National Association of Consumer Advocates

March 2, 2018

Dear Senator:

The National Association of Consumer Advocates – a national nonprofit organization actively engaged in promoting a fair and open marketplace that forcefully protects the rights of consumers, particularly those of modest means – writes to urge opposition to S. 2155, the "Economic Growth, Regulatory Relief, and Consumer Protection Act." The financial marketplace does not need legislation that would eliminate banking safeguards, especially those installed after the 2008 financial crisis. This bill is being pushed under the guise of protecting community banks, but in reality it would weaken protections for homeowners and expand the scope of risky activity for big banks and lenders to engage in at the expense of American consumers and the economy.

In particular, we're concerned about provisions in the bill that would loosen protections in mortgage lending. For example, it would remove reporting requirements that help to deter housing discrimination; and it would eliminate safeguards for buyers of manufactured housing by exempting lenders from rules that prevent borrowers from being steered toward more expensive loans. It would also remove escrow account protections and appraisal requirements for certain borrowers. Abusive and reckless mortgage lending and the failure to provide adequate protections to homebuyers contributed to the financial crisis. Senators should resist any action that would invite a return to the systemic predatory conduct that caused massive losses for millions of Americans.

In addition to eliminating critical housing safeguards, S. 2155 would wipe out post-crisis controls at banks between $50 and $250 billion in size, including for national midsize banks such as SunTrust, BB&T, and Keybank. Banks currently under federal investigation for potential wrongdoing also stand to benefit from the proposal.[1]

Poll after poll shows that American voters believe strongly that financial institutions need vigorous rules to ensure that the sector does not harm the economy as it did nearly a decade ago. In a recent survey, 64% of voters think big banks and finance companies continue to require tough oversight to avoid another financial crisis. [2] Across party lines, 65% of voters oppose provisions to

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[1] See, e.g. Tory Newmyer, *The Finance 202: Kushner is Exhibit A of why banking deregulation may be tough sell*, THE WASHINGTON POST, March 1, 2018, https://www.washingtonpost.com/news/powerpost/paloma/the-finance-202/2018/03/01/the-finance-202-kushner-is-exhibit-a-of-why-banking-deregulation-may-be-a-tough-sell/5a97377730fb047655a06a1e/?utm_term=.b28237996b17.

[2] Americans for Financial Reform, *AFR Polling Memo: Overwhelming Majorities Oppose Dodd-Frank Rollbacks In S. 2155*, Feb. 27, 2018, http://ourfinancialsecurity.org/2018/02/afr-poll-overwhelming-majorities-oppose-dodd-frank-rollbacks-s-2155/

loosen the rules on mortgage lenders, and only 22% support.[3] Voters think big banks already have too much influence in Washington, and this legislation is evidence of that influence.

Evidently, U.S. financial institutions have recovered from this recent crisis. In 2016 and 2017, U.S. banks and lenders amassed record profits.[4] Indeed, they have profited from the moderate controls and reasonable oversight implemented over the past decade. Meanwhile, tens of millions of consumers continue to hurt from the system's failure to hold financial institutions, such as Equifax and Wells Fargo, accountable for reckless, deceptive, and fraudulent conduct.[5]

Instead of seeking to relieve profitable banking institutions from reasonable rules and responsibilities, we urge the committee to consider comprehensive consumer protections, including proposals that would: give consumers more control over their financial data and information; purge discrimination in lending; and restore individuals' ability to hold financial institutions accountable in court.

Please vote "no" on S. 2155. Reject legislation that would open the door to risky bank practices and would leave our economy vulnerable to another crisis.

Thank you for considering our views.

Sincerely,

Christine Hines
Legislative Director

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[3] Id.
[4] 1 Patrick Rucker, *U.S. banks see record profits in 2016, few failing lenders: regulator*, REUTERS, Feb. 28, 2017, https://www.reuters.com/article/us-usa-banks-fdic/u-s-banks-see-record-profits-in-2016-few-failinglenders-regulator-idUSKBN1671V7
[5] Marilyn Geewax, et al, *Equifax And Wells Fargo Apologize To Congress; Lawmakers Not Buying It*, NPR, https://www.npr.org/sections/thetwo-way/2017/10/03/555334120/equifax-and-wells-fargo-apologize-tocongress-lawmakers-not-buying-it