

BUREAU ADVISORY COMMISSION TRANSPARENCY ACT

APRIL 6, 2015.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HENSARLING, from the Committee on Financial Services,  
submitted the following

R E P O R T

[To accompany H.R. 1265]

[Including cost estimate of the Congressional Budget Office]

[Including exchange of letters]

The Committee on Financial Services, to whom was referred the bill (H.R. 1265) to apply the requirements of the Federal Advisory Committee Act to the Bureau of Consumer Financial Protection, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE AND SUMMARY

H.R. 1265, the “Bureau Advisory Commission Transparency Act” would amend Section 1013 of the Dodd-Frank Act Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) (P.L. 111-203) to apply the provisions of the Federal Advisory Committee Act of 1972 to the Bureau of Consumer Financial Protection (CFPB).

BACKGROUND AND NEED FOR LEGISLATION

Advisory committees have played an important role in shaping programs and policies of the federal government. Today, more than 60,000 members, on an average of 1,000 advisory committees, currently advise the President and the Executive Branch on a diverse set of issues.<sup>1</sup> The Federal Advisory Committee Act (FACA) (P.L. 92-463) was enacted in 1972 to control the growth and operation of the “numerous committees, boards, commissions, councils, and similar groups which have been established to advise officers and

<sup>1</sup> <http://www.gsa.gov/portal/content/101010>.

agencies in the executive branch of the Federal Government.”<sup>2</sup> Through enactment of FACA, Congress sought to assure that advisory committees “provide advice that is relevant, objective, and open to the public; act promptly to complete their work; and comply with reasonable cost controls and record keeping requirements.”<sup>3</sup> FACA requires that agencies provide advance notice of advisory group meetings, and that such meetings be open to the public. FACA applies to every federal agency, with the exception of the Central Intelligence Agency, the Office of the Director of National Intelligence, and the Federal Reserve System.<sup>4</sup>

The CFPB created four advisory committees to provide it with input from consumers, activists, industry, and academics—the Consumer Advisory Board, the Community Bank Advisory Council, the Credit Union Advisory Council, and the Academic Research Council. However, because the Dodd-Frank Act created the CFPB as an independent executive agency within the Federal Reserve System, the CFPB has argued that it is exempt from FACA, and, prior to May 2014, conducted many of its advisory committee meetings behind closed doors.

In May 2014, the CFPB announced in a blog post that “[t]o provide more transparency and to be responsive to the requests we’ve received, we’re changing the format of our Board and Council meetings and opening these full meetings to the public. Starting with our June 18th meeting, the public may attend (or watch online) the full Consumer Advisory Board and Council meetings, the same way most other agencies allow under the Federal Advisory Committee Act.”<sup>5</sup> However, the CFPB continues to hold large portions of its advisory committee meetings out of the public eye by labeling them “subcommittee” rather than “committee” meetings, thus circumventing the intent of FACA’s transparency and public notice and meeting requirements. To ensure greater transparency in CFPB operations, H.R. 1265 would require all CFPB advisory committees and subcommittees to abide by the requirements of FACA.

In September 2013, the Bipartisan Policy Center released a report suggesting the CFPB should increase transparency by improving its process for conducting public hearings and meetings:

The CFPB can easily demonstrate its commitment to transparency by emulating the transparency practices of other federal agencies. For example, the CFPB could improve the transparency of its advisory committee meetings by following the model established by the FDIC’s Advisory Committee on Economic Inclusion (“ComeE-IN”). Unlike the CFPB’s Consumer Advisory Board, ComeE-IN publishes notice of its meetings in the Federal Register, makes all portions of its meetings open to public observation, and broadcasts its meetings on its website. In sum, by emulating best practices of other agencies, the CFPB could facilitate robust public participation in its regulatory efforts by both consumer groups and regulated entities.<sup>6</sup>

<sup>2</sup> 5 U.S.C. App. 1, § 2(a).

<sup>3</sup> <http://www.gsa.gov/portal/content/101010>.

<sup>4</sup> 5 U.S.C. Appendix § 4.

<sup>5</sup> <http://www.consumerfinance.gov/blog/our-board-and-council-meetings-are-changing/>.

<sup>6</sup> <http://bipartisanpolicy.org/library/consumer-financial-protection-bureau/>.

