



Consumer Federation of America

1620 I Street, N.W., Suite 200 * Washington, DC 20006

CFA on Financial Reform:

A Daily Look at Reform Proposals and Their Effects on Consumers May 6, 2010: Vote NO on the Shelby Substitute (Amendment 3826)

Dear Senator:

The Consumer Federation of America opposes the Shelby Substitute to S. 3217, the Restoring American Financial Stability Act. This amendment enacts a consumer division within the FDIC that will not protect consumers:

- **No Independence:**
 - Division within the FDIC without autonomy,
 - FDIC Board of Governors must approve all regulations,
- **Lack of Funding:**
 - Funding only covers supervisory and rule-making expenses – not enforcement,
- **Limited Enforcement:**
 - Severely constrains Bureau enforcement – no enforcement over **ANY** bank,
 - Bureau cannot take action against non-banks until many consumers have been harmed.

CFA supports the enactment of the Consumer Financial Protection Bureau as drafted in S. 3217, including:

- **An independent regulator** overseeing the full range of consumer financial products and services, with a Presidentially-appointed director and autonomy to make budget, management and policy decisions.
- **No exemptions** for firms that offer financial products or services, including auto dealers.
- **State cops on the beat:** Allow state Attorneys General to enforce consumer regulator rules and prevent federal bank regulators from blocking states that try to enforce their own consumer protection laws.

CFA opposes the Shelby substitute and urges you to vote NO on its passage.

Sincerely,

Travis Plunkett
Legislative Director

Susan Weinstock
Director, Financial Reform Campaign