



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

June 10, 2015

Dear Representative:

We are writing to express our opposition to H.R. 1266 (Rep. Neugebauer), the “Financial Product Safety Commission Act of 2015.” This bill would change the structure of the Consumer Financial Protection Bureau (CFPB); instead of being led by a single director, it would be headed by a Commission of five members, appointed by the President and confirmed by the Senate. No more than three could be members of one political party.

When the CFPB was established as part of the Dodd-Frank Act, the idea of a 5-member Commission was debated and ultimately discarded in favor of a single director, with 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 work, without increasing the Bureau’s accountability. In fact, while there are some financial regulatory agencies with single directors and some with commissions, there is no measurable evidence that boards or commissions work better.

Multi-member boards, even with strong chair-people, often fall into a pattern of gridlock. Many such agencies—the National Labor Relations Board and the Federal Election Commission, to name two—have been hobbled for extended periods by opponents who have blocked the confirmation of commissioners. In addition, the changeover to a commission would, in effect, return the Bureau to its startup mode, further slowing it down. And 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. Furthermore we have seen the results of inaction in the run-up to the financial crisis of 2008; regulators had been asleep at the switch for years, and the cost—in taxpayer dollars spent bailing out Wall Street, as well as the costs in lost homes, jobs, income and economic security—was enormous.

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. 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.

This change in structure would reduce the Bureau's effectiveness in standing up for the public interest, and—contrary to claims of proponents—reduce the accountability of its leadership. A single director structure 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 industry, as an agency with a single director. The EPA, IRS, and FDA are three more 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 as well as to lawmakers, for example through its reports on its supervisory work, and through its complaint system and publicly searchable database of complaints and responses that allows all of us to better understand problems in the financial services market, and consider the agencies' actions in that context.

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 \$5 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.

Finally it is notable that those who backed the CFPB's creation and support its work overwhelmingly agree that one director is the preferred structure, whereas most of those who push for a commission opposed the creation of a consumer protection agency at the outset. Public interest voices and consumer representatives are united in their support for the current structure. Almost 350 national, state, and local organizations—including consumer, community service, labor, senior and other groups—recently sent a letter to Congress urging that the

structure be maintained. This is not a case of the public demanding “reform;” rather the pressure is coming from the very Wall Street banks, payday lenders, and other financial firms the CFPB was created to regulate. We urge you to defend the strong CFPB we have and reject both this and other proposals to change the leadership structure, weaken the funding, narrow the authority, or otherwise hobble the effectiveness of this crucially important agency.

Sincerely,

Americans for Financial Reform  
Consumer Action  
Consumer Federation of America  
Consumers Union  
National Consumer Law Center (on behalf of its low income clients)  
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.*

- 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