In a letter to the Committee dated March 24, 2015, the U.S. Chamber of Commerce stated its support for H.R. 1265, writing that “[b]ecause FACA exempts the Federal Reserve and the CFPB technically is housed within the Federal Reserve, FACA does not apply to the CFPB. The CFPB has taken advantage of this loophole and, despite an announcement last year that its advisory board would be made public, continues to conduct portions of those meetings behind closed doors. There is nothing to distinguish the Bureau’s advisory committees from those of the Federal Trade Commission, Securities and Exchange Commission, or any other federal regulator that does not deal with sensitive national security issues.”

#### HEARINGS

The Committee on Financial Services held no hearings on H.R. 1265 in the 114th Congress. However, while the Committee did not hold a specific legislative hearing on this measure, it held a hearing entitled “The Semi-Annual Report of the Bureau of Consumer Financial Protection” on March 3, 2015, at which matters relating to this measure were discussed.

#### COMMITTEE CONSIDERATION

The Committee on Financial Services met in open session on March 25, 2015, and March 26, 2015, and ordered H.R. 1265 to be reported favorably to the House without amendment by a recorded vote of 56 yeas to 2 nays (Record vote no. FC-16), a quorum being present.

#### COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report legislation and amendments thereto. The sole vote in committee was a motion by Chairman Hensarling to report the bill favorably to the House without amendment. The motion was agreed to by a recorded vote of 56 yeas to 2 nays (Record vote no. FC-16), a quorum being present.

## Record vote no. FC-16

| Representative          | Yea | Nay | Present | Representative             | Yea | Nay | Present |
|-------------------------|-----|-----|---------|----------------------------|-----|-----|---------|
| Mr. Hensarling .....    | X   |     |         | Ms. Waters (CA) .....      | X   |     |         |
| Mr. King (NY) .....     | X   |     |         | Mrs. Maloney (NY) .....    | X   |     |         |
| Mr. Royce .....         | X   |     |         | Ms. Velázquez .....        |     | X   |         |
| Mr. Lucas .....         | X   |     |         | Mr. Sherman .....          | X   |     |         |
| Mr. Garrett .....       | X   |     |         | Mr. Meeks .....            | X   |     |         |
| Mr. Neugebauer .....    | X   |     |         | Mr. Capuano .....          | X   |     |         |
| Mr. McHenry .....       | X   |     |         | Mr. Hinojosa .....         |     |     |         |
| Mr. Pearce .....        | X   |     |         | Mr. Clay .....             | X   |     |         |
| Mr. Posey .....         | X   |     |         | Mr. Lynch .....            | X   |     |         |
| Mr. Fitzpatrick .....   | X   |     |         | Mr. David Scott (GA) ..... | X   |     |         |
| Mr. Westmoreland .....  |     |     |         | Mr. Al Green (TX) .....    | X   |     |         |
| Mr. Luetkemeyer .....   | X   |     |         | Mr. Cleaver .....          | X   |     |         |
| Mr. Huizenga (MI) ..... | X   |     |         | Ms. Moore .....            | X   |     |         |
| Mr. Duffy .....         | X   |     |         | Mr. Ellison .....          |     | X   |         |
| Mr. Hurt (VA) .....     | X   |     |         | Mr. Perlmutter .....       | X   |     |         |
| Mr. Stivers .....       | X   |     |         | Mr. Himes .....            | X   |     |         |
| Mr. Fincher .....       | X   |     |         | Mr. Carney .....           | X   |     |         |
| Mr. Stutzman .....      | X   |     |         | Ms. Sewell (AL) .....      | X   |     |         |
| Mr. Mulvaney .....      | X   |     |         | Mr. Foster .....           | X   |     |         |
| Mr. Huitgren .....      | X   |     |         | Mr. Kildee .....           | X   |     |         |
| Mr. Ross .....          | X   |     |         | Mr. Murphy (FL) .....      | X   |     |         |
| Mr. Pittenger .....     | X   |     |         | Mr. Delaney .....          | X   |     |         |
| Mrs. Wagner .....       | X   |     |         | Ms. Sinema .....           | X   |     |         |
| Mr. Barr .....          | X   |     |         | Mrs. Beatty .....          | X   |     |         |
| Mr. Rothfus .....       | X   |     |         | Mr. Heck (WA) .....        | X   |     |         |
| Mr. Messer .....        | X   |     |         | Mr. Vargas .....           | X   |     |         |
| Mr. Schweikert .....    | X   |     |         |                            |     |     |         |
| Mr. Dold .....          | X   |     |         |                            |     |     |         |
| Mr. Guinta .....        | X   |     |         |                            |     |     |         |
| Mr. Tipton .....        | X   |     |         |                            |     |     |         |
| Mr. Williams .....      | X   |     |         |                            |     |     |         |
| Mr. Poliquin .....      | X   |     |         |                            |     |     |         |
| Mrs. Love .....         | X   |     |         |                            |     |     |         |
| Mr. Hill .....          | X   |     |         |                            |     |     |         |

