

September 29, 2015

The Honorable Jeb Hensarling
Chairman
House Financial Services Committee
2128 Rayburn House Office Building
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
House Financial Services Committee
B301C Rayburn House Office Building
Washington, DC 20515

Dear Chairman Hensarling and Ranking Member Waters:

As trade associations, representing thousands of financial institutions, banks, credit unions, and businesses of all sizes serving America's consumers, we write to express our strong support of H.R. 1266, the Financial Product Safety Commission Act, bipartisan legislation introduced by Chairman Randy Neugebauer (R-TX) and being considered during Wednesday's House Financial Services Committee markup.

This common-sense, bipartisan legislation would create a five-member board at the Consumer Financial Protection Bureau (CFPB), is fully paid for over the next ten years, and provides a smooth transition process that provides continuity of leadership at the Bureau.

Looking ahead, the current sole director structure at the CFPB jeopardizes the foundation of the Bureau as an objective, neutral consumer protection agency. A commission would serve as a source of balance and stability for consumers and the financial services industry by encouraging internal debate and deliberation, ultimately leading to increased transparency. Moreover, a commission would further promote the CFPB's ability to make bipartisan and reasoned judgments to ensure consumers receive the protection they deserve, which in turn would help strengthen the economy; and would avoid the risk of politically motivated decisions causing uncertainty and harm to consumers.

To preserve the CFPB and prevent it from becoming a political football, Congress should return the CFPB to its originally intended structure, from a sole director to a bipartisan commission.

In fact, the creation of a five-member commission began with strong Democratic support. In December 2009, the House passed legislation that would have created a five-member bipartisan commission to oversee the CFPB. This effort was led by then-House Speaker Nancy Pelosi (D-CA) and then-House Financial Services Chairman Barney Frank (D-MA), with 223 Democrats voting in favor of the measure. During public debate over the agency's creation, then-professor Elizabeth Warren, whose ideas led to the creation of the CFPB, called for a Financial Product Safety Commission (FPSC) and modeled what is now the CFPB after the Consumer Product Safety Commission, which is overseen by a board of five commissioners. Also, during this debate, the idea of a commission to oversee consumer financial products was also endorsed by the Department of Treasury under the Obama Administration.

Finally, a commission is the traditional and customary structure for independent federal agencies, helping to ensure bipartisanship and impartiality. Examples include the Federal Reserve Board

(FRB), the Federal Deposit Insurance Corporation (FDIC), the Securities and Exchange Commission (SEC), the Communities Futures Trading Commission (CFTC), and the National Credit Union Administration (NCUA).

Overall, the CFPB has tremendous authority to supervise a multi-trillion dollar industry, which as we have learned, can have an enormous impact on our economy. As such, it is imperative the CFPB's governance structure is stable, deliberative, and bipartisan – for the sake of the American consumer and the U.S. economy.

Sincerely,

American Bankers Association
American Escrow Association
American Financial Services Association
American Land Title Association
Appraisal Institute
Association of Credit and Collection Professionals
Community Mortgage Lenders of America
Consumer Bankers Association
Consumer Data Industry Association
Consumer Mortgage Coalition
Credit Union National Association
Electronic Transactions Association
Financial Services Roundtable
Independent Community Bankers of America
Mortgage Bankers Association
National Association of Federal Credit Unions
National Association of Independent Housing Professionals
National Association of Wholesaler-Distributors
National Black Chamber of Commerce
National Federation of Independent Business
Real Estate Services Providers Council, Inc. (RESPRO®)
Small Business & Entrepreneurship Council
U.S. Chamber of Commerce

Cc: Members of the House Financial Services Committee