



SPECIAL REPORT: Republican Attacks on the Consumer Financial Protection Bureau

EXECUTIVE SUMMARY

This week marks the fifth anniversary of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Wall Street Reform), which created the Consumer Financial Protection Bureau (CFPB). The CFPB is the first federal regulator whose mission is to protect consumers when they take out mortgages and use credit cards, bank accounts, and other financial products. In their fight against special interests' deceptive, unfair, and abusive financial products and practices, the CFPB has already provided over \$10 billion in relief and refunds for over 17 million consumers, and has wide support from the American public.

Despite this, Republicans continue to try and rig the rules in favor of powerful special interests by opposing the existence and mission of the CFPB. Since the CFPB's creation, Republicans have tried to eliminate or weaken the agency in a variety of ways. Efforts by the Republican Congress to eliminate key consumer protections offered by the CFPB include:

- **Eliminating the CFPB.** Legislation to eliminate the CFPB has been introduced in the House and Senate in every Congress since the agency was created in 2011.
- **Weakening CFPB Leadership.** Republicans have engaged in multiple efforts to hamstring the CFPB by undermining its leadership.
 - Republicans in the Senate filibustered the nomination of CFPB Director Richard Cordray for six months, from July 2011 until January 2012. It was only as part of an agreement to end Senate gridlock on a number of President Obama's nominees that Republicans ultimately ended their filibuster of Cordray's nomination in July of 2013.
- Republicans introduced legislation to replace the CFPB Director with a five member Commission which would create gridlock in the agency and prevent the CFPB from carrying out its mission. Republicans have introduced at least 11 bills that would change CFPB leadership. There is no evidence that leadership by a board of director is superior to a sole director; in fact, we have seen many examples of regulatory infighting and ineffectiveness at commission-led agencies.
- **Dismantling the Independence of the CFPB.** Republicans in Congress have made numerous attempts to change how the CFPB is funded, which would inject partisan politics into federal consumer protection efforts and put the agency and its supervisory and enforcement activities at risk. Presently, like other federal financial regulators, including the Federal Reserve, the OCC, the FDIC, and the NCUA, the CFPB is

independently funded. Unlike any other federal financial regulator, the CFPB's budget is capped by statute and the CFPB is subject to three different annual audits of its budget. Congressional Republicans have introduced at least 16 bills and appropriations riders that would eliminate this independent and nonpartisan funding and subject the CFPB to the crippling sequestration caps that Republicans would preserve in their budget. The inevitable funding cuts would jeopardize the agency's ability to protect consumers.

- **Stalling Key CFPB rules.** Congressional Republicans have introduced legislation to impose a new lengthy, burdensome process for all CFPB rules and have targeted specific rules with implementation delays, including rules to prevent consumers from having to give up their rights through forced arbitration.

To date, these efforts have all failed, and CFPB has been effectively protecting and educating consumers from the worst abuses of the financial industry. But the agency continues to be under attack – and Republicans have indicated they will continue to use every means possible to help rig the rules in favor of special interests as they work to undermine the CFPB.

Introduction

The Consumer Financial Protection Bureau (CFPB) was created by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 to prevent unfair, deceptive, or abusive practices by financial companies and give consumers the information they need to make the best choices for themselves and their families.

Through educational resources, common-sense rules, supervision of companies in the financial market, and enforcement, the CFPB watches out for American consumers from all walks of life. Agency resources focused on veterans and service members helped protect homes from foreclosure, correct credit reporting errors, and recover money from payday loan companies – recovering over \$1.6 million for military families in 2014 alone.¹ Educational resources help mortgage borrowers better understand their options.² And the CFPB has cracked down on companies that break the law – including a recent settlement that returned \$120 million to Sprint and Verizon customers who were illegally billed for purportedly “free” services and a \$772-million settlement with Bank of America for deceptive credit card practices.³

Altogether, in just four years, the CFPB has provided over \$10 billion in relief and refunds for 17 million American consumers harmed by the illegal and deceptive practices of banks and other financial companies, and has helped countless more families make better financial choices.⁴

¹ CFPB, “A snapshot of complaints received from Servicemembers, Veterans, and their families,” April 2015 available at http://files.consumerfinance.gov/f/201504_cfpb_snapshot-of-complaints-received-from-servicemembers-veterans-and-their-families.pdf

