



Consumer Federation of America

1620 I Street, N.W., Suite 200 * Washington, DC 20006

FOR IMMEDIATE RELEASE:
May 5, 2011

CONTACT:
Travis Plunkett, 202-939-1004
Jack Gills, 202-737-0766

STATEMENT OF TRAVIS PLUNKETT REGARDING ANNOUNCEMENT BY 44 SENATORS ON CONFIRMATION OF CFPB DIRECTOR

It is truly astonishing that forty-four United States Senators have just said that they will oppose a nominee to head the new Consumer Financial Protection Bureau -- no matter who that person is -- unless both Houses of Congress and the President agree to far-reaching changes to the Bureau's structure and funding before the agency ever opens its doors. They want to subject the Bureau's funding to appropriations, give failed banking regulators vast powers to "veto" CFPB rules, and change the leadership structure of the agency from a single director to a commission.

The measures that these Senators are demanding were all considered and rejected by Congress last year because they would give big banks extraordinary power over the Bureau's operations and handcuff the only consumer financial cop on the beat that Americans have ever had. Enactment of these measures would virtually guarantee that the CFPB would be a weak and timid agency without the will or ability to curb the kind of financial abuses that caused the nation's worst financial crisis since the Great Depression. They will also muddle decision-making at the CFPB, while expanding the power of disgraced banking regulators to stop strong consumer protections.

Under existing law, the Bureau would have the means to act independently on behalf of American consumers. It would also be fully accountable to Congress, the President, the judiciary and the American people. The forty-four Senators who signed this letter are apparently intent on crippling an agency that already has unprecedented restrictions on its powers. Nowhere else in federal law can one set of regulators – in this case two-thirds of the members of the Financial Stability Oversight Council (FSOC) – veto the actions of another agency. The Dodd-Frank Act also caps the amount of funding provided to the CFPB, a statutory limit imposed on no other financial regulator. The CFPB is also the only financial regulator that must comply with the federal Regulatory Flexibility Act, which allows small businesses to see proposed rules before the public does and will add months to the already lengthy rulemaking process.

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The Consumer Federation of America is an association of nearly 300 nonprofit consumer organizations that was established in 1968 to advance the consumer interest through research, advocacy, and education.