

During the third month of the 114th Congress, Republicans in the US House of Representatives are renewing efforts to overhaul the US Consumer Financial Protection Bureau (CFPB), the agency established by the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) to regulate consumer financial products and services, including credit and prepaid cards, short-term and student loans, and mortgages. As Republicans ramp up these efforts, companies offering consumer financial products and services have a unique opportunity to engage policymakers about the CFPB's activities, including rulemakings, enforcement proceedings and other initiatives. Moreover, the time is ripe for companies considering advocacy efforts to ensure that their interests are considered as policymakers examine potential changes and increased oversight of the CFPB.

Last week, the House Financial Services Committee [held a hearing](#) featuring [CFPB Director Richard Cordray](#) to discuss the agency's [semi-annual report](#) to Congress. The hearing reflected the differing Republican and Democratic views regarding the scope of the CFPB's authority under Dodd-Frank. House Republicans questioned the scope of the CFPB's authority, with House Financial Services Committee Chairman Jeb Hensarling (R-TX) [calling the CFPB](#) "the single most powerful and least accountable Federal agency in all of Washington." Committee Democrats, on the other hand, expressed support for the CFPB and its ongoing efforts related to the agency's consumer complaint website and its rulemaking efforts on topics such as payday lending.

After the hearing, the leaders of the Congressional Progressive Caucus, the Hispanic Caucus, the Black Caucus and the Asian Pacific American Caucus [wrote](#) to Director Cordray, encouraging the CFPB to implement "strong, effective rules" on payday lenders. By contrast, Representative Randy Neugebauer (R-TX), Chairman of the House Financial Services Financial Institutions Subcommittee, re-introduced the "[Financial Product Safety Commission Act](#)," with 20 Republican original co-sponsors. The legislation would change the CFPB's structure from Director-led to a bipartisan five-person commission filled by Presidential appointments subject to Senate confirmation. The legislation has already been endorsed by interested financial services groups, including the US Chamber of Commerce, the Financial Services Roundtable, and the American Bankers Association. Concurrently, Representative Sean Duffy (R-WI), Chairman of the House Financial Services Subcommittee on Oversight & Investigations, re-introduced [a series of bills](#) aimed at increasing oversight and transparency at the CFPB: (1) The Bureau of Consumer Financial Protection Act, to put the CFPB under the regular appropriations process; (2) The Consumer Right to Financial Privacy Act, requiring the CFPB to obtain consumers' permission before they collect data on them; (3) The Consumer Financial Protection Safety and Soundness Improvement Act, which reduces the number of members of the Financial Stability

Oversight Council that may overturn a rule of the CFPB from 2/3 to a simple majority; and (4) The CFPB Pay Fairness Act, which puts CFPB employees on the regular government pay scale.

Although the actual enactment of legislation would have many difficult hurdles to clear, particularly with the Obama Administration, these legislative proposals can be expected to gain momentum in the House. This creates an opening for more active and visible advocacy by companies offering consumer financial products and services, who are directly impacted by the CFPB's activities and rulemakings. Such advocacy efforts will not only provide a seat at the table for relevant stakeholders during CFPB-related discussions, but they will also ensure that the CFPB-related dialogue in both chambers of Congress is effective and produces positive results for all stakeholders involved. Additionally, advocacy efforts directly with the CFPB will be important as the agency continues its ongoing rulemaking efforts. In just the next few months, the CFPB will likely take further steps in its rulemaking, oversight, and policy development regarding prepaid cards, payday lending, arbitration agreements, and other consumer financial products.

Please contact one of the individuals listed in this publication for additional information about congressional efforts related to the CFPB and to understand how our Squire Patton Boggs Financial Services Public Policy Practice Group can assist in advancing your interests on this important issue.

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