² CFPB, “Mortgage,” retrieved 7/13/15 available at <http://www.consumerfinance.gov/mortgage/>

³ CFPB, “Sprint and Verizon will refund \$120 million to consumers harmed by illegal billing practices,” 5/12/15 available at <http://www.consumerfinance.gov/blog/sprint-and-verizon-will-refund-120-million-to-consumers-harmed-by-illegal-billing-practices/>; LA Times, “Bank of America to pay \$772 million for illegal credit card practices,” 4/9/14 available at <http://www.latimes.com/business/la-fi-mo-bank-of-america-credit-card-consumer-financial-protection-bureau-20140409-story.html>

⁴ CFPB, “Consumer Financial Protection Bureau: By the Numbers,” 7/13/15, available at http://files.consumerfinance.gov/f/201507_cfpb_factsheet-by-the-numbers.pdf

The CFPB's aggressive actions on behalf of consumers has made the agency a popular target of special interest financial services companies and those opposed to Wall Street Reform.⁵ Republicans have repeatedly attempted to side with these special interests and against hard-working Americans – by attempting to cripple or kill the new cop on the beat.

This special report details efforts by Republicans in the Senate and House of Representatives to eliminate, defund, and weaken the consumer agency. Even as a sizable majority of Republican voters support the consumer agency and its mission,⁶ and despite the fact that it has returned billions of dollars to millions of American consumers, Republicans in Congress are siding with the financial industry special interests the CFPB was designed to oversee on behalf of consumers and seizing every opportunity to undermine and destroy the agency.

Republicans Are Dedicated to Destroying the Consumer Financial Protection Bureau

Even before Wall Street Reform was passed into law, financial industry special interests and their allies were actively lobbying against the existence of the CFPB. In early 2010, the U.S. Chamber of Commerce launched a \$3 million ad campaign warning against this “massive new federal agency.”⁷ The American Bankers Association, Financial Services Roundtable, and others in the industry protested against the creation of a Consumer Financial Protection agency and pushed for it to be stripped from the bill. Steven Bartlett, President and CEO of the Financial Services Roundtable said that “A newly created, separate government agency is the wrong approach” and the ABA objected that they “cannot support the creation of the Consumer Financial Protection Bureau (CFPB) as proposed.”⁸

Special interests antipathy towards the agency is mirrored by Congressional Republicans. Despite the CFPB's success and popularity Republicans continue to attempt to destroy the only federal agency solely dedicated to protecting American families from abuse and exploitation by bad actors in the financial sector.

Immediately after taking control of the Senate in 2014, Republicans and lobbyists for financial sector special interests “trained their sights on the agency,”⁹ and set up a “Dodd-Frank assault” designed to eliminate or weaken the CFPB.¹⁰ House Financial Service Committee Chairman Jeb Hensarling said that the CFPB is “an assault on the fundamental economic liberties of the

⁵ LA Times, “Conservative hostility to Dodd-Frank continues unabated,” 7/25/14 available at <http://www.latimes.com/business/hiltzik/la-fi-hiltzik-20140726-column.html#page=1>

⁶ Center for Responsible Lending, Americans for Financial Reform, and Lake Research Partners, “Findings from a National Survey of 1,000 Likely 2016 Voters,” July 2015, available at http://ourfinancialsecurity.org/blogs/wp-content/ourfinancialsecurity.org/uploads/2015/07/presentation.AFR_subset.070815.pdf, pp. 22 and 27

⁷ American Public Radio, Marketplace, “Chamber ads aim to stop CFPA,” 3/26/10 available at <http://www.marketplace.org/topics/business/fallout-financial-crisis/chamber-ads-aim-stop-cfpa?refid=0>

⁸ PBS Newshour, “Do We Need a Consumer Protection Agency?” 2/19/10 available at http://www.pbs.org/newshour/updates/business-jan-june10-consumers_02-19/; ABA Letter, “Re: S. 3217, the Restoring American Financial Stability Act of 2010,” 4/20/10 available at <http://www.aba.com/Issues/Documents/355bcdee40b540c3bc9ff42cb1beoad9SenateJointStatesLetterRegulatoryRestructuring04.pdf>

