumer, etc.) whose rules can be overturned by other regulators. The veto standard is, however, quite high, as it should be. Harmful proposals in previous Congresses would have allowed CFPB regulations to be overturned by a simple majority vote of the Financial Stability Oversight Council, an inappropriately low standard that would return to the days when consumer protection was a lower priority than other kinds of bank regulation—with disastrous results. Other proposals have also attempted to lower the threshold for bringing a rule challenge and permitted virtually any individual financial institution to petition to overturn a rule it does not like, putting another strong thumb on the same side of a scale already outweighed by industry interests. These changes would undermine the public process of engagement in rulemaking through the notice and comment process by adding another step not subject to these requirements, and inappropriately further subordinate consumer protection to other regulatory approaches.

**Curtailing the CFPB's oversight of major financial providers would put consumers at risk:**

Last year, an ill-advised proposal was introduced in the Senate to raise the threshold for the CFPB's supervisory (examination) authority over large banks from \$10 billion to \$50 billion. Passage of such a measure would leave the CFPB directly supervising only 38 banks, exempting two-thirds of the nation's largest institutions it currently supervises (currently 112), and 99% of all banks. Supervision is a key regulatory tool, and limiting it in this way would dramatically weaken the CFPB's ability to protect consumers from abusive practices. More than 98% of all banks and credit unions have fewer than \$10 billion in assets; banks with between \$10 and \$50 billion in assets are not small, and they are not community banks. Over 99.5% of community banks, as defined by the FDIC, have less than \$5 billion in assets. Additionally, the supervision of mid-size banks gives the CFPB more sensitivity in its rulemaking and other activities to issues related to a larger range of banks.

**Oppose other efforts to weaken the CFPB:**

Last year, the House Financial Services Committee considered a variety of other proposals to weaken the CFPB or impose bureaucratic handcuffs on its efforts to protect the public. These included, among others, proposals to eliminate tools routinely available to other agencies, including general authority to issue guidance, to maintain the integrity of its research advisory boards, and to restrict its ability to collect data on the industries it regulates. Other proposals would seek to disrupt the strong CFPB small business oversight provisions, unique among financial regulators. Yet another would mandate that the Bureau provide statutory advisory opinions to any covered person or business on request, an unprecedented and impractical procedural requirement—one that to our knowledge is not imposed anywhere else in the government.

These and other proposals have been offered despite strong evidence that the CFPB already is among the most responsive and transparent government agencies. A series of OIG reports have found generally strong procedures, including for example the most recent one (September 2014) which assessed compliance with the requirements (a requirement shared, it is worth noting only with the EPA and OSHA—and not with any other regulatory agency) that it consider the views and impacts on small business in its rulemaking. An industry blog frequently critical of the Bureau noted: “CFPB’s Rulemaking Process Gets Good Report Card from OIG Report with Only Minor Criticisms.”

Failure to appropriately regulate the consumer financial marketplace was a central cause of the financial crisis that devastated the U.S. and global economies, costing tens of trillions of dollars, and many millions of jobs. The CFPB is a shining success story of the effort to correct the mistakes and close the gaps that led to that failure. It has required lenders who break the law to return billions of dollars directly to individual consumers, it is establishing a more level playing field in crucial areas of the market, it is providing information to consumers and research to the public, and it is doing these things in an accountable and transparent fashion.

The public overwhelmingly supports the mission of the CFPB, and supports the kinds of action it has taken. Polling shows that two-thirds of voters overall agree that the CFPB is needed. Opponents of consumer protection insist on portraying the CFPB as a too-powerful agency that threatens consumer freedom and privacy, but the CFPB’s authority is already appropriately limited by the above described-provisions, and it has appropriately and effectively acted to improve markets and protect consumers. We see an agency responsibly undertaking the job given to it by Congress: making consumer financial markets fairer and more transparent, putting money back in the pockets of members of the public who were fleeced by illegal conduct, and policing rules of the road that make the financial system work better for responsible businesses and responsible consumers alike. Obstructing basic rules of the road only serves the interests of the worst elements of the financial industry, and also encourages law-breaking. We urge members of Congress to support the CFPB in fulfilling its consumer protection mission, rather than undermine it, and to use its time to explore ways to move forward on making sure that the U.S. financial system supports people’s ability to save, transact, and borrow prudently.

