American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)
Americans for Financial Reform
Center for Responsible Lending
Consumer Federation of America
Consumers Union
Leadership Conference on Civil Rights
National Community Reinvestment Coalition
National Consumer Law Center (on behalf of its low income clients)
Public Citizen
US Action
US Public Interest Research Group (US PIRG)

December 10, 2009

RE: OPPOSE MINNICK AMENDMENT #35 TO STRIKE CONSUMER FINANCIAL PROTECTION AGENCY

Dear Representative:

The undersigned consumer, civil rights, community and labor organizations strongly urge you to oppose Minnick amendment #35 to H.R 4173. **It would eliminate an essential component of this important financial reform bill – the Consumer Financial Protection Agency – and replace it with a weak and bureaucratic council of the same regulators who have failed so spectacularly to protect American families and the economy from abusive financial practices.**

We strongly oppose the Minnick "Consumer Financial Protection Council" because:

- **It not only doesn't improve existing failed consumer protection structure, it makes it worse**. First, the amendment leaves enforcement of consumer protection and fair lending laws in the hands of the same "alphabet soup" of federal regulatory agencies that were on watch while subprime mortgage lenders and credit card companies ran wild. Then, it creates an elaborate, multi-layered consumer protection bureaucracy of 11 different state and federal regulators who must approve all regulatory changes. This process will make it more difficult and more time consuming for existing regulators to act to protect consumers and enforce civil rights laws, even when they want to.

- **It is a recipe for gridlock and inaction on consumer protection**. Any change in consumer protection rules must be approved by a majority of the Council's members. Any recommended change that might result in a dangerous product or service being directly or indirectly prohibited requires a two-thirds vote of the Council. A reasonable reading of this requirement would mean that the Council would have to approve by two-thirds any rule that would materially interfere with the provision of any credit product.

- **It continues the existing fractured, fractious, failed regulatory structure**. No single agency will be charged with making consumer protection a priority. Consumer protection continues to be subsumed within agencies with many other priorities and a focus on protecting bank profits. Although agencies will be required to ensure that consumer protection is of "equal importance" with other priorities, it provides no funding to make this happen, so the requirement is virtually meaningless. Moreover, this requirement could actually be used as an excuse to prevent an agency from making consumer protection enforcement MORE important than other obligations at times.

- **It favors financial institutions and financial trade associations with significant resources to influence policy** by making the existing consumer protection bureaucracy larger and more complicated, rather than more focused and streamlined (as proposed with the CFPA).

For more information, please contact Travis Plunkett at the Consumer Federation of America at 202-387-6121.

Sincerely,

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