⁹ Financial Times, “US banks target Elizabeth Warren's ‘rogue’ watchdog,” 3/30/15 available at <http://www.ft.com/cms/s/0/db42740e-d378-11e4-a9d3-00144feab7de.html#axzz3fV7PuIIT>

¹⁰ The Hill, “Wall Street prepares Dodd-Frank assault,” 12/17/14 available at <http://thehill.com/policy/finance/227363-emboldened-wall-street-ready-to-dismantle-dodd-frank-financial-law>

American consumer”¹¹ and Senate Banking Committee Chairman Richard Shelby declared that “Dodd-Frank is a horror movie for the American economy.”¹²

Rep. Mike Mulvaney called the CFPB “a joke...in a sick, sad kind of way.”¹³ Senator Richard Burr said in June of 2015 that he “would love to eliminate the CFPB tomorrow”¹⁴ And Senator David Perdue called CFPB “a rogue agency that dishes out malicious financial policy,” adding “Ultimately, I believe the CFPB should be dismantled.”¹⁵

The remainder of this report describes four ways that Congressional Republicans have attempted to weaken or eliminate the CFPB.

1. Republican Legislation to Eliminate CFPB

Legislation introduced in recent months has made it clear that GOP rhetoric about eliminating the CFPB is not just an empty promise. Legislation to repeal Dodd-Frank and eliminate the CFPB were introduced in the House and the Senate in the 112th and 113th Congress and re-introduced in the very first week of the 114th.¹⁶ Nearly the entire current Republican Senate leadership endorsed a 2011 bill to repeal Dodd-Frank in its entirety.¹⁷

Although President Obama has made clear that he will not sign legislation to weaken or eliminate the CFPB, Congressional Republicans’ have made it clear that they will move to eliminate the agency as soon as they have the power to do so. During the 2014 election campaign, Republican Leader Mitch McConnell promised that, if given control of the government, the GOP would “definitely” defund the CFPB, saying it was “the biggest part of the Dodd/Frank bill.”¹⁸

¹¹ LA Times, “Conservative hostility to Dodd-Frank continues unabated,” 7/25/14 available at <http://www.latimes.com/business/hiltzik/la-fi-hiltzik-20140726-column.html#page=1>

¹² MSNBC, 7/21/14

¹³ Credit Union Times, “CFPB a ‘Sick, Sad Joke’: Onsite Coverage,” 9/10/14 available at <http://www.cutimes.com/2014/09/10/cfpb-a-sick-sad-joke-onsite-coverage>

¹⁴ Congressional Record, 6/1/2015

¹⁵ Perdue Release, “Senator Perdue Introduces Bill To Make Consumer Agency Accountable To The American People,” 5/19/15 available at <http://www.perdue.senate.gov/content/senator-perdue-introduces-bill-make-consumer-agency-accountable-american-people>

¹⁶ H.R. 87, *To repeal the Dodd-Frank Wall Street Reform and Consumer Protection Act*, 2/8/11, available at <https://www.congress.gov/bill/112th-congress/house-bill/87>; S. 712, *Financial Takeover Repeal Act of 2011*, 3/31/11 available at <https://www.congress.gov/bill/112th-congress/senate-bill/712>; H.R. 171, *To repeal the Dodd-Frank Wall Street Reform and Consumer Protection Act*, 1/6/15 available at <https://www.congress.gov/bill/114th-congress/house-bill/171>; H.R. 46, *To repeal the Dodd-Frank Wall Street Reform and Consumer Protection Act*, 2/4/13 available at <https://www.congress.gov/bill/113th-congress/house-bill/46>; S.20 - *Financial Takeover Repeal Act of 2013*, 2/27/13 available at <https://www.congress.gov/bill/113th-congress/senate-bill/20/related-bills>; S. 89, *Financial Takeover Repeal Act of 2015*, 1/7/15 available at <https://www.congress.gov/bill/114th-congress/senate-bill/89/related-bills>

¹⁷ Wall Street Journal, “Senate GOP Leaders: Repeal Dodd-Frank,” 4/1/2011 available at <http://blogs.wsj.com/washwire/2011/04/01/senate-gop-leaders-repeal-dodd-frank/>