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee states that H.R. 1265 will apply the provisions of the Federal Advisory Committee Act to the Consumer Financial Protection Bureau's advisory committees (and subcommittees thereof).

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX  
EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE ESTIMATES

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, April 6, 2015.*

Hon. JEB HENSARLING,  
*Chairman, Committee on Financial Services,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1265, the Bureau Advisory Commission Transparency Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Susan Willie.

Sincerely,

KEITH HALL,  
*Director.*

Enclosure.

*H.R. 1265—Bureau Advisory Commission Transparency Act*

H.R. 1265 would require all advisory committees established by the Bureau of Consumer Financial Protection (CFPB) to comply with the Federal Advisory Committee Act (FACA). Among other things, FACA sets out requirements for the qualifications of committee members, the timeliness and objectivity of advice provided to federal agencies, and the public availability of information about activities of advisory committees, including meeting notices, records, and minutes.

Based on information from the CFPB, CBO estimates that enacting the bill would increase direct spending by less than \$500,000 each year and about \$1 million in total over the 2015–2025 period. Therefore, pay-as-you-go procedures apply. The agency would incur additional costs to train staff, review committee activities annually, prepare reports, and to provide accommodation for public meetings. Enacting H.R. 1265 would not affect revenues. Implementing H.R. 1265 would not affect spending subject to appropriation because the CFPB is permanently authorized to spend amounts transferred from the Federal Reserve.

H.R. 1265 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Susan Willie. The estimate was approved by Theresa Gullo, Assistant Director for Budget Analysis.

## FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

## ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

## APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of the section 102(b)(3) of the Congressional Accountability Act.

## EARMARK IDENTIFICATION

H.R. 1265 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI.

## DUPLICATION OF FEDERAL PROGRAMS

Pursuant to section 3(g) of H. Res. 5, 114th Cong. (2015), the Committee states that no provision of H.R. 1265 establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program

related to a program identified in the most recent Catalog of Federal Domestic Assistance.

#### DISCLOSURE OF DIRECTED RULEMAKING

Pursuant to section 3(i) of H. Res. 5, 114th Cong. (2015), the Committee states that H.R. 1265 does not require any directed rulemakings.

#### SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

##### *Section 1. Short title*

This section cites H.R. 1265 as the “Bureau Advisory Commission Transparency Act.”

##### *Section 2. Application of FACA*

This section amends section 1013 of the Dodd-Frank Act by applying FACA to each advisory committee of the CFPB, and to each subcommittee of such an advisory committee.

#### CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic and existing law in which no change is proposed is shown in roman):

#### **CONSUMER FINANCIAL PROTECTION ACT OF 2010**

\* \* \* \* \*

#### **TITLE X—BUREAU OF CONSUMER FINANCIAL PROTECTION**

\* \* \* \* \*

#### **Subtitle A—Bureau of Consumer Financial Protection**

\* \* \* \* \*

#### **SEC. 1013. ADMINISTRATION.**

##### (a) **PERSONNEL.—**

##### (1) **APPOINTMENT.—**

(A) **IN GENERAL.—**The Director may fix the number of, and appoint and direct, all employees of the Bureau, in accordance with the applicable provisions of title 5, United States Code.