Sincerely,

### **National Organizations**

Alliance for a Just Society  
AFL-CIO  
American Federation of State, County and Municipal Employees (AFSCME)  
American Federation of Teachers  
Americans for Financial Reform  
Center for Digital Democracy  
Center for Economic Justice  
Center for Effective Government  
Center for Popular Democracy  
Center for Responsible Lending  
Coalition on Human Needs  
Consumer Action  
Consumer Federation of America  
Consumer Watchdog  
Consumers Union  
Demos  
Fair Share  
Generation Progress  
Government Accountability Project  
International Brotherhood of Teamsters  
International Union, United Auto Workers, UAW  
The Leadership Conference on Civil and Human Rights  
Main Street Alliance  
MoveOn Civic Action  
MFY Legal Services, Inc.  
N.e.r.v.e. Inc  
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 Housing Resource Center  
National People's Action  
National Urban League  
Other98.org  
PICO National Network  
Public Citizen  
TICAS  
United Food and Commercial Workers, International Union  
U.S. PIRG  
United States Student Association  
Young Invincibles

### **State & Local Organizations**

**Alaska**

Alaska PIRG

**Alabama**

Alabama Appleseed Center for Law & Justice  
Alabama Arise  
Birmingham Faith in Action  
Central Alabama Fair Housing Center  
Fair Housing Center of Northern Alabama  
First Presbyterian Church  
Gowen Consulting  
Tuscaloosa Citizens Against Predatory Practices

**Arkansas**

Arkansans Against Abusive Payday Lending  
Arkansas Community Organization  
Arkansas Interfaith Alliance  
Arkansas Interfaith Worker Justice

**Arizona**

Arizona PIRG  
Arizona Community Action Association  
AZ Consumers Council  
Campesinos Sin Fronteras  
Center for Economic Integrity  
Family Housing Resources  
Neighborhood Housing Services of Phoenix, Inc.  
Newtown Community Development Corporation  
Old Pueblo Community Services  
WHEAT

**California**

Alliance of Californians for Community Empowerment (ACCE)  
California Reinvestment Coalition  
CALPIRG  
CCBHC, a public benefit non profit  
Community Legal Services in East Palo Alto  
Consumers for Auto Reliability and Safety  
Courage Campaign  
Fair Housing Council of Orange County  
Fair Housing Council of Riverside County, Inc.  
Fair Housing of Marin  
Fair Housing Foundation  
Faith in Community (Fresno)  
Holmes Unlimited  
Housing Equality Law Project (HELP)  
Housing Resource Center of Monterey County  
Housing Rights Center  
HPP CARES  
Inland Fair Housing and Mediation Board  
Montebello Housing Development Corporation

NCCPA Inc.  
NID-Housing Counseling Agency  
Nuestra Casa de East Palo Alto  
RCAC  
Shalom Center for T.R.E.E. of Life  
The Greenlining Institute  
University of San Francisco School of Law

### **Colorado**

Colorado Progressive Coalition  
CoPIRG  
Rocky Mountain Peace and Justice Center

### **Connecticut**

CCAG  
Connecticut Fair Housing Center  
ConnPIRG  
Legal Assistance Resource Center of Connecticut, Inc.

### **Delaware**

Delaware Alliance for Community Advancement  
HOND, INC  
NCALL RESEARCH INC  
Neighborhood House, Inc.

### **Florida**

Alliance Legal Group  
AmStar Litigation  
Central Florida Community Development Corporation  
Consumer Debt Association  
Fair Housing Center of the Greater Palm Beaches  
Fair Housing Continuum, Inc.  
Florida Alliance for Consumer Protection  
Florida PIRG  
Grand Central Law, PLLC  
H.E.L.P. CDC  
Housing and Education Alliance  
Housing Opportunities Project for Excellence, Inc.  
Jacksonville Area Legal Aid, Inc.  
Jacobs Keeley, PLLC  
NANAY CEDC  
Organize Now  
R. John Cole, II, & Associates, PA  
Rebecca J Covey LLC  
St. Petersburg Neighborhood Services, Inc. dba Neighborhood Home Solutions  
The First Community Christian Pentecostal Church of God, Inc.  
War on Poverty-Florida / RAISE Florida Network

