

July 19, 2024

The Honorable Mike Johnson
Speaker, U.S. House of Representatives
Washington, D.C. 20515

The Honorable Hakeem Jeffries
Minority Leader, U.S. House of Representatives
Washington, D.C. 20515

Re: Oppose H.R. 8773 – FSGG Appropriations Act, FY2025

Dear Speaker Johnson and Leader Jeffries:

The 71 undersigned public interest and civil rights organizations representing millions of people and communities across the country who depend on fair, safe and equitable products and services write to express our strong opposition to the Financial Services and General Government (FSGG) Appropriations Act, FY2025, which would deprive federal agencies of their appropriate levels of funding and undermine critical consumer protections with its harmful ideological policy riders. The FSGG bill unnecessarily attacks federal agencies established to safeguard the financial health and safety of working families. Now, more than ever, these regulators need robust funding to protect the marketplace from widespread harms and insidious practices. In addition, the act of slipping inappropriate and unpopular policy riders that have failed in the past into must-pass funding bills represents an end-run around the regular course of business in Congress. It is a cynical and dangerous strategy that puts the public at risk.

The Federal Trade Commission. The FSGG bill would deprive the FTC of an appropriate level of funding, making it impossible to effectively protect consumers from data privacy violations, frauds and scams, predatory companies that target servicemembers and veterans, and many other deceptive and anticompetitive practices. The bill would also prohibit the FTC from completing critical rulemaking. Specifically, the bill would:

- Eliminate the Combating Auto Retail Scams Rule, which seeks to stop dealers that engage in bait-and-switch advertising, deceptively sell worthless add-ons products and services, and lie to consumers in the sale and financing of a motor vehicle.
- Provide restrictions beyond the FTC's responsibilities on how the agency may finalize or enforce regulations on the Business Opportunity Rule and the Deceptive Earning Claims Rule, which aim to address and combat the vast proliferation of business opportunity and earnings scams.
- Prohibits the FTC from using its rulemaking authority to rein in widespread unfair methods of competition that harm consumers and jeopardize small businesses.

Attempts to stymie these FTC rulemaking efforts will only allow unfair, deceptive and fraudulent acts and practices to spread and prosper, while denying consumers and honest businesses a fair and just marketplace. Simply, the FTC's work to write rules that stop and deter scams and risky practices should not be upended in an unrelated funding bill.

The **Consumer Financial Protection Bureau** has provided over \$20 billion of financial relief to over 205 million people in the form of restitution or canceled debts, and \$4.8 billion in civil penalties – money that can make consumers whole even if the company that defrauded them has vanished. The policy riders directed at undermining these efforts are a bald attempt by financial institutions to evade responsibility and reshape the structure which has been repeatedly upheld by the U.S. Supreme Court. These provisions would:

- Strip the CFPB of its independent funding and bring it under the congressional appropriations process.
- Replace the Director with a five-person commission, effectively eviscerating the intent and purpose of the CFPB’s design which Congress approved in 2010.
- Preclude the CFPB from enforcing fair lending laws by prohibiting small banks from collecting data about women and minority-owned businesses.
- Prohibit the CFPB from carrying out its rules capping abusive credit card penalty fees that cost consumers \$10 billion annually, and from creating a registry of repeat offenders that have an established record of violating consumer financial protection laws.

The **Consumer Product Safety Commission** has saved lives and kept families safe by reducing the unreasonable risk of injuries and deaths associated with consumer products. The damaging policy riders directed at undermining the CPSC’s vital work will restrict the agency’s ability to protect consumers from hazardous products. The bill would:

- Impede CPSC’s work on real health risks associated with gas stoves. For example, the agency issued a recall of a particular gas range that could emit dangerous levels of carbon monoxide, posing a serious risk of injury or death.
- Thwart the CPSC’s from completing important work on recreational off-highway vehicles (OHV) and result in continued OHV fatalities. There have been over 250 OHV fatalities this year, with children under the age of 16 accounting for a disproportionate percentage of the tracked fatalities. There were almost 500 OHV fatalities tracked in 2023.

We urge you to reject the FSGG Appropriations Act, FY2025 and its harmful policy riders. For questions or further information, please contact Erin Witte, ewitte@consumerfed.org.

Consumer Federation of America

20/20 Vision

Alaska Public Interest Research Group

American Economic Liberties Project

Americans for Financial Reform

Arkansans Against Abusive Payday Lending

Arkansas Community Organizations

CAMEO Network

CASH Campaign of Maryland

CEDAM

Center for Digital Democracy
Center for Economic Integrity
Center for Economic Justice
Center for Pet Safety
Center for Responsible Lending
Children's Advocacy Institute
Citizen Action/Illinois
Coalition on Human Needs
Coastal enterprises, Inc.
Communities First Initiative
Consumer Action
Consumer Federation of California
Consumer Protection Policy Center
Consumer Reports
Consumers for Auto Reliability and Safety
DannLaw
Delaware Community Reinvestment Action Council, Inc.
Demand Progress
Economic Action Maryland
ECONOMIC EMPOWERMENT CENTER DBA LENDING LINK
Electronic Privacy Information Center (EPIC)
Genesee Co-op Federal Credit Union
Georgia Advancing Communities Together, Inc.
Georgia Watch
Indiana Community Action Poverty Institute
Katharine & George Alexander Community Law Center
Kids In Danger
Legal Aid Center of Southern Nevada
Local Initiatives Support Corporation (LISC)
Maine People's Resource Center
Maui Economic Opportunity, Inc.
NAACP
National Association for Latino Community Asset Builders (NALCAB)
National Association of Consumer Advocates
National Carbon Monoxide Awareness Association
National Consumer Law Center (on behalf of its low-income clients)
National Consumers League
Nevada Coalition of Legal Service Providers
New Economy Project
New Jersey Appleseed Public Interest Law Center
New Jersey Citizen Action
North Carolina Justice Center
Oregon Consumer Justice
Oregon Consumer League
P Street
Physicians for Social Responsibility

Progressive Leadership Alliance of Nevada
Public Citizen
Public Counsel
Public Good Law Center
Public Justice Center
RAISE Texas
SC Appleseed Legal Justice Center
Texas Appleseed
The Greenlining Institute
TUFD LEADERSHIP CONSULTING GROUP LLC
U.S. PIRG
Virginia Poverty Law Center
William E. Morris Institute for Justice
Woodstock Institute
WV Citizen Action