

November 19, 2015

The Honorable Thad Cochran
Chairman
Senate Appropriations Committee
S-128, The Capitol
Washington, DC 20510

The Honorable Hal Rogers
Chairman
House Appropriations Committee
H-305, The Capitol
Washington, DC 20515

The Honorable John Boozman
Chairman
Senate Appropriations Financial Services &
General Government Subcommittee
S-128, The Capitol
Washington, DC 20510

The Honorable Ander Crenshaw
Chairman
House Appropriations Financial Services &
General Government Subcommittee
B-300 Rayburn House Office Building
Washington, DC 20515

Dear Chairmen Cochran, Rogers, Boozman and Crenshaw:

As trade associations, representing thousands of financial institutions, banks, credit unions, and businesses of all sizes serving America's consumers, we write to express our strong support of H.R. 1266, the Financial Product Safety Commission Act, bipartisan legislation introduced by Representative Randy Neugebauer (R-TX) and approved on a bipartisan basis by the House Financial Services Committee. Similar legislation was included in Section 505 of S. 1910, the Fiscal Year 2016 (FY16) Financial Services and General Government appropriations bill. Given the importance of this legislation to the American consumer and the U.S. economy, we respectfully request that the Appropriations Committees include such language to improve the governance structure at the Consumer Financial Protection Bureau (CFPB) in the FY16 omnibus appropriations bill.

This common-sense, bipartisan policy would create a five-member board at the CFPB, is fully paid for over the next ten years, and provides a smooth transition process that provides continuity of leadership at the Bureau.

Looking ahead, the current sole director structure at the CFPB jeopardizes the foundation of the Bureau as an objective, neutral consumer protection agency. A commission would serve as a source of balance and stability for consumers and the financial services industry by encouraging internal debate and deliberation, ultimately leading to increased transparency. Additionally, with a bipartisan board in place, the Bureau's rulemaking, supervision, and examination processes would be even more effective in protecting consumers as it would allow for the input of multiple leaders with diverse experiences and expertise. Moreover, a commission would further promote the CFPB's ability to make bipartisan and reasoned judgments to ensure consumers receive the protection they deserve, which in turn would help strengthen the economy; and would avoid the risk of politically motivated decisions causing uncertainty and harm to consumers.

To preserve the CFPB and prevent it from becoming a political football, Congress should return the CFPB to its originally intended structure, from a sole director to a bipartisan commission.

In fact, the creation of a five-member commission began with strong Democratic support. In December 2009, the House passed legislation that would have created a five-member bipartisan commission to oversee the CFPB. This effort was led by then-House Speaker Nancy Pelosi (D-CA) and then-House

Financial Services Chairman Barney Frank (D-MA), with 223 Democrats voting in favor of the measure. During public debate over the agency's creation, then-professor Elizabeth Warren, whose ideas led to the creation of the CFPB, called for a Financial Product Safety Commission (FPSC) and modeled what is now the CFPB after the Consumer Product Safety Commission, which is overseen by a board of five commissioners. Also, during this debate, the idea of a commission to oversee consumer financial products was also endorsed by the Department of the Treasury under the Obama Administration.

Finally, a commission is the traditional and customary structure for independent federal agencies, helping to ensure bipartisanship and impartiality. Examples include the Federal Reserve Board (FRB), the Federal Deposit Insurance Corporation (FDIC), the Securities and Exchange Commission (SEC), the Communities Futures Trading Commission (CFTC), and the National Credit Union Administration (NCUA).

Overall, the CFPB has tremendous authority to supervise a multi-trillion dollar industry, which as we have learned, can have an enormous impact on our economy. As such, it is imperative the CFPB's governance structure is stable, deliberative, and bipartisan – for the sake of the American consumer and the U.S. economy.

Sincerely,

ACA International
American Bankers Association
American Escrow Association
American Financial Services Association
American Land Title Association
Appraisal Institute
ATM Industry Association
Community Mortgage Lenders of America
Consumer Bankers Association
Consumer Data Industry Association
Consumer Mortgage Coalition
Credit Union National Association
Electronic Funds Transfer Association
Electronic Transactions Association
Financial Services Roundtable
Independent Community Bankers of America
Mortgage Bankers Association
National Association of Federal Credit Unions
National Association of Independent Housing Professionals
National Association of Wholesaler-Distributors
National Black Chamber of Commerce
Real Estate Services Providers Council, Inc. (RESPRO®)
Small Business & Entrepreneurship Council
U.S. Chamber of Commerce

Cc: Senate Majority Leader Mitch McConnell
Senate Majority Whip John Cornyn

House Speaker Paul Ryan
House Majority Leader Kevin McCarthy
House Majority Whip Steve Scalise