¹⁸ MSNBC, “Republicans blast ‘Obamacare for Banks’” 10/30/14 available at <http://www.msnbc.com/rachel-maddow-show/republicans-blast-obamacare-banks>

2. Republican Attempts to Hamstring the CFPB through Changes to Leadership

Financial special interests have repeatedly called for legislation to replace the CFPB's Executive Director with a five member Commission, which would increase gridlock and hamper the agency's ability to protect American consumers.¹⁹ As Americans for Financial Reform wrote: "five-member boards tend to increase gridlock," adding that other regulators have been "effectively hobbled for extended periods by opponents blocking confirmation of the commissioners."²⁰ Adding additional hurdles to the CFPB's decision making process would benefit bad actors in the financial industry at the expense of American families.

Republicans in Congress have enthusiastically worked to rig the rules for special interests by attempting to hamstring the CFPB's leadership. In 2011, forty-four Republican senators signed a letter saying they would refuse to vote to approve any nominee to lead the Bureau, demanding that the Executive Director be replaced with a commission.²¹ That attempt failed when current Director Richard Cordray was recess-appointed after a six-month Republican filibuster.²² He was subsequently confirmed by the full Senate after another 18 month delay.²³ However, Republicans have continued their attempts to eliminate the Executive Director position. In the 113th Congress, the House passed the misleadingly titled "Consumer Financial Freedom and Washington Accountability Act," one of at least five such proposals.²⁴

In the 114th Congress, financial sector special interests supported a bill introduced by House Republicans to change the CFPB's leadership structure, saying that it would "encourag[e] internal debate and deliberation" – in other words, it would slow the pace of CFPB enforcement and rulemaking.²⁵

3. Republican Attempts to Restrict CFPB through Funding Cuts

As part of what the Financial Times called a "surge in the number of Washington lobbyists pushing to weaken [CFPB's] rules and powers," financial special interests are pushing to change how the CFPB is funded and make it easier to defang or entirely defund the Bureau.²⁶

¹⁹ Joint letter Re: H.R. 1266, the "Financial Products Safety Commission Act of 2015", 3/4/15 available at <http://www.aba.com/Advocacy/LetterstoCongress/Documents/LettertoNeugebauerHR1266.pdf>;

Independent Community Bankers of American, "Plan for Prosperity," 2015 available at <http://www.icba.org/files/ICBASites/PDFs/icbaplanforprosperity.pdf>

²⁰ Americans for Financial Reform, "Group Letter Urging House and Senate Against Efforts to Dismantle, Weaken, or Change the CFPB," 1/21/15 available at <http://www.consumerfed.org/pdfs/AFR-CFPB-Sign-on-Letter-1-21-15.pdf>

²¹ Sen. Shelby Release, "44 U.S. Sens. to Obama: No Accountability, No Confirmation," 5/5/11 available at http://www.shelby.senate.gov/public/index.cfm/newsreleases?ContentRecord_id=893bc8b0-2e73-4555-8441-d51e0ccdd17

²² Huffington Post, "Richard Cordray's Recess Appointment Gives Consumer Agency Full Power," 1/4/12 available at http://www.huffingtonpost.com/2012/01/04/richard-cordray-recess-appointment_n_1184077.html

²³ Senate Roll Call Vote, 174, 7/16/13 available at http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=113&session=1&vote=00174

²⁴ HR. 3193, [2/27/14](#); H.R. 2402, [6/17/13](#); H.R. 2446, [2/6/14](#); S. 205, [1/13/13](#); S. 2213, [4/3/14](#)

²⁵ Joint Financial Industry Letter, "Re: H.R. 1266, the "Financial Products Safety Commission Act of 2015," 3/4/15 available at <http://www.aba.com/Advocacy/LetterstoCongress/Documents/LettertoNeugebauerHR1266.pdf>

²⁶ ABA Letter, "Views on H.R. 3193, the Consumer Financial Freedom and Washington Accountability Act," 2/10/14 available at <http://www.aba.com/Advocacy/LetterstoCongress/Documents/HouseMemoCFPB.pdf>;

Since the first banking regulators were set up in the 1860s, Congress has understood the importance of protecting these critical agencies from political influence.²⁷ As with the FDIC and the Office of the Comptroller of the Currency, the Federal Reserve, and the NCUA, the CFPB has an independent budget, freeing it from the political budgeting process.