(B) **EMPLOYEES OF THE BUREAU.—**The Director is authorized to employ attorneys, compliance examiners, compliance supervision analysts, economists, statisticians, and other employees as may be deemed necessary to conduct the business of the Bureau. Unless otherwise provided expressly by law, any individual appointed under this section shall be an employee as defined in section 2105 of title 5,

United States Code, and subject to the provisions of such title and other laws generally applicable to the employees of an Executive agency.

(C) WAIVER AUTHORITY.—

(i) IN GENERAL.—In making any appointment under subparagraph (A), the Director may waive the requirements of chapter 33 of title 5, United States Code, and the regulations implementing such chapter, to the extent necessary to appoint employees on terms and conditions that are consistent with those set forth in section 11(1) of the Federal Reserve Act (12 U.S.C. 248(1)), while providing for—

(I) fair, credible, and transparent methods of establishing qualification requirements for, recruitment for, and appointments to positions;

(II) fair and open competition and equitable treatment in the consideration and selection of individuals to positions;

(III) fair, credible, and transparent methods of assigning, reassigning, detailing, transferring, and promoting employees.

(ii) VETERANS PREFERENCES.—In implementing this subparagraph, the Director shall comply with the provisions of section 2302(b)(11), regarding veterans' preference requirements, in a manner consistent with that in which such provisions are applied under chapter 33 of title 5, United States Code. The authority under this subparagraph to waive the requirements of that chapter 33 shall expire 5 years after the date of enactment of this Act.

(2) COMPENSATION.—Notwithstanding any otherwise applicable provision of title 5, United States Code, concerning compensation, including the provisions of chapter 51 and chapter 53, the following provisions shall apply with respect to employees of the Bureau:

(A) The rates of basic pay for all employees of the Bureau may be set and adjusted by the Director.

(B) The Director shall at all times provide compensation (including benefits) to each class of employees that, at a minimum, are comparable to the compensation and benefits then being provided by the Board of Governors for the corresponding class of employees.

(C) All such employees shall be compensated (including benefits) on terms and conditions that are consistent with the terms and conditions set forth in section 11(1) of the Federal Reserve Act (12 U.S.C. 248(1)).

(3) BUREAU PARTICIPATION IN FEDERAL RESERVE SYSTEM RETIREMENT PLAN AND FEDERAL RESERVE SYSTEM THRIFT PLAN.—

(A) EMPLOYEE ELECTION.—Employees appointed to the Bureau may elect to participate in either—

(i) both the Federal Reserve System Retirement Plan and the Federal Reserve System Thrift Plan, under the same terms on which such participation is offered to employees of the Board of Governors who



participate in such plans and under the terms and conditions specified under section 1064(i)(1)(C); or

(ii) the Civil Service Retirement System under chapter 83 of title 5, United States Code, or the Federal Employees Retirement System under chapter 84 of title 5, United States Code, if previously covered under one of those Federal employee retirement systems.

(B) ELECTION PERIOD.—Bureau employees shall make an election under this paragraph not later than 1 year after the date of appointment by, or transfer under subtitle F to, the Bureau. Participation in, and benefit accruals under, any other retirement plan established or maintained by the Federal Government shall end not later than the date on which participation in, and benefit accruals under, the Federal Reserve System Retirement Plan and Federal Reserve System Thrift Plan begin.

(C) EMPLOYER CONTRIBUTION.—The Bureau shall pay an employer contribution to the Federal Reserve System Retirement Plan, in the amount established as an employer contribution under the Federal Employees Retirement System, as established under chapter 84 of title 5, United States Code, for each Bureau employee who elects to participate in the Federal Reserve System Retirement Plan. The Bureau shall pay an employer contribution to the Federal Reserve System Thrift Plan for each Bureau employee who elects to participate in such plan, as required under the terms of such plan.

(D) CONTROLLED GROUP STATUS.—The Bureau is the same employer as the Federal Reserve System (as comprised of the Board of Governors and each of the 12 Federal reserve banks prior to the date of enactment of this Act) for purposes of subsections (b), (c), (m), and (o) of section 414 of the Internal Revenue Code of 1986, (26 U.S.C. 414).

(4) LABOR-MANAGEMENT RELATIONS.—Chapter 71 of title 5, United States Code, shall apply to the Bureau and the employees of the Bureau.

