



Consumer Federation of America

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SNOWE, ENZI AMENDMENTS WOULD TIE CONSUMER BUREAU IN KNOTS

The Consumer Federation of America (CFA) today urged the United States Senate to defeat two proposed amendments to financial reform legislation that would place unnecessary and harmful restrictions on the ability of the proposed Consumer Financial Protection Bureau to issue rules or investigate financial abuses.

In a letter¹ to the Senate, CFA expressed concern that an amendment proposed by Senator Snowe (3883) would require the consumer bureau to share proposed rules first with small businesses, including those who offer abusive loans, before getting input from the public. CFA has also opposed an amendment by Senator Enzi (4018) because it would require the consumer bureau to obtain the consent of millions of consumers whose transactions are affected by abusive practices under investigation.

“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. “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.”

CFA is urging Senators to support a substitute amendment 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.

“Senator Enzi’s amendment would bring the consumer bureau’s investigations of financial abuses to a grinding halt,” said Plunkett. “The bureau would have to get permission from every consumer whose records are reviewed confidentially before beginning an investigation. This is a hoop that no other banking regulator has to jump through and it is not necessary to protect consumer privacy.”

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>