### **Georgia**

Dalton-Whitfield Community Development Corporation  
GA Sustainable Community Ventures

Georgia PIRG  
Georgia Rural Urban Summit  
Green Forest CDC  
Gwinnett Habitat for Humanity  
Morningstar Urban Development Inc.  
Savannah-Chatham County Fair Housing Council, Inc.  
TAPP Lumber

**Hawaii**

Habitat for Humanity West Hawaii

**Iowa**

Iowa Citizens for Community Improvement  
Iowa PIRG  
South Central Iowa Federation of Labor, AFL-CIO

**Idaho**

Idaho Community Action Network

**Illinois**

Brighton Park Neighborhood Council  
Chestnut Credit Counseling Services  
Chicago Appleseed Fund for Justice  
Chicago Consumer Coalition  
Debt Counsel for Seniors and Disabled  
Family Credit Management Services  
Global Network CDC  
Gospel Justice Initiative  
Greater Southwest Development Corporation  
Heartland Alliance for Human Needs & Human Rights  
HOPE Fair Housing Center  
Housing Action Illinois  
Illinois Asset Building Group  
Illinois PIRG  
MJK Legal Group LLC  
National Community Investment Fund  
NHS of Chicago  
NWSHC  
Oak Park Regional Housing Center  
Open Communities  
Partners In Community Building, Inc. (PICB)  
Project IRENE  
Sargent Shriver National Center on Poverty Law  
South Suburban Housing Center  
Spanish Coalition for Housing  
The Chicago Urban League  
The Resurrection Project  
Woodstock Institute

**Indiana**

Fair Housing Center of Central Indiana

HomesteadCS  
IACED  
Indiana Assets & Opportunity Network  
Jeffersonville Housing Services Corporation

**Kansas**

Sunflower Community Action

**Kentucky**

Kentucky Equal Justice Center  
Louisville Urban League

**Louisiana**

Greater New Orleans Fair Housing Action Center  
Lower 9th Ward NENA  
NZBC Urban Corporation  
PREACH

**Massachusetts**

Allston Brighton Community Development Corporation  
Consumer Assistance Council, Inc.  
Consumer World  
MA Affordable Housing Alliance  
Mass. Assoc. of Community Development Corporations  
MASSPIRG  
The Midas Collaborative  
United for a Fair Economy  
WBZ Call For Action

**Maryland**

Anne Arundel County Community Action Agency  
Asian-American Homeownership Counseling, Inc.  
Baltimore Neighborhoods, Inc.  
HomeFree-USA  
Maryland Consumer Rights Coalition  
Maryland PIRG  
Progressive Maryland  
Public Justice Center  
St. Ambrose Housing Aid Center  
The Development Corporation of Northwest Baltimore

**Maine**

Coastal Enterprise, Inc.  
Maine Center for Economic Policy  
Maine People's Alliance  
Massachusetts Consumers' Council, Inc.

**Michigan**

Michigan Economic Impact Coalition  
PIRG in Michigan (PIRGIM)  
Telamon Corporation

**Minnesota**

TakeAction Minnesota

**Missouri**

Beyond Housing

Credit & Homeownership Empowerment Services, Inc.

Metropolitan Congregations United

Missouri Faith Voices

Missourians Organizing for Reform and Empowerment

MoPIRG

**Mississippi**

Coalition for a Prosperous Mississippi

Covenant Faith Outreach Ministries-Covenant Community Development

Mississippi Center for Justice

Mississippi Faith Leaders United for Fair Lending

Mississippians for Fair Lending

**Montana**

First Congregational UCC Billings

Greater Yellowstone Central Labor Council

Indian People's Action

RDI Financial Inc

Rural Dynamics, inc

Montana Fair Housing

Montana Organizing Project

**Nebraska**

Fair Housing Center of NE-IA

**North Carolina**

CCCS of Greater Greensboro, A division of Family Service of the Piedmont Inc.

