



Consumer Federation of America

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

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CONTACT:
Susan Weinstock (202) 387-6121
Jack Gillis (202) 737-0766

**CONSUMER FEDERATION OF AMERICA APPLAUDS PRESIDENT OBAMA'S
SPEECH ON FINANCIAL REGULATORY REFORM**
*CFA survey shows Americans want agency to provide oversight of
financial products and services*

Washington, D.C. – Today President Obama is set to mark the anniversary of the collapse of Lehman Brothers and the start of the worst financial downturn since the Great Depression by appropriately giving a speech on Wall Street. The President will talk about his proposals to protect consumers and reform financial services regulation, some of which are encountering stiff resistance from industry lobbyists on Capitol Hill.

“Abusive lending and shady financial practices by financial firms caused millions to lose their jobs, foreclosures to soar, home values to tank, and retirement and college savings to disappear,” said Travis Plunkett, CFA’s Legislative Director. “And yet, many of the same institutions that helped cause the financial meltdown are shamelessly trying to kill the President’s proposal to create a Consumer Financial Protection Agency (CFPA). Americans need, and our survey¹ shows that they want, stronger financial protections, including a new consumer agency to rein in abusive practices.”

As the survey clearly shows, Americans strongly support greater disclosure requirements and other protections for mortgages, credit cards, and other financial products and services. In the area of mortgages, which was central to the current financial crisis, Americans overwhelmingly support (89 percent) a requirement that banks disclose all mortgage fees upfront, clearly and conspicuously. But their support for reform extends much further. For example, Americans overwhelmingly want banks to be required to disclose, on the ATM machine, when a withdrawal will overdraw an account (85 percent) so that they can avoid the overdraft and the exorbitant fees that go with it. For the same reason, Americans support (71 percent) requiring banks to gain the permission of customers before routinely providing loans to cover these overdrafts.

The survey shows that Americans want a government agency looking out for their interests. In fact, 57 percent support the creation of the Consumer Financial Protection Agency. In an era of public distrust of government, the agency receives support across income brackets. Those most adversely affected by many unfair and deceptive financial practices -- young adults under 35 years (70 percent), African-Americans (79 percent), Hispanic-Americans (70 percent), and low-income persons (69 percent) -- expressed the strongest support for a new consumer protection agency.

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¹ Caravan Opinion Research Corporation, survey of 1018 consumers, July 24-27, 2009. Copies of the survey are available upon request.

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The House Financial Services Committee will vote on this bill in the next few weeks. CFA calls on Congress to enact the Consumer Financial Protection Agency to ensure that we never see another financial collapse like the one that started a year ago today.

The Consumer Federation of America is a non-profit association of more than 280 groups that, since 1968, has sought to advance the consumer interest through advocacy and education.