Consumer Federation of America

For Immediate Release:
July 23, 2015

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Financial Services and General Government Appropriations Bill Rolls Back Critical Consumer Protections
CFA Urges Opposition to this Harmful Bill

The Financial Services and General Government (FSGG) subcommittee of the Senate Appropriations Committee approved appropriations legislation that rolls back important consumer protections and undermines the ability of crucial Agencies to fulfill their missions of protecting consumers.

While we have not seen the full text, nor the full scope of the problems, we know that the bill threatens the viability of the Consumer Financial Protection Bureau by drastically weakening its funding mechanism, organizational structure and reporting requirements. On the 5^{th} Anniversary of Dodd-Frank, occurring this week, tying the hands of the CFPB is contradictory to what American consumers need and expect. The CFPB already extensively reports to Congress and senior Bureau staff has testified before Congress 55 times. The funding structure of the CFPB was specifically drafted like every other bank regulator to be insulated from partisan and special interest attacks. Modifying the single director structure of the Bureau to a five-member commission would thwart the agency from quickly working to ensure fairness in the financial marketplace.

The FSGG bill also includes a substantial financial deregulation bill that would roll back Dodd-Frank. This bill is opposed by every Democrat on the Senate Banking Committee and negatively impacts home ownership and financing, financial stability, and improved access to capital and tailored regulation in the financial markets. The changes contained in this bill's provisions are overly broad and should be opposed. The bill as drafted would eliminate crucially important consumer protections and reopen financial markets and consumers to the same risks that brought down the financial system in 2008. It would impose unreasonable and unproductive new requirements as part of the oversight of systemically important financial institutions, weaken critical Dodd-Frank Act provisions to contain systemic risk, and limit the accountability and prudence of such institutions. (CFA's letter of opposition to this bill is available here: http://bit.ly/1MoKFmh)

Further, the funding for financial regulators in this bill, including the Commodity Futures Trading Commission (CFTC), is entirely inadequate for the CFTC to fulfill its responsibilities.

In addition to undermining financial regulator's ability to protect consumers in the financial marketplace, this bill also undermines regulators' ability to protect consumers in the consumer product marketplace. We also oppose the provision in this bill that ties the hands of the U.S. Consumer Product Safety Commission (CPSC) from promulgating a rule to establish critical safety standards for recreational off-highway vehicles. The recreational off-highway vehicle industry has had years to work on a voluntary standard that adequately addresses the key hazards posed to consumers and which have been associated with 335 deaths and 506 injuries from January 2003 to April 2013 deaths, but has failed to do so. CPSC must be able to move forward with this important safety standard.

As the anniversary of Dodd-Frank has illustrated, the important consumer protections that resulted from this law are protecting America consumers and have significantly made our financial markets fairer. The Financial Services and General Government Appropriations bill rolls back important gains, puts consumers at risk and should be opposed.

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