



## Consumer Federation of America

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### **CONSUMER FEDERATION OF AMERICA WEIGHS IN WITH CONGRESS ON TOP PRIORITIES FOR FINANCIAL REGULATORY REFORM CONFERENCE**

Washington, DC – The Consumer Federation of America (CFA) has sent a [letter](#) to all members of the House and Senate outlining top consumer priorities for the House/Senate conference on the financial regulatory reform bill. The letter covers a range of issues, including the Consumer Financial Protection Agency, mortgage and foreclosure protections, investor protections, credit rating agencies, and derivatives. CFA’s letter urges the Senate and House conferees to meld the best provisions of each bill to ensure that the final bill better protects consumers from abusive practices, closes dangerous regulatory gaps, and makes our financial system safer and more stable.

“The economic meltdown vividly demonstrated why consumers need an independent financial protection agency that will focus on their needs,” said Travis Plunkett, Legislative Director of CFA. “The current regulators have not made consumer protection a priority and have allowed too many financial services providers to take advantage of and ultimately harm consumers.”

The letter explains that the agency must have independent funding, a Presidentially-appointed director, and authority over all lenders, including auto dealers. “The conferees should reject the amendment added to the Senate bill that requires the agency to share proposed rules with small businesses, including payday lenders, prior to getting input from the public on the rules,” continued Plunkett. “This fox-guarding-the-henhouse provision will only serve to slow down and potentially weaken new agency rules to rein in abusive lending from small predatory lenders.”

With regard to investor protection, the House-passed bill includes a provision holding brokers to a fiduciary duty to act in the best interest of their clients when they give investment advice. The Senate version merely calls for a study of the issue.

“The SEC has already studied this issue to death,” said Barbara Roper, CFA’s Director of Investor Protection. “The need to establish a fiduciary standard when brokers give investment advice is blatantly obvious. Congress needs to close this loophole so that average investors know that their broker is working in their best interest and not for the biggest commission he or she can muster.”

*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.*