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Congresswoman Matsui Votes Against Legislation That Would Weaken Consumer Financial Protection Bureau
On 1 Year Anniversary of Wall Street Reform Bill, Stresses Need for Greater Consumer Protection

WASHINGTON, D.C. – Today, Congresswoman Doris Matsui (D-CA) voted against H.R. 1315, the so-called Consumer Financial Protection Safety and Soundness Improvement Act of 2011 – legislation which would, in fact, undermine consumer protection by weakening the Consumer Financial Protection Bureau (CFPB) established by the Dodd-Frank Wall Street Reform and Consumer Protection Act. On today's one year anniversary of Dodd-Frank, the Consumer Financial Protection Bureau, one of the key provisions of the enacted law, is granted its regulatory authority, which will further authority and will start to protect consumers from abuses by financial institutions. Yet today the House spent its time debating a bill to weaken the provisions granting the Bureau its authority, demonstrating the commitment of House Republicans to undermine the very law that is meant to help Americans who were hurt by the lack of appropriate regulatory oversight which led to the economic collapse of 2008.

"The Consumer Financial Protection Bureau is an essential piece of Wall Street reform, and will seek to stop the types of financial abuses which led to the greatest financial crisis of our time and caused so many Americans to lose their jobs, homes, life savings," said Congresswoman Matsui. "Many of the protections in the Dodd-Frank Act are already being implemented; but before the bill is even full implemented, House Republicans are showing their allegiance to big banks and their disinterest in consumer protection by attempting to weaken and undermine the agency. Such measures as the one brought forth today would only increase the chance of another financial crisis occurring in the future, and unfortunately, it would put consumers once again put in harm's way."

As Republicans try to frame this legislation as greater oversight of the work of the CFPB, in truth, the CFPB already has a high level of oversight, accountability, and transparency required of it. For instance, it must report its activities twice a year to Congress, annually justify its budget, carefully assess the impact of its actions on small banks and businesses, and consult with other federal regulators on proposed regulations.

In contrast, H.R. 1315 would reverse the existing protections, and instead allow the same bank regulators who failed before to protect consumers and stop the financial crisis the power to block the rules put in place by the CFPB. It would delay the protections that the CFPB does put in place. In short, H.R. 1315 would severely hamper the CFPB's ability to regulate financial institutions.

"If the financial crisis proved anything, it is that we need more oversight of financial institutions and stronger consumer protections; now is not the time to limit the role of an agency whose mission is to do just that. But now is the time to side with consumers and American families over the big banks that put us in the mess," stated Matsui.

Since being created by law last year, the CFPB has already made progress for consumers in the following areas:

- New Consumer Complaint Process. The CFPB is designing a new consumer complaint process with the first piece coming out this week.
- Streamlining Help for Consumers. The CFPB will consolidate the authority of seven other agencies and have clear accountability for policing abuses in consumer financial products like credit cards and mortgages and for making sure people have the information they need to make the decisions that are best for them. The CFPB will become the dedicated cop on the beat protecting American consumers in their financial transactions.
- Credit Cards. CFPB is pushing credit card providers to simplify their forms in order to make sure consumers can better understand the fees and costs associated with credit. Credit cards are the most commonly used form of consumer credit. Almost two out of three families now have at least one credit card, and almost half of all families carry a balance. The CFPB will assume responsibility for enforcing the Credit Card Accountability Responsibility and Disclosure Act (CARD Act), enacted by Congress in 2009.
- Simplifying Mortgage Disclosures. CFPB launched an effort to simplify the forms that consumers receive when they shop for a mortgage so they have easy-to-understand information that helps them compare different mortgage offers and find the one that's best for them. It also aims to reduce the regulatory burden by giving mortgage originators a clearer, less complicated form with which to work.
- Protecting Servicemembers. CFPB is helping servicemembers navigate the unique circumstances that affect their finances – a first step in protecting servicemembers from

financial abuses in the consumer finance marketplace.

- Leveling the Playing Field to Ensure Payday Lenders, Debt Collectors and Other Non-Banks Comply with Consumer Protection Laws. CFPB has taken initial steps required to protect Americans against abuses by certain parts of the financial industry – like payday lenders and debt collectors -- that we were unable to monitor before the passage of the Wall Street Reform and Consumer Protection Act.

For more information about the Wall Street Reform Act, click here .

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