(5) AGENCY OMBUDSMAN.—

(A) ESTABLISHMENT REQUIRED.—Not later than 180 days after the designated transfer date, the Bureau shall appoint an ombudsman.

(B) DUTIES OF OMBUDSMAN.—The ombudsman appointed in accordance with subparagraph (A) shall—

(i) act as a liaison between the Bureau and any affected person with respect to any problem that such party may have in dealing with the Bureau, resulting from the regulatory activities of the Bureau; and

(ii) assure that safeguards exist to encourage complainants to come forward and preserve confidentiality.

(b) SPECIFIC FUNCTIONAL UNITS.—

(1) RESEARCH.—The Director shall establish a unit whose functions shall include researching, analyzing, and reporting on—

(A) developments in markets for consumer financial products or services, including market areas of alternative consumer financial products or services with high growth rates and areas of risk to consumers;

(B) access to fair and affordable credit for traditionally underserved communities;

(C) consumer awareness, understanding, and use of disclosures and communications regarding consumer financial products or services;

(D) consumer awareness and understanding of costs, risks, and benefits of consumer financial products or services;

(E) consumer behavior with respect to consumer financial products or services, including performance on mortgage loans; and

(F) experiences of traditionally underserved consumers, including un-banked and under-banked consumers.

(2) COMMUNITY AFFAIRS.—The Director shall establish a unit whose functions shall include providing information, guidance, and technical assistance regarding the offering and provision of consumer financial products or services to traditionally underserved consumers and communities.

(3) COLLECTING AND TRACKING COMPLAINTS.—

(A) IN GENERAL.—The Director shall establish a unit whose functions shall include establishing a single, toll-free telephone number, a website, and a database or utilizing an existing database to facilitate the centralized collection of, monitoring of, and response to consumer complaints regarding consumer financial products or services. The Director shall coordinate with the Federal Trade Commission or other Federal agencies to route complaints to such agencies, where appropriate.

(B) ROUTING CALLS TO STATES.—To the extent practicable, State agencies may receive appropriate complaints from the systems established under subparagraph (A), if—

(i) the State agency system has the functional capacity to receive calls or electronic reports routed by the Bureau systems;

(ii) the State agency has satisfied any conditions of participation in the system that the Bureau may establish, including treatment of personally identifiable information and sharing of information on complaint resolution or related compliance procedures and resources; and

(iii) participation by the State agency includes measures necessary to provide for protection of personally identifiable information that conform to the standards for protection of the confidentiality of personally identifiable information and for data integrity and security that apply to the Federal agencies described in subparagraph (D).

(C) REPORTS TO THE CONGRESS.—The Director shall present an annual report to Congress not later than March 31 of each year on the complaints received by the Bureau in the prior year regarding consumer financial products

and services. Such report shall include information and analysis about complaint numbers, complaint types, and, where applicable, information about resolution of complaints.

(D) DATA SHARING REQUIRED.—To facilitate preparation of the reports required under subparagraph (C), supervision and enforcement activities, and monitoring of the market for consumer financial products and services, the Bureau shall share consumer complaint information with prudential regulators, the Federal Trade Commission, other Federal agencies, and State agencies, subject to the standards applicable to Federal agencies for protection of the confidentiality of personally identifiable information and for data security and integrity. The prudential regulators, the Federal Trade Commission, and other Federal agencies shall share data relating to consumer complaints regarding consumer financial products and services with the Bureau, subject to the standards applicable to Federal agencies for protection of confidentiality of personally identifiable information and for data security and integrity.

(c) OFFICE OF FAIR LENDING AND EQUAL OPPORTUNITY.—

(1) ESTABLISHMENT.—The Director shall establish within the Bureau the Office of Fair Lending and Equal Opportunity.

(2) FUNCTIONS.—The Office of Fair Lending and Equal Opportunity shall have such powers and duties as the Director may delegate to the Office, including—

(A) providing oversight and enforcement of Federal laws intended to ensure the fair, equitable, and nondiscriminatory access to credit for both individuals and communities that are enforced by the Bureau, including the Equal Credit Opportunity Act and the Home Mortgage Disclosure Act;

(B) coordinating fair lending efforts of the Bureau with other Federal agencies and State regulators, as appropriate, to promote consistent, efficient, and effective enforcement of Federal fair lending laws;

(C) working with private industry, fair lending, civil rights, consumer and community advocates on the promotion of fair lending compliance and education; and

(D) providing annual reports to Congress on the efforts of the Bureau to fulfill its fair lending mandate.

