

March 20, 2017

The Honorable Ann Wagner
Chairman
Subcommittee on Oversight and Investigations
Committee on Financial Services
Washington, DC 20515

The Honorable Al Green
Ranking Member
Subcommittee on Oversight and Investigations
Committee on Financial Services
Washington, DC 20515

Dear Chairman Wagner and Ranking Member Green:

On behalf of the American Financial Services Association (AFSA)¹, I am writing regarding your hearing, “the Bureau of Consumer Financial Protection’s Unconstitutional Design.” Thank you for conducting this hearing, and I respectfully request that this letter be included in the record.

The unprecedented and extraordinary degree of autonomy that the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) granted to the Consumer Financial Protection Bureau (CFPB), particularly the single director’s ability to unilaterally determine the Bureau’s budget, priorities, and policies, has not been optimal. Six years after the CFPB’s establishment, the Bureau is not accountable to Congress, to industry stakeholders, or to the American public.

The CFPB should be subject to traditional government checks and balances. Rather than the CFPB director dictating his own budget, Congress should exercise its constitutional power of the purse to determine the Bureau’s budget. The CFPB should be placed under the appropriations process to ensure that the agency is not self-regulated and that Congress has proper oversight and funding authority over the Bureau as it does other federal agencies.

Furthermore, the financial services industry is too vital to the health and welfare of the nation’s economy to be led by a solitary CFPB director with unilateral decision-making power and virtually no oversight. Therefore, the CFPB should be reconstituted as a bipartisan “Consumer Financial Opportunity Commission” to ensure certainty, fairness, and transparency. A bipartisan commission structure would provide a diversity of perspectives, leading to more balanced and effective regulation.

We look forward to working with you on these and other reforms to the Dodd Frank Act. Thank you for conducting this important hearing on the constitutionality of the CFPB. Please do not hesitate to contact me at (202) 466-8616 or bhimpler@afsamail.org with any questions.

Sincerely,



Bill Himpler
Executive Vice President
American Financial Services Association

¹ Founded in 1916, AFSA is the national trade association for the consumer credit industry, protecting access to credit and consumer choice. AFSA members provide consumers with many kinds of credit, including traditional installment loans, direct and indirect vehicle financing, mortgages, payment cards, and retail sales finance.