To: Interested Parties
From: Celinda Lake, David Mermin, and Liesl Newton
Re: Strong bipartisan support for government regulation of financial services and products[1]
Date: July 6, 2015

A new Lake Research Partners poll finds strong, continued, bipartisan support for government regulation of financial services and products. Voters broadly favor the Dodd-Frank Wall Street Reform and Consumer Protection Act and the activities of the Consumer Financial Protection Bureau. They will reward political candidates committed to consumer protection and tough rules on Wall Street and punish candidates who receive large amounts of campaign money from big banks.

- **Voters support strong regulation of the financial industry.** Over nine in ten voters (91%) agree that it is important to regulate financial services and products to make sure they are fair for consumers,[i] and four-fifths (79%) say Wall Street financial companies should be held accountable with tougher rules and enforcement for the practices that caused the financial crisis.[ii] By nearly a 3:1 margin, voters want to see more, not less, oversight and regulation of financial companies.[iii] Fewer than a quarter (23%) believe tough regulations on Wall Street will hurt the U.S. economy.[iv]

- **Voters strongly favor the central provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act.** After hearing a brief description of the law, nearly three-quarters of likely 2016 voters (73%) say they favor it, including 80% of Democrats, 72% of Independents, and 65% of Republicans.[v] Voters' strong support for Wall Street reform also holds up after an engaged debate, as a majority of voters across party lines continues to favor the pro-reform arguments.[vi]

- **Voters consistently favor the CFPB's mission and enforcement actions.** Support for the CFPB after voters hear a description of its purpose has held steady since last year at 75%, with 85% of Democrats, 74% of Independents, and 66% of Republicans in favor.[vii] Voters' support for the CFPB holds up after head-to-head arguments, with majority support for the pro-CFPB argument across party lines.[viii] 72% support the CFPB's enforcement actions against Bank of America and GE Capital, in

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[1] Lake Research Partners conducted a telephone survey of 1,000 likely 2016 voters on behalf of Americans for Financial Reform and the Center for Responsible Lending. The national survey was conducted from June 16-June 22, 2015 and has a margin of error of +/- 3.1.

preference to an argument calling the CFPB out of control, and accusing it of costing American jobs and taxpayer money (17% agree).[ix] 82% of Democrats, 69% of Independents, and 61% of Republicans agree with the CFPB's enforcement actions in this arena, in preference to the opposition argument.

- **Voters are concerned about predatory actions by payday lenders and they support strong regulations on mortgage and small-dollar lenders.** By more than a 3:1 margin, voters agree that payday lenders have predatory tendencies, over a counterargument that they are an important resource.[x] Over two-thirds of voters—including nearly three-quarters of Republicans—favor keeping the requirement that mortgage lenders must fully verify borrowers' ability to repay before issuing a mortgage.[xi] Voters also overwhelmingly support a proposal to require small-dollar lenders to verify a customer's ability to repay (88% support, 68% strongly), or to make sure a loan is affordable in light of a customer's income and expenses (86% support, 69% strongly).[xii]

- **Voters are highly concerned about the influence of Wall Street on elected officials: they will punish candidates who receive large amounts of campaign money from big banks, and reward candidates who favor tough rules on Wall Street.** 84% of likely 2016 voters say they are concerned about the influence of Wall Street financial companies on elected officials, including nearly two-thirds (64%) who are very concerned.[xiii] Majorities across party lines say they would be less likely to vote for a candidate or member of Congress who received large sums of campaign money from big banks and financial companies,[xiv] and a majority of Democrats (72%), Independents (54%), and Republicans (52%) say they would be more likely to vote for a candidate who favored protecting consumers by keeping tough rules on Wall Street to prevent irresponsible practices and abuses.[xv]

Voters continue to regard an under-regulated financial industry as a substantial threat. They are very favorable toward existing rules, and most agree that even stronger rules are needed, as the financial system continues to pose a danger. They believe Wall Street financial companies need oversight and that mortgage and payday lenders and debt collectors can do serious harm if not properly regulated. Voters want regulations and enforcement to ensure financial institutions act fairly and responsibly, and they will support candidates committed to that cause.

[i] How important is it to regulate financial services and products to make sure they are fair for consumers? Is it very important, somewhat important, a little important, or not at all important?

[ii] Should Wall Street financial companies be held accountable with tougher rules and enforcement for the practices that caused the financial crisis, or have their practices changed enough that they don't need further regulation?

[iii] Generally speaking, do you think there should be more government [oversight/regulation] of financial companies, such as Wall Street banks, mortgage lenders, payday lenders, and credit card companies, or less oversight of these companies?

[iv] Please tell me which of the following statements comes closer to your own views. [ROTATED] Tough regulations on Wall Street will help prevent future financial problems OR Tough regulations on Wall Street will hurt the U.S. economy.

[v] Now please listen to this description of the Wall Street Reform law that was passed after the financial crisis. In addition to requiring federal oversight of a larger range of financial companies, this law also prohibits banks from making certain types of risky investments, and created the Consumer Financial Protection Bureau to oversee and enforce rules against abusive financial practices that put consumers at risk. It also bans taxpayer-funded bailouts of large banks and financial companies and, instead, sets up a system where shareholders and creditors bear the losses of failed companies. Please tell me whether, overall, you favor or oppose this law.

