



## Consumer Federation of America

The Honorable Richard Shelby  
Chairman  
U.S. Senate Committee on Banking,  
Housing, and Urban Affairs  
534 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Sherrod Brown  
Ranking Member  
U.S. Senate Committee on Banking,  
Housing, and Urban Affairs  
534 Dirksen Senate Office Building  
Washington, D.C. 20510

May 20, 2015

Dear Senators,

Thank you for the opportunity to comment on the Democratic substitute amendment to Chairman Shelby's draft "Regulatory Improvement Act of 2015." The Consumer Federation of America is a national organization of more than 250 nonprofit consumer groups that was founded in 1968 to advance the consumer interest through research, advocacy, and education.

Chairman Shelby's proposal represents a major rollback of the consumer financial protections created as part of the Dodd-Frank Wall Street Reform Act. Our concerns with the proposal and the harmful changes it makes to important mortgage reforms, investor protections and other critical consumer protections are detailed in a separate opposition letter.

While we view the Democratic substitute as a better starting point and have concerns with some of the provisions proposed, the substitute amendment does not undermine consumer protections in the same manner as the Chairman's proposal and in some areas, it improves the implementation of critical regulations.

In particular, we would like to highlight our strong support for the provision in the substitute amendment to improve the implementation of important protections for servicemembers by allowing the Consumer Financial Protection Bureau to enforce the Servicemember Civil Relief Act (SCRA). The CFPB Office of Servicemember Affairs has established an impressive track record of protecting servicemembers and their families from financial abuse. The Office continues to document cases where servicemembers are not getting the critical interest rate protections on debts occurred before military service or protections against default judgments while deployed. One servicemember received an interest rate hike on his student loans and was unable to obtain the SCRA-mandated interest reduction even after repeated attempts.<sup>1</sup> In another instance, a credit card company improperly sought a default judgment against a servicemember while he

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<sup>1</sup> "A Snapshot of Complaints Received from Servicemembers, Veterans, and Their Families." Consumer Financial Protection Bureau, April 2015. [http://files.consumerfinance.gov/f/201504\\_cfpb\\_snapshot-of-complaints-received-from-servicemembers-veterans-and-their-families.pdf](http://files.consumerfinance.gov/f/201504_cfpb_snapshot-of-complaints-received-from-servicemembers-veterans-and-their-families.pdf).

was deployed which affected his security clearance – a practice prohibited by the SCRA.<sup>2</sup> The provision does not change the SCRA, instead it takes additional steps to ensure that servicemembers receive the protections afforded to them under current law.

Thank you for the opportunity to express our views on this legislation and express our support for the provision that provides the CFPB with the ability to enforce the SCRA. Should you have additional questions on this issue, please contact Tom Feltner at the Consumer Federation of America at 202-618-0310 or [tfeltner@consumerfed.org](mailto:tfeltner@consumerfed.org).

Sincerely,



Tom Feltner  
Director of Financial Services



Rachel Weintraub  
Legislative Director and General Counsel

Cc: Members of the U.S. Senate Committee on Banking, Housing, and Urban Affairs

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<sup>2</sup> “Complaints Received from Servicemembers, Veterans, and Their Families: A Snapshot by the the Office of Servicemember Affairs.” Consumer Financial Protection Bureau, March 2014. [http://files.consumerfinance.gov/f/201403\\_cfpb\\_snapshot-report\\_complaints-received-servicemembers.pdf](http://files.consumerfinance.gov/f/201403_cfpb_snapshot-report_complaints-received-servicemembers.pdf).