



NATIONAL
AUTOMOBILE
DEALERS
ASSOCIATION



April 15, 2016

Dear Representative:

The National Automobile Dealers Association (NADA) and the American Financial Services Association (AFSA) are writing in support of H.R. 1486, the "Taking Account of Bureaucrats' Spending (TABS) Act." This bill would bring the Consumer Financial Protection Bureau (CFPB) under the regular appropriations process for the first time.

H.R. 1486 begins to restore traditional government "checks and balances" to the CFPB. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, Congress limited its oversight of the agency and allowed the CFPB to set and approve its own budget priorities. The indirect auto finance guidance issued by the CFPB in March 2013 illustrates the flawed actions that inevitably result from Congress surrendering its constitutional "power of the purse." With no control over the CFPB's spending power, the only avenue for the people to express their will through their elected representatives is to pass legislation. The House passed such legislation (H.R. 1737) on November 18 by a vote of 332-96. Unfortunately, despite overwhelming bipartisan support for H.R. 1737, a bill which would rescind the CFPB's flawed guidance and allow new guidance to be issued with public input and transparency, the CFPB continues its policy to eliminate or significantly restrict a consumer's ability to receive a discounted auto loan.

If the CFPB were subject to the normal congressional appropriations process, it is doubtful the agency would have attempted to fundamentally change the \$1 trillion auto loan market via guidance without: (1) prior public comment or hearing; (2) providing responsive answers to direct and specific questions from Congress; and (3) first assessing the impact of its guidance on consumers. The CFPB instead chose to implement this anti-consumer, anti-small business policy through guidance and enforcement actions to avoid the full range of procedural requirements that are part of the legislative and rulemaking process.

CFPB should not fear the appropriations process if its policies can withstand public scrutiny. If its policies cannot withstand scrutiny and are overturned by Congress through its spending power, then the public is well-served by the legislation.

On behalf of the members of NADA and AFSA, we urge passage of H.R. 1486.

Sincerely,

A handwritten signature in black ink that reads "David W. Regan".

David W. Regan
Executive Vice President
National Automobile Dealers Association

A handwritten signature in black ink that reads "Bill Himpler".

Bill Himpler
Executive Vice President
American Financial Services Association