Durham Regional Finance Center

Episcopal Diocese of North Carolina

Financial Pathways of the Piedmont

Max Gardner Law

NCPIRG

North Carolina Consumers Council

OnTrack Financial Education & Counseling

Reinvestment Partners

Robeson County Community Development Corporation, Inc.

**New Hampshire**

Granite State Organizing Project

NHPIRG

United Valley Interfaith Project

**New Jersey**

Fair Housing Council of Northern NJ

Housing & Community Development Network of New Jersey

Law Offices of Lee M. Perlman  
New Jersey Citizen Action  
NJ PIRG

**New Mexico**  
NMPIRG

**Nevada**  
Community Services of Nevada (CSNV)

**New York**  
Albany County Rural Housing Alliance, Inc.  
Bankruptcy Law Center  
Buffalo Urban League  
Center for NYC Neighborhoods  
Central New York Citizens in Action, Inc.  
Cypress Hills Local Development Corp.  
Empire Justice Center  
Friends of the North Country, Inc.  
Genesee Co-op FCU  
Housing Help Inc.  
Human Development Services of Westchester  
Long Island Housing Services, Inc.  
Margert Community Corporation  
MFY Legal Services, Inc.  
New Economy Project  
NYPIRG  
Pratt Area Community Council  
RUPCO  
Syracuse Habitat for Humanity, Inc.  
Westchester Residential Opportunities, INC  
Western New York Law Center  
Zeno Gloro Law Office

**Ohio**  
COHHIO  
Communities United For Action  
Cozmyk Law Offices  
Cuyahoga County Land Reutilization Corp.  
ESOP (Empowering & Strengthening Ohio's People)  
Fair Housing Resource Center, Inc.  
Famicos Foundation  
HOLA Ohio  
HomeOwnership Center of Greater Dayton  
Housing Opportunities Made Equal  
Housing Research & Advocacy Center  
Miami Valley Fair Housing Center  
Mills Mills Fiely and Lucas  
Neighborhood Housing Services of Greater Cleveland  
Ohio CDC Association  
Ohio PIRG

WIN  
Working In Neighborhoods

**Oklahoma**  
Oklahoma Policy Institute

**Oregon**  
Innovative Changes  
NEDCO (Neighborhood Economic Development Corporation)  
Oregon Consumer League  
Oregon PIRG (OSPIRG)  
Portland Housing Center  
Willamette Neighborhood Housing Services

**Pennsylvania**  
ACTION Housing, Inc.  
Affordable Housing Centers of Pennsylvania  
Bucks County Housing Group  
Bucks County Women's Advocacy Coalition  
Clarifi  
Community Legal Services, Philadelphia  
Gemini Consultants  
Integra Home Counseling, Inc.  
Keaveney Legal Group  
Keystone Research Center  
Northwest Counseling Service, Inc.  
PennPIRG  
Pennsylvania Council of Churches  
Pennsylvania National Organization for Women  
Schuylkill Community Action  
THE ONE LESS FOUNDATION  
One Stop Career Center of PR Inc

**Rhode Island**  
NeighborWorks Blackstone River Valley  
RI Coalition for Payday Lending Reform  
RI State Council of Churches  
RIPIRG

**South Carolina**  
Cantrell Legal PC  
Columbia Consumer Education Council  
SC Appleseed Legal Justice Cen

**Tennessee**  
Binghampton Development Corporation  
Good Neighbor Foundation  
New Level Community Development Corp  
Residential Resources, Inc.  
Tennessee Citizen Action

**Texas**

Austin Tenants' Council

Project LIFT

Strong Families Coalition of Greater Tarrant County

Texas Appleseed

TexPIRG

**Utah**

Coalition of Religious Communities

**Vermont**

Vermont Legal Aid

VT PIRG

**Virginia**

Virginia Citizens Consumer Council

Virginia Poverty Law Center

**Washington**

Main Street Alliance

Northwest Fair Housing Alliance

Parkview Services

Washington Statewide Poverty Action Network

WASHPIRG

**Wisconsin**

Legal Aid Society of Milwaukee

Metropolitan Milwaukee Fair Housing Council

WISPIRG

**West Virginia**

West Virginia Center on Budget and Policy

West Virginia Citizen Action Group