However, financial sector special interests have called for legislation to force the CFPB to go through the appropriations process each year, exposing it to political pressure from partisan politics and over 400 lobbyists trying to weaken or eliminate the agency.²⁸

Congressional Republicans have adopted this position, pushing for bills and amendments that would dismantle the CFPB's independent funding. In 2011, 44 Republican Senators signed a letter refusing to confirm a CFPB director until legislation was passed in accordance with special interest desires – including changes to CFPB's funding.²⁹

In the 114th Congress, Senator David Perdue has introduced legislation in line with these special interest priorities.³⁰ Although portrayed as a “transparency” measure, Senator Perdue states that his desire is not to reform but to “eliminate” the CFPB.³¹ In addition, Rep. Sean Duffy and Rep. Randy Neugebauer re-introduced separate bills in the House to restrict the CFPB's funding.³²

Republicans have also sought to use the appropriations and budget processes to achieve this goal. Senator Shelby proposing attaching a “rider” to appropriations bills to force changes to the CFPB,³³ and Senator Perdue and Senator Pat Toomey introduced a budget amendment supporting attempts to change CFPB's funding structure.³⁴ In addition, House Republicans' 2016 Financial Services & General Government Appropriations bill contains a rider that would make the CFPB's budget subject to the appropriations process beginning next year.³⁵

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- CUNA, Letter to Chairman Hensarling and Ranking Member Waters, 11/19/13 available at http://www.cuna.org/Legislative-And-Regulatory-Advocacy/DownLoads/congress_letter_111913/;
- Financial Times, “US banks target Elizabeth Warren’s ‘rogue’ watchdog,” 3/30/15 available at <http://www.ft.com/cms/s/0/db42740e-d378-11e4-a9d3-00144feab7de.html#axzz3fV7PuIIT>
- ²⁷ Office of the Comptroller of the Currency, “Short History,” 2011 available at <http://www.occ.gov/about/what-we-do/history/OCC%20history%20final.pdf>
- ²⁸ Financial Times, “US banks target Elizabeth Warren’s ‘rogue’ watchdog,” 3/30/15 available at <http://www.ft.com/cms/s/0/db42740e-d378-11e4-a9d3-00144feab7de.html#axzz3fV7PuIIT>
- ²⁹ Sen. Shelby Release, “44 U.S. Sens. to Obama: No Accountability, No Confirmation,” 5/5/11 available at http://www.shelby.senate.gov/public/index.cfm/newsreleases?ContentRecord_id=893bc8bo-2e73-4555-8441-d51e0ccd1d17
- ³⁰ S. 1383, *Consumer Financial Protection Bureau Accountability Act of 2015*, 5/19/15 available at <https://www.congress.gov/bill/114th-congress/senate-bill/1383>
- ³¹ Perdue Release, “Senator Perdue Introduces Bill To Make Consumer Agency Accountable To The American People,” 5/19/15 available at <http://www.perdue.senate.gov/content/senator-perdue-introduces-bill-make-consumer-agency-accountable-american-people>
- ³² H.R. 1261, *Bureau of Consumer Financial Protection Accountability Act of 2015*, 3/4/15 available at <https://www.congress.gov/bill/114th-congress/house-bill/1261>; H.R.1266, *Financial Product Safety Commission Act of 2015*, 3/4/15 available at <https://www.congress.gov/bill/114th-congress/house-bill/1266>
- ³³ Wall Street Journal, “Lawmakers Clash Over Easing Rules for Smaller Banks,” 2/22/15 available at <http://www.wsj.com/articles/lawmakers-clash-over-easing-rules-for-smaller-banks-1424650792>
- ³⁴ Huffington Post, “Senate Republicans Attack Obama's Most Popular Achievement In Their First Budget Session,” 3/20/15 available at http://www.huffingtonpost.com/2015/03/20/senate-republicans-attack-cfpb_n_6910056.html
- ³⁵ House Appropriations Committee, “Summary of 2016 Financial Services & General Government Appropriations bill,” 6/16/15, available at <http://democrats.appropriations.house.gov/news/press-releases/summary-of-2016-financial-services-general-government-appropriations-bill>

