



Americans for Financial Reform
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July 28, 2015,

Dear Representative:

We are writing to express our concerns about, and in most cases our opposition to, a number of the bills being marked up in the House Financial Services Committee today. The bills we have highlighted below include harmful deregulatory measures that would reduce protections for consumers as well as the financial system as a whole. The Dodd-Frank Wall Street Reform and Consumer Protection Act reforms that these bills undermine were put in place to protect individuals, families, communities, and the broader economy from the abusive, fraudulent and dangerously reckless practices that led to the financial crisis, costing trillions of dollars, and doing serious and lasting harm to millions of people and to our overall prosperity. On the fifth anniversary of the passage of these reforms, the rules of the road are clearer, the CFPB is doing its job of standing up for the public interest in the consumer finance marketplace, and the system is safer. Moving backwards to undo this progress would be absolutely the wrong thing to do.

The brief comments below include links to more detailed letters about each of the pieces of legislation. These letters are also attached to this package. Many of the letters are written jointly with AFR member organizations.

[H.R. 766](#), the “Financial Institution Consumer Protection Act of 2015,” would amend the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) to eliminate penalties for, and investigative authority into, unlawful conduct “affecting” federally insured financial institutions. It would inappropriately restrict regulatory anti-fraud efforts under the Department of Justice’s “Operation Choke Point,” an effort that targets banks that have knowingly facilitated access by scammers and fraudsters to consumer bank accounts.

[H.R. 1210](#), the “Portfolio Lending and Mortgage Access Act,” would weaken the CFPB’s new Ability-to-Repay standards for mortgage loans. These standards are designed to protect consumers against the kind of toxic and exploitative mortgage loans which helped cause the financial crisis and led to massive consumer losses, and should not be weakened. The bill would allow depository institutions that hold a loan in portfolio to receive a legal safe harbor, even if the loan presents safety and soundness concerns and contains terms and features that are abusive and harmful to consumers.

[H.R. 1317](#) would eliminate important protections against abuse of the end user clearing exemption. Mandatory clearing of derivatives is one of the most important risk protections in the Dodd-Frank Act. As currently drafted, this legislation could potentially permit large financial institutions to evade this requirement. Any acceptable version of this legislation should be amended to ensure that the end

user exemption is strictly limited to financial entities that are dedicated to managing commercial risks for end users, and are not part of major global banks or other significant financial corporations.

[H.R. 1737](#), the “Reforming CFPB Indirect Auto Financing Guidance Act,” would frustrate efforts to crack down on discriminatory auto lending practices. The bill places unnecessary restrictions on CFPB oversight of auto lending, including interest rate markups that cost consumers tens of billions of dollars and have been found to violate fair lending practices through a differential impact on minority purchasers of automobiles. The restrictions in this bill do not exist for any other financial practice.

[H.R. 1941](#), the “Financial Institutions Examination Fairness and Reform Act,” would impose a cumbersome de novo appeals and review process on bank examiners, a process that would create numerous opportunities for banks to delay and derail changes that supervisors had found necessary to protect consumers and the public. This process is likely to greatly reduce the speed and effectiveness of bank supervision at both prudential regulators and the Consumer Financial Protection Bureau. The reach of HR 1941 is not limited to community banks. It would negatively impact regulatory oversight across the financial system, including at the largest Wall Street banks, and would affect both consumer protections and regulation of bank safety and soundness. In addition, Section 3 of the bill would drastically restrict the ability of prudential regulators to provide proper oversight of risks emerging from commercial lending.

[H.R. 3189](#), the “Federal Reserve Reform Act,” would impose unacceptable restrictions on the ability of the Federal Reserve to properly regulate large Wall Street banks. Section 5 of the bill would require the Federal Reserve to provide banks detailed advance information prior to stress testing their capital adequacy, effectively forcing regulators to give the answers to the test in advance and greatly reducing the value of stress tests as an independent check on bank risks. Section 8 of the bill would also add dozens of new ‘cost benefit’ requirements that must be satisfied prior to any Federal Reserve rulemaking, likely triggering a flood of industry lawsuits designed to slow regulatory action to a crawl.

[H.R. 3192](#), the “Homebuyers Assistance Act,” would undermine compliance with the new mortgage rules by letting lenders off the hook, even in the event where homeowners have been harmed, for the first four months after the rules go into effect. This bill would remove key incentives for lenders to comply with new mortgage disclosures, and leave homeowners who are misled with no recourse.

We urge you to oppose efforts to weaken rules put in place to make the financial system more stable, and to prevent abuse of consumers.

Sincerely,

Americans for Financial Reform

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