(3) ADMINISTRATION OF OFFICE.—There is established the position of Assistant Director of the Bureau for Fair Lending and Equal Opportunity, who—

(A) shall be appointed by the Director; and

(B) shall carry out such duties as the Director may delegate to such Assistant Director.

(d) OFFICE OF FINANCIAL EDUCATION.—

(1) ESTABLISHMENT.—The Director shall establish an Office of Financial Education, which shall be responsible for developing and implementing initiatives intended to educate and empower consumers to make better informed financial decisions.

(2) OTHER DUTIES.—The Office of Financial Education shall develop and implement a strategy to improve the financial lit-

eracy of consumers that includes measurable goals and objectives, in consultation with the Financial Literacy and Education Commission, consistent with the National Strategy for Financial Literacy, through activities including providing opportunities for consumers to access—

- (A) financial counseling, including community-based financial counseling, where practicable;
- (B) information to assist with the evaluation of credit products and the understanding of credit histories and scores;
- (C) savings, borrowing, and other services found at mainstream financial institutions;
- (D) activities intended to—
  - (i) prepare the consumer for educational expenses and the submission of financial aid applications, and other major purchases;
  - (ii) reduce debt; and
  - (iii) improve the financial situation of the consumer;
- (E) assistance in developing long-term savings strategies; and
- (F) wealth building and financial services during the preparation process to claim earned income tax credits and Federal benefits.

(3) COORDINATION.—The Office of Financial Education shall coordinate with other units within the Bureau in carrying out its functions, including—

- (A) working with the Community Affairs Office to implement the strategy to improve financial literacy of consumers; and
- (B) working with the research unit established by the Director to conduct research related to consumer financial education and counseling.

(4) REPORT.—Not later than 24 months after the designated transfer date, and annually thereafter, the Director shall submit a report on its financial literacy activities and strategy to improve financial literacy of consumers to—

- (A) the Committee on Banking, Housing, and Urban Affairs of the Senate; and
- (B) the Committee on Financial Services of the House of Representatives.

(5) MEMBERSHIP IN FINANCIAL LITERACY AND EDUCATION COMMISSION.—Section 513(c)(1) of the Financial Literacy and Education Improvement Act (20 U.S.C. 9702(c)(1)) is amended—

- (A) in subparagraph (B), by striking “and” at the end;
- (B) by redesignating subparagraph (C) as subparagraph (D); and
- (C) by inserting after subparagraph (B) the following new subparagraph:  
“(C) the Director of the Bureau of Consumer Financial Protection; and”.

(6) CONFORMING AMENDMENT.—Section 513(d) of the Financial Literacy and Education Improvement Act (20 U.S.C. 9702(d)) is amended by adding at the end the following: “The

Director of the Bureau of Consumer Financial Protection shall serve as the Vice Chairman.”.

(7) STUDY AND REPORT ON FINANCIAL LITERACY PROGRAM.—

(A) IN GENERAL.—The Comptroller General of the United States shall conduct a study to identify—

(i) the feasibility of certification of persons providing the programs or performing the activities described in paragraph (2), including recognizing outstanding programs, and developing guidelines and resources for community-based practitioners, including—

(I) a potential certification process and standards for certification;

(II) appropriate certifying entities;

(III) resources required for funding such a process; and

(IV) a cost-benefit analysis of such certification;

(ii) technological resources intended to collect, analyze, evaluate, or promote financial literacy and counseling programs;

(iii) effective methods, tools, and strategies intended to educate and empower consumers about personal finance management; and

(iv) recommendations intended to encourage the development of programs that effectively improve financial education outcomes and empower consumers to make better informed financial decisions based on findings.

(B) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit a report on the results of the study conducted under this paragraph to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives.