4. Delaying New Rules That Would Protect American Families

Despite the widespread recognition that the financial crisis was caused by “widespread failures in financial regulation” – the financial sector special interests have proposed placing additional roadblocks in the CFPB’s regulatory pathway.³⁶ Financial sector special interests have utilized this tactic in the past, calling for ever more complex analysis before rules are put into place – no matter how redundant or unnecessary.³⁷

Although the CFPB is already required by law to consider the costs of any new rule, special interest lobbyists have rallied in support of legislation that would impose redundant, time-consuming requirements on the CFPB and other federal regulators.^{38,39} H.R. 185, the Regulatory Accountability Act, was introduced by Rep. Bob Goodlatte and passed by the House of Representatives as one of its first actions in the new 114th Congress.

Couched as a simple attempt to “modernize” the rule-making process, Americans for Financial Reform wrote that H.R. 185 would in fact entangle the CFPB and other financial regulators with “a host of additional bureaucratic and procedural requirements designed to make effective action virtually impossible.”⁴⁰ Consumer groups, including the Consumer Federation of America, Public Citizen, and Center for Effective Government criticized Republicans for placing special interests ahead of American families.⁴¹

In addition to costly and time consuming new requirements for federal rulemaking, this misguided proposal would open up new avenues for lawsuits and other judicial proceedings – allowing deep-pocketed special interests to delay any action that hurt industry profits, no matter how critical to protecting American families.

Republicans in Congress have frequently attempted this method of crippling the CFPB. Similar legislation to H.R. 185, authored by Rep. Virginia Foxx, passed the House in 2015 and is pending before the Senate. Her bill, the *Unfunded Mandates Information and Transparency Act of 2015*, would tie the hands of the CFPB and allow banks to bring new legal challenges to CFPB

³⁶ ABA, “2015 Key Banking Issues,” Jan. 2015, available at <http://www.aba.com/Advocacy/Grassroots/Documents/Key-Issues-2015.pdf>; Independent Community Bankers of American, “Plan for Prosperity,” 2015 available at <http://www.icba.org/files/ICBASites/PDFs/icbaplanforprosperity.pdf>

³⁷ Bloomberg Business, “Cost-Benefit Analysis Puts the Brakes on Dodd-Frank,” 5/7/12 available at <http://www.bloomberg.com/news/articles/2012-05-07/cost-benefit-analysis-puts-the-brakes-on-dodd-frank>

³⁸ Section 1022(b)(2)(A) of the Dodd-Frank Act (12 U.S.C. §5512) states that “the Bureau shall consider—(i) the potential benefits and costs to consumers and covered persons, including the potential reduction of access by consumers to consumer financial products or services resulting from such rule; and (ii) the impact of proposed rules on covered persons...”

³⁹ Business Roundtable, “Business Roundtable Calls for Passage of the Regulatory Accountability Act of 2015 (H.R. 185),” 1/13/15 available at <http://businessroundtable.org/media/news-releases/business-roundtable-calls-passage-regulatory-accountability-act-2015-hr-185>; US Chamber of Commerce, “Multi-Industry Letter to the House Supporting H.R. 185, the Regulatory Accountability Act,” 1/12/15 available at <https://www.uschamber.com/letter/multi-industry-letter-house-supporting-hr-185-regulatory-accountability-act>

⁴⁰ Americans for Financial Reform, letter re: HR 185, 1/12/15 available at https://www.evernote.com/shard/s14/res/9ea721b6-0f22-4e6b-a028-de3995878bd9/af_r_oppose_hr_185_regulatory_accountabilty_act_01122015.pdf

⁴¹ Consumer Federation of America, “Extreme RAA Would Sabotage Major Health, Safety, Consumer and Environmental Protections,” 1/12/15 available at <http://www.consumerfed.org/news/847>

rules.⁴² Furthermore, current Banking Committee Chairman Sen. Richard Shelby introduced his own bill to delay CFPB rules during the 113th Congress.⁴³ At a time when the American people are demanding more accountability from Wall Street, these Republican bills would hamstring the CFPB and other regulators.⁴⁴

