



Consumer Federation of America

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SENATE TO TAKE UP DANGEROUS SNOWE AMENDMENT TO GIVE SOME ABUSIVE LENDERS FIRST CRACK AT STOPPING CONSUMER BUREAU RULES

As the United States Senate continues to debate financial reform legislation, the Consumer Federation of America (CFA) urged it to reject an amendment on today's agenda that would give some unscrupulous lenders an unfair advantage over consumers in stopping or delaying efforts by the proposed Consumer Financial Protection Bureau to rein in abusive financial practices.

In a letter¹ to the Senate, CFA raised concerns that an amendment proposed by Senator Snowe (3883) would require the consumer bureau to share proposed rules first with small businesses, including those that offer abusive financial products, before getting input from the public. CFA also stated that the amendment could result in dangerous rule-making delays by mandating that a committee of regulators go through an additional review process that is not currently imposed on any financial regulator.

"I doubt that Senator Snowe intends to give small payday lenders or mortgage brokers first crack at killing or delaying consumer protection proposals, but that is what this proposal would do" said Travis Plunkett, CFA's Legislative Director. "It is not good for consumers or small businesses affected by shady financial practices if the consumer bureau is tied up in red tape. We urge the Senator to drop or change her amendment because current law already requires all agencies to minimize the impact of their rules on small businesses."

Instead of supporting the Snowe amendment, CFA is urging Senators to support a substitute offered by Senators Landrieu and Dodd that would give small businesses input on rules proposed by the consumer bureau, but not before the proposals are released to the public.

The Consumer Federation of America (CFA) is a non-profit association of over 280 consumer groups that was founded in 1968 to advance the consumer's interest through advocacy, research, and education.

¹<http://www.consumerfed.org/elements/www.consumerfed.org/File/Financial%20Services%20Regulation%20Dodd%20substitute%20Snowe%20amendment%20letter%205-18-10.pdf>