[vi] Now I'd like to read you a pair of statements about Wall Street reform. Of the two, please tell me which statement is closer to your own views. [ROTATED]
(Some/other people say) [Wall Street caused the financial crisis which cost us millions of jobs, billions of dollars in taxpayer funded bailouts, and trillions of dollars in lost homes and lost retirement savings. We need tough rules to hold Wall Street accountable and prevent them from repeating the irresponsible practices that caused the crisis. These rules are essential to protect an economy that works for all of us./that without basic rules and accountability, financial markets don't work. People get ripped off, banks and lenders make reckless decisions, and eventually the markets crash. We saw this happen in 1929 and again in 2008. This is why we need to have common-sense rules to keep the markets healthy, and to keep our economy from being rigged in favor of a few large Wall Street interests and against the American people.]
(Some/other people say) the so-called Wall Street reform law is a job killer that created a brand new federal agency that has already cost taxpayers billions, and has done more harm than good for our economy. Our economy is still recovering, and we can't afford to let this excessive government regulation and bureaucracy discourage businesses from creating jobs and slow the progress of our economic recovery.

[vii] Part of the Wall Street Reform law was the establishment of the Consumer Financial Protection Bureau, or CFPB. It is the first federal agency whose focus is protecting consumers when they use mortgages, credit cards, bank accounts, and other financial products and services. Its mission includes preventing deceptive, unfair and abusive lending and collection practices by banks and other companies. From what you know about the Consumer Financial Protection Bureau, or CFPB, would you say you favor or oppose the CFPB?

[viii] Now I'd like to read you a pair of statements about the Consumer Financial Protection Bureau, or CFPB. Of the two, please tell me which statement is closer to your own views. [ROTATED]
(Some/other people say) [Wall Street special interests are fighting tooth and nail to get rid of the CFPB because it works. Irresponsible banking practices caused the last financial crisis, and, left to their own devices, they would do the same thing all over again. We need the CFPB to keep the financial industry in check and stop them from ripping off consumers or tanking our economy once again./ We have rules to guard against unsafe meat, appliances, and automobiles. The CFPB is there to provide similar rules for financial products. Just as it's against the rules to sell dangerous toys, it should be against the rules to sell dangerous loans.]
(Some/other people say) The CFPB is another unaccountable, expensive, federal bureaucracy we don't need. The financial crisis was caused by government interference. Imposing even more regulation just hurts small businesses, costs jobs, and impedes economic recovery. The CFPB is yet another example of out of control, big federal government.

[ix] The CFPB has used its enforcement authority to bring suits against companies it found to have violated the law. Please tell me which of the following two statements is closer to your own views about this type of regulatory action: [ROTATED]
(Some/other people say) Companies that violate the law should be held accountable and made to pay. For example, in 2014, Bank of America and GE Capital had to pay fines and refunds totaling nearly $1 billion dollars as a result of their deceptive marketing and billing practices for credit card add-on products. Lawsuits like these are exactly what the CFPB should be doing.
(Some/other people say) The CFPB is out of control, using taxpayer money to fund expensive lawsuits that hurt regular Americans and businesses. CFPB lawsuits unfairly target businesses that government regulators don't like, preventing these businesses from innovating and prospering. CFPB intrusion costs American jobs and money for consumers and taxpayers.

[x] Now I am going to read two statements about payday lenders. Please listen to both and tell me which statement is closer to your own views. [ROTATED]
(Some/other people say) Payday lenders prey on the elderly on Social Security, on working families making minimum wage, on military families, and on single parents. In this economy, it's hard enough for families living paycheck to paycheck to make ends meet, without having to resort to 300 and 400 percent interest rate loans – that's just too much.
(Some/other people say) Payday lenders are an important resource for those who can't get credit any other way. If people can't afford to pay the interest, they shouldn't borrow the money. As long as the terms of the loan are clearly posted, people can make their own decisions and not have the government controlling what they do with their own money.

[xi] Currently, mortgage lenders are always required to verify a borrower's ability to repay before issuing the mortgage. Some people have suggested loosening and adding exceptions to this requirement, so that lenders can issue some mortgages without having to determine a borrower's ability to repay. Which would you favor: LOOSENING the requirement, so some mortgages can be issued without verifying ability to repay, or KEEPING the requirement that lenders must fully verify the ability to repay for ALL mortgages?

[xii] Now I am going to read you a series of proposals that are being considered to regulate financial products and services. For each, please tell me if you support or oppose the proposal. [Small-dollar lenders must make sure a loan is affordable in light of a customer's income and expenses./Small-dollar lenders must verify a customer's ability to repay.]

[xiii] How concerned are you about the influence of Wall Street financial companies on elected officials—very concerned, somewhat concerned, a little concerned, or not at all concerned?

[xiv] And if you knew that a candidate or member of Congress had received large sums of campaign money from big banks and financial companies, would that make you more or less likely to vote for him or her, or would it not make a difference to you?

[xv] And if you knew that a candidate or member of Congress favored protecting consumers by keeping tough rules on Wall Street to prevent irresponsible practices and abuses, would that make you more or less likely to vote for him or her, or would it not make a difference to you?