Republicans have introduced legislation to impose new hurdles to prevent the CFPB from taking swift action to ensure the safety of financial products. Unlike every other financial regulator, the CFPB can have its rules overturned by other regulators. Any member of the Financial Stability Oversight Council may petition for removal of a CFPB rule, and the FSOC may overrule any CFPB rule by a vote of two thirds of the Council members. Rep. Sean Duffy and Sen. Deb Fischer have both introduced legislation to make it even easier for the Financial Stability Oversight Council to set aside or delay CFPB rules by changing the threshold to a majority vote.⁴⁵

Financial special interests and their Republican allies have also sought to delay individual rules by requiring duplicative and unnecessary studies before the CFPB can initiate rulemaking. Under the Wall Street Reform law, the CFPB is authorized to craft rules for forced arbitration clauses that are often “tucked in the fine print of contracts” and “require signers to give up their right to go to court over wrongdoing.”⁴⁶ In accordance with the law’s requirements, the CFPB spent three years conducting a study on forced arbitration prior before it began creating new rules for forced arbitration agreements. The agency received public input throughout the process, including from the American Bankers Association and the U.S. Chamber of Commerce.

Financial sector special interests heavily criticized the study, calling it inadequate and suggesting numerous avenues for “further study.” In June of 2015, Representatives Steve Womack and Tom Graves authored an amendment to the FY2016 Financial Services and General Government appropriations bill that would force the CFPB to repeat its arbitration study, along with a long list of additional “topics to be studied.”⁴⁷ Graves and Womack’s amendment would delay sensible rules to protect consumers for three more years, wasting time and taxpayer dollars to repeat an already completed study.⁴⁸

The National Consumer Law Center called this amendment a “huge step backwards for consumers;” but it would significantly benefit powerful special interests at the expense of hard-working Americans.

⁴² H.R. 50, “Unfunded Mandates Information and Transparency Act of 2015,” 2/5/15 available at <https://www.congress.gov/bill/114th-congress/house-bill/50>

⁴³ S. 450 – Financial Regulatory Responsibility Act of 2013, 3/5/13 available at <https://www.congress.gov/bill/113th-congress/senate-bill/450/text>

⁴⁴ Americans for Financial Reform, letter re: HR 185, 1/12/15 available at https://www.evernote.com/shard/s14/res/9ea721b6-0f22-4e6b-a028-de3995878bd9/afr_oppose_hr_185_regulatory_accountability_act_01122015.pdf

⁴⁵ S.2212 - CFPB Improvement Act of 2014, 4/3/14 available at <https://www.congress.gov/bill/113th-congress/senate-bill/2212>; H.R.1263 - Consumer Financial Protection Safety and Soundness Improvement Act of 2015, 3/4/15, available at <https://www.congress.gov/bill/114th-congress/house-bill/1263>

⁴⁶ Public Citizen, “A Colossal Waste of Taxpayer Resources: GOP Lawmakers Try to Force Consumer Protection Agency to Redo Arbitration Study, Aim to Block Rule,” 6/16/15 available at <http://www.citizen.org/pressroom/pressroomredirect.cfm?ID=5554>

⁴⁷ Public Citizen, “A Colossal Waste of Taxpayer Resources: GOP Lawmakers Try to Force Consumer Protection Agency to Redo Arbitration Study, Aim to Block Rule,” 6/16/15 available at <http://www.citizen.org/pressroom/pressroomredirect.cfm?ID=5554>

⁴⁸ Rep. Womack Press Release, 6/18/15 available at <http://womack.house.gov/news/documentsingle.aspx?DocumentID=398541>

CONCLUSION: Republicans Side with Special Interests, Not American Consumers

Since 2010, more than 40 bills and amendments have been introduced that attack the CFPB or rules issued by the agency.

As we reach the CFPB's fourth birthday, it is more apparent than ever that Congressional Republicans are eager to undermine or destroy the agency, regardless of the consequences for consumers. With each new bill that intends to cripple or defund the CFPB, the Republican majority demonstrates its willingness to prioritize the profits of special interests ahead of American families.

In contrast, Senate Democrats are standing up for the 17 million Americans who have already received \$10 billion in restitutions, principal reduction, or other relief – and the countless more who will be helped in the years to come. The Consumer Financial Protection Bureau was created to protect American consumers, and Senate Democrats are committed to ensuring that the agency has the support and the resources it needs to fulfill that mission.