

(Washington, D.C.) – U.S. Reps. Rush Holt (NJ-12), John Conyers (MI-14), Mary Jo Kilroy (OH-15), and Jackie Speier (CA-12) are urging House leadership to insist on a strong, independent Consumer Financial Protection Agency (CFPA), as the House previously passed. As they write in their letter, having the CFPA housed in the Federal Resources, which the Senate bill would do, would fail to protect consumers from the worst abuses.

“The ability of the CFPA, as conceived in the House bill, to vigorously fight for consumers, enforce basic rules so that no consumer can get tricked or trapped into buying a home they can’t afford and ensure that credit card applications are easily understandable and their terms fair and reasonable will be much stronger than it would be under the Senate bill,” the Members write.

A copy of the letter is below:

Dear Speaker Pelosi and Majority Leader Hoyer:

Now that the Senate has passed its version of financial regulatory reform and we head to Conference, we write to urge you to insist on the strongest possible consumer protections and to reject a watered down version.

The financial meltdown has much of its origin in lax consumer regulation and consumer abuse. Financial lenders steered families into mortgages they could not afford to repay, offering only subprime loans to some who qualified for prime loans and then packaging those loans and selling them to investors on the securities market. Additionally, credit card companies used unfair and deceptive practices to exacerbate nearly \$1 trillion in nationwide credit card debt.

That is why it is so important to have a strong, independent Consumer Financial Protection Agency, such as we passed in the House. This regulator must not be housed in the Federal Reserve, as written in the Senate bill, because history already has demonstrated that fails to protect consumers. Early in the 2000s, consumer advocates vigorously lobbied the Federal Reserve to put a stop to precisely the subprime mortgage practices that helped create the recent crisis, but the practices continued and the crisis unfolded. The key to the effectiveness

of the new CFPA will be its independence from those it will regulate. As Elizabeth Warren recently said, “dang gummit, somebody has got to stand up on behalf of middle-class families!”

The new CFPA must have the independence to both write and enforce regulations to truly protect American families from the types of abhorrent abuses that caused the financial crisis and to stop future predatory products before they can cause the next crisis. Further, this independence must apply equitably to its oversight of all financial products, without showing favoritism to or less rigorous oversight of, for example, bank products.

The ability of the CFPA, as conceived in the House bill, to vigorously fight for consumers, enforce basic rules so that no consumer can get tricked or trapped into buying a home they can't afford and ensure that credit card applications are easily understandable and their terms fair and reasonable will be much stronger than it would be under the Senate bill.

The consumer regulator envisioned in the Senate bill, because it would be housed in the Federal Reserve, will not be able to provide the same level of advocacy and protection to American families. We strongly urge you to insist on the more independent, House-passed version of the CFPA. Thank you for your consideration of this important issue.

Sincerely,

Rush Holt

Member of Congress

John Conyers

Member of Congress

Mary Jo Kilroy

Member of Congress

Jackie Speier

Member of Congress