

MEMORANDUM

To: Members of the Committee on Financial Services

From: Financial Services Committee Staff

Date: April 15, 2024

Re: April 16, 2024 Subcommittee Hearing

On Tuesday, April 16, 2024, at 2:00 p.m. in Room 2128 of the Rayburn House Office Building, the Subcommittee on Financial Institutions and Monetary Policy will hold a hearing titled “Agency Audit: Reviewing CFPB Financial Reporting & Transparency.” Testifying at the hearing will be:

- Brian Johnson, Managing Director, Patomak Global Partners, LLC
- Adam J. White, Senior Fellow, AEI and Co-Executive Director, Antonin Scalia Law School’s C. Boyden Gray Center for the Study of the Administrative State
- Prof. Christopher L. Peterson, John J. Flynn Endowed Professor of Law, University of Utah, S.J. Quinney College of Law

Background

The *Dodd-Frank Wall Street Reform and Consumer Protection Act* (the Dodd-Frank Act) established the Consumer Financial Protection Bureau (CFPB) and authorized the Comptroller General of the United States to annually audit financial transactions of the CFPB in accordance with generally accepted government audit standards. CFPB financial statements, according to the Dodd-Frank Act, are to be statements of: (i) assets and liabilities and surplus or deficit; (ii) income and expenses; and (iii) sources and application of funds. The Comptroller General is required to submit to Congress a report of each annual audit of the CFPB that is conducted.

The Dodd-Frank Act requires that the Board of Governors of the Federal Reserve system transfer to the CFPB, from the combined earnings of the Federal Reserve System, the amount determined by the Director of the CFPB to be “reasonably necessary” to carry out the authorities of the CFPB under Federal consumer financial law.

The Dodd-Frank Act requires that the financial statements of the CFPB not be consolidated with the financial statements of either the Board of Governors of the Federal Reserve System or the Federal Reserve System.

In addition to audited financial statements, the CFPB publishes a five-year strategic plan, along with unaudited budget and performance documents.

Legislation Attached

H.J. Res. 122, a resolution providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Consumer Financial Protection Bureau relating to credit card penalty fees (Regulation Z). The resolution was introduced on March 29, 2024 by Rep. Andy Barr (R-KY), and has 13 cosponsors, including Rep. Blaine Luetkemeyer (R-MO), Rep. Ann Wagner (R-MO), Rep. Bill Posey (R-FL), Rep. Pete Sessions (R-TX), Bill Huizenga (R-MI), Steve Womack (R-AR), Randy Weber (R-TX), Roger Williams (R-TX), Zach Nunn (R-IA), Byron Donalds (R-FL), Scott Fitzgerald (R-WI), William Timmons (R-SC), and Dan Meuser (R-PA).