

March 7, 2024

The Honorable Andy Barr
Chairman
Subcommittee on Financial Institutions & Monetary Policy
House Financial Services Committee
United States House of Representatives
Washington, D.C. 20515

Re: Rectifying UDAAP Act (H.R. 6789)

Dear Chairman Barr:

The American Bankers Association (ABA)¹ welcomes and strongly supports the recently introduced H.R. 6789, the “Rectifying UDAAP Act.” This important piece of legislation would amend the Consumer Financial Protection Act of 2010 to clarify standards for unfair, deceptive, and abusive acts and practices (UDAAP) enforcement actions brought by the Consumer Financial Protection Bureau.

In recent years, the banking industry and the broader financial services market have been left without clarity of the definition of the term “abusive” and have received inadequate guidance from the CFPB on what would constitute a UDAAP violation. Chairman Barr’s Rectifying UDAAP Act would more clearly define the Bureau’s authority with respect to UDAAP actions and would rein in the Bureau’s overly aggressive stance on “abusive” acts or practices by requiring it to prove intentional misconduct. This bill would also make clear that the Bureau’s UDAAP authority does not extend to discriminatory practices, which are already governed by our nation’s anti-discrimination laws.

Thank you for your leadership on these policies, and we look forward to continuing to work with you and your staff to address these critical issues.

Sincerely,



Cc: Members of the House Committee on Financial Services

¹ The American Bankers Association is the voice of the nation’s \$23.4 trillion banking industry, which is composed of small, regional and large banks that together employ approximately 2.1 million people, safeguard \$18.6 trillion in deposits and extend \$12.3 trillion in loans.