(e) OFFICE OF SERVICE MEMBER AFFAIRS.—

(1) IN GENERAL.—The Director shall establish an Office of Service Member Affairs, which shall be responsible for developing and implementing initiatives for service members and their families intended to—

(A) educate and empower service members and their families to make better informed decisions regarding consumer financial products and services;

(B) coordinate with the unit of the Bureau established under subsection (b)(3), in order to monitor complaints by service members and their families and responses to those complaints by the Bureau or other appropriate Federal or State agency; and

(C) coordinate efforts among Federal and State agencies, as appropriate, regarding consumer protection measures relating to consumer financial products and services offered to, or used by, service members and their families.

(2) COORDINATION.—

(A) REGIONAL SERVICES.—The Director is authorized to assign employees of the Bureau as may be deemed necessary to conduct the business of the Office of Service

Member Affairs, including by establishing and maintaining the functions of the Office in regional offices of the Bureau located near military bases, military treatment facilities, or other similar military facilities.

(B) AGREEMENTS.—The Director is authorized to enter into memoranda of understanding and similar agreements with the Department of Defense, including any branch or agency as authorized by the department, in order to carry out the business of the Office of Service Member Affairs.

(3) DEFINITION.—As used in this subsection, the term “service member” means any member of the United States Armed Forces and any member of the National Guard or Reserves.

(f) TIMING.—The Office of Fair Lending and Equal Opportunity, the Office of Financial Education, and the Office of Service Member Affairs shall each be established not later than 1 year after the designated transfer date.

(g) OFFICE OF FINANCIAL PROTECTION FOR OLDER AMERICANS.—

(1) ESTABLISHMENT.—Before the end of the 180-day period beginning on the designated transfer date, the Director shall establish the Office of Financial Protection for Older Americans, the functions of which shall include activities designed to facilitate the financial literacy of individuals who have attained the age of 62 years or more (in this subsection, referred to as “seniors”) on protection from unfair, deceptive, and abusive practices and on current and future financial choices, including through the dissemination of materials to seniors on such topics.

(2) ASSISTANT DIRECTOR.—The Office of Financial Protection for Older Americans (in this subsection referred to as the “Office”) shall be headed by an assistant director.

(3) DUTIES.—The Office shall—

(A) develop goals for programs that provide seniors financial literacy and counseling, including programs that—

(i) help seniors recognize warning signs of unfair, deceptive, or abusive practices, protect themselves from such practices;

(ii) provide one-on-one financial counseling on issues including long-term savings and later-life economic security; and

(iii) provide personal consumer credit advocacy to respond to consumer problems caused by unfair, deceptive, or abusive practices;

(B) monitor certifications or designations of financial advisors who advise seniors and alert the Commission and State regulators of certifications or designations that are identified as unfair, deceptive, or abusive;

(C) not later than 18 months after the date of the establishment of the Office, submit to Congress and the Commission any legislative and regulatory recommendations on the best practices for—

(i) disseminating information regarding the legitimacy of certifications of financial advisers who advise seniors;

(ii) methods in which a senior can identify the financial advisor most appropriate for the senior's needs; and

(iii) methods in which a senior can verify a financial advisor's credentials;

(D) conduct research to identify best practices and effective methods, tools, technology and strategies to educate and counsel seniors about personal finance management with a focus on—

(i) protecting themselves from unfair, deceptive, and abusive practices;

(ii) long-term savings; and

(iii) planning for retirement and long-term care;

(E) coordinate consumer protection efforts of seniors with other Federal agencies and State regulators, as appropriate, to promote consistent, effective, and efficient enforcement; and

(F) work with community organizations, non-profit organizations, and other entities that are involved with educating or assisting seniors (including the National Education and Resource Center on Women and Retirement Planning).

*(h) APPLICATION OF FACA.—Notwithstanding any provision of the Federal Advisory Committee Act (5 U.S.C. App.), such Act shall apply to each advisory committee of the Bureau and each subcommittee of such an advisory committee.*

\* \* \* \* \*

JASON CHAFFETZ, UTAH  
CHAIRMAN

ONE HUNDRED FOURTEENTH CONGRESS

ELIJAH E. CUMMINGS, MARYLAND  
RANKING MEMBER

**Congress of the United States**  
**House of Representatives**

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM  
2157 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-6143

PHONE: 202-225-5612  
FAX: 202-225-8551  
WWW: www.gpo.gov

April 6, 2015

The Honorable Jeb Hensarling  
Chairman  
Committee on Financial Services  
2129 Rