

June 9, 2014

To: Members of the House Financial Services Committee

From: James Ballentine, Executive Vice President, Congressional Relations & Political Affairs

Re: CFPB Related Bills Scheduled for Consideration

On behalf of the members of the American Bankers Association (ABA), I am writing to share our views on several measures scheduled to be considered before the House Financial Services Committee on Tuesday, June 10, 2014.

H.R. 3389, introduced by Financial Institutions Subcommittee Chairman Shelley Moore Capito (R-WV), would reform the Consumer Financial Civil Penalty Fund and ensure that funds are made available to victims of activities for which civil penalties have been imposed under federal consumer financial laws. ABA supports this constructive adjustment to the Civil Penalty Fund and we urge support for this measure.

H.R. 3770, introduced by Representative Steve Stivers (R-OH), would require an independent Senate-confirmed Inspector General for the Bureau of Consumer Financial Protection. The Inspector General's function is to serve as an independent unit that conducts audits, investigations, and reviews programs and operations. As a newly established bureau, the CFPB should welcome an independent review of its operations. ABA Supports H.R. 3770.

H.R. 4262, introduced by Representative Sean Duffy (R-WI), would apply the requirements of the Federal Advisory Committee Act to the Bureau of Consumer Financial Protection. We are pleased that the Bureau recently announced that they will make the advisory board and council meetings open to the public. This legislation will ensure that the Bureau remains transparent in its operations and we support H.R. 4262.

H.R. 4383, introduced by Representatives Robert Pittenger (R-NC) and Denny Heck (D-WA), would establish a Small Business Advisory Board with the CFPB. The purpose of the board would be in an advisory and consultative capacity with the CFPB on any new regulations coming forward that may impact the small business community. This board will bring together the best of the financial services community to discuss rules and regulations important to small businesses. ABA supports H.R. 4383.

H.R. 4539, introduced by Representative Michael Fitzpatrick (R-PA), is well-intended legislation that would bring about greater transparency at the Bureau by requiring the Bureau when issuing a research paper to include all studies, data and other analyses on which the paper was based. ABA supports this legislation and its concept. We would urge the sponsor to ensure that data received by a regulatory agency during any review and examination of a regulated bank be handled in accordance with the requirements established within existing regulations.

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H.R. 4684, introduced by Representative Marlin Stutzman (R-IN), would provide for a notice and comment period before the Bureau issues guidance. ABA supports such a requirement. As noted earlier, we urge that all care be taken to maintain the privacy of information shared by a regulated bank and its regulator in adherence with existing regulations.

The Committee will also consider three additional bills (H.R. 4604, H.R. 4662 and H.R. 4804). ABA is continuing to review these measures and looks forward to working with the sponsors as these bills move through the Committee.