



FINANCIAL SERVICES COMMITTEE DEMOCRATS REPUBLICAN ATTACKS ON THE CFPB

The Consumer Financial Protection Bureau (CFPB) is our nation's first and only watchdog dedicated solely to protecting students, servicemembers, seniors and other borrowers from unfair, deceptive and abusive practices. To date, the Bureau has accomplished a tremendous amount – from writing new rules of the road for the financial services industry, to accepting hundreds of thousands of consumer complaints, to returning more than \$11.7 billion to wronged borrowers. This work is made all the more impressive given the fact that the CFPB has accomplished these feats while being subjected to unprecedented attacks from Republicans and special interests looking to stymie their work. Below is an accounting of those attacks.

- **Blocking the Director's Appointment:** Even after the President nominated Richard Cordray, with the backing of 10 Republican State Attorneys General, to serve as the Consumer Financial Protection Bureau's (CFPB) first Director, Senate Republicans refused to bring his nomination to the Senate floor for a vote, denying the CFPB a Director for two years. When the President filled the vacancy using recess appointment powers, the Chairman of the Financial Services Committee refused to allow the Director to testify and falsely accused the Bureau of operating outside its mandate. Extraordinary action was required in the Senate to finally give the Director a vote in which Senate Republicans who had helped filibuster his nomination ended up supporting his appointment.
- **Endless Witch-Hunts Designed to Stymie the CFPB:** The Majority on the Financial Services Committee has inundated the CFPB with investigations and unreasonable document requests, second guessing nearly every initiative the Bureau has taken. This effort is designed to force the Bureau to devote staff resources to responding to endless demands that cannot be satisfied, and to divert staff focus away from their core work. The Majority on the Financial Services Committee has initiated approximately two dozen investigations of the CFPB since January 2014, forcing the Bureau to produce more than 70,000 pages of documents for the Committee since the beginning of January 2014 in response to no fewer than 90 letters of inquiry. CFPB employees have been subjected to 17 hours of depositions, compelled by an unprecedented use of the Chairman's unilateral subpoena process. CFPB officials have also been called to testify in front of Congress 61 times since the Bureau opened its doors in 2011. To aid in its efforts to undermine the Bureau, the Majority has granted itself a fast-track process to issue subpoenas, bypassing traditional, bipartisan protocols.
- **Legislative Attacks on the Bureau:** Since the CFPB became operational five years ago, Republicans have introduced multiple bills to destabilize the Bureau.
 - **Partisan, Gridlocked Commission:** The Majority has introduced and passed bills to undercut the CFPB by changing its structure from a single director to a five-person commission, which would have made it harder for the CFPB to issue rules (H.R. 1121 in the 112th Congress; H.R. 3193 in the 113th Congress; H.R. 1266 in the 114th Congress);
 - **Vetoing CFPB Rulemakings and Enforcement Actions:** The Majority has also tried to make it easier for the Financial Stability Oversight Council (FSOC) to veto CFPB rulemakings and enforcement actions (H.R. 1315 in the 112th Congress; H.R. 3193 in the 113th Congress). Additionally, the Majority attached a budget "rider" to the FY2017

Financial Services and General Government appropriations bill (H.R. 5485 in the 114th Congress) to limit the Bureau's statute of limitations to pursue wrongdoers to three years.

- **Slashing Independent Funding:** the Majority has introduced and passed legislation that would make the CFPB dependent on Congress for funding rather than the Federal Reserve. Democrats believe that like all the other banking regulators, the CFPB should be independently funded, so that its rules, examination and enforcement processes are not subject to political pressure.

Note that when Republicans have voted to slash the Bureau's independent funding, they have claimed that their budget change would "save" \$5.4 billion dollars over the next 10 years. But this could only be true if Congress *never again budgeted money* for the Bureau (H.R. 1355 in the 112th Congress; H.R. 5016 in the 113th Congress; H.R. 1261 in the 114th Congress). Repealing the CFPB's independent budget would have the added harm of allowing Republicans to limit the CFPB's authority with budget riders. For example, in the FY2017 Financial Services and General Government appropriations bill (H.R. 5485 in the 114th Congress), Republicans offered amendments to restrict the CFPB's ability to regulate the payday loan debt trap, forced arbitration agreements that deny consumers their day in court, automobile lending discrimination, predatory manufactured home loans, as well as other provisions.

Finally, Republicans have also used the budget process to undermine CFPB effectiveness by passing a bill to decrease CFPB employee salaries (H.R. 3193 in the 113th Congress).

- **Undermining the CFPB's Core Mission and Work:** Additionally, in the Bureau's five years of existence, the Majority has passed bills to prevent the CFPB from researching consumer credit markets (H.R. 4539 in the 113th Congress) or collecting data to fulfill their market monitoring mandate (H.R. 4604 in the 113th Congress), to require public notice and comment in order to provide guidance (H.R. 4811 in the 113th Congress), to force the director to provide guidance to individuals in secret (H.R. 4662 in the 113th Congress), and to impede the examination process (H.R. 4804 in the 113th Congress).

During the 114th Congress, the Majority amended and passed an otherwise bipartisan bill that would dramatically decrease CFPB funding over the next 10 years (H.R. 1195).

Finally, Chairman Hensarling's "Wrong Choice Act," a discussion draft of which was released in June 2016, outlined a host of measures designed to cripple the Bureau, including changing the CFPB into a partisan, gridlocked Commission, repealing its independent funding, limiting the Bureau's ability to bring cases in court, bogging the CFPB down in onerous cost-benefit analysis and otherwise taking the U.S. financial system and consumers back to a pre-Wall Street Reform world where unfair, abusive and deceptive practices went unpunished.