



April 25, 2017

U.S. House of Representatives
Financial Services Committee
Washington, DC 20515

Chairman Jeb Hensarling, Ranking Member Maxine Waters, and Committee Members:

The National Association of Consumer Advocates (NACA) is a nonprofit association whose members are private and public sector attorneys, legal services attorneys, law professors, and law students committed to representing consumers' interests. NACA is actively engaged in promoting a fair and open marketplace that forcefully protects the rights of consumers, particularly those of modest means. For the hearing scheduled on April 26, 2017 to discuss legislation titled "Financial CHOICE Act of 2017," we write to urge you to reject this dreadful proposal.

The legislation, broad in breadth and scope, unabashedly seeks to dismantle the Dodd-Frank Wall Street Reform and Consumer Protection Act, the law passed to remedy flaws in the U.S. economic system that led to the 2008 Great Depression and the loss of homes, jobs, businesses and economic security for millions of Americans. In particular, you must reject the dangerous sections of the bill that aim to sabotage the work and mission of the Consumer Financial Protection Bureau (CFPB).

Since it opened its doors six years ago, the CFPB has utilized its powers and authority to bring about fairness in a marketplace that had been almost toppled during the financial crisis by sheer recklessness and greed by financial institutions, lack of oversight from public officials, and subsequent lack of accountability for the harm it all caused. The CFPB's efforts have included rigorous collection and analysis of data about financial products, services and practices; supervision and examination of financial services providers and their systemic conduct; clear guidelines and standards formalizing appropriate protections for consumers; and enforcement actions against financial institutions engaged in practices that deceive, cheat or rip off their customers.

The bureau has identified and addressed some of the worst unfair, abusive and deceptive practices in debt collection, credit reporting, student loans, payday loans, back accounts, and other products and services. Its work has resulted in billions of dollars returned to consumers and consequential changes and improvements to industry practices. Yet, the proposal brought before this committee would upend the far-reaching progress that has resulted from the Dodd-Frank reforms. The financial marketplace will quickly return to a dark period when consumers were significantly more vulnerable to predatory financial

schemes and institutions were shielded from being held responsible for their destructive actions.

Among others, NACA strongly objects to provisions in the proposal that would:

- Eliminate the CFPB's authority to issue a rule on the use of forced arbitration in consumer financial services contracts. [Sec. 738]
- Eliminate the authority of the Securities and Exchange Commission to issue a rule to prohibit brokers and financial advisors from using forced arbitration clauses in contracts with investor-customers. [Sec. 857]
- Weaken CFPB's complaint database and prevent publication of consumer complaints against financial institutions.
- Remove the CFPB's authority to tackle unfair, deceptive, or abusive acts and practices in the marketplace. [Sec. 736]
- Interfere with the CFPB and other federal regulators' funding by making them subject to the congressional appropriations process. [Sec. 713]
- Remove the CFPB's authority to curb the worst practices in payday lending. [Sec. 733]
- Eliminate CFPB guidance to stop discrimination in auto lending. [Sec. 734]
- Eliminate the CFPB's supervisory authority to properly monitor financial institutions' conduct and systemic practices that ultimately have a profound impact on the economy and consumers' financial welfare. [Sec. 727]
- Obstruct the CFPB's ability to enforce critical consumer protection laws. [e.g. Sec. 715]
- Obstruct the CFPB's ability to consider and issue appropriate rules and standards for the financial marketplace. [Sec. 313, 717 et al]
- Rename the CFPB to the "Consumer Law Enforcement Agency," directly attacking the main purpose for which the agency was created: consumer protection. [Sec. 711]

For the above reasons, we urge you to reject this bill. Thank you for considering our views. For more information, please contact me at Christine@consumeradvocates.org or (202) 452-1989.

Sincerely,

Christine Hines
Legislative Director
National Association of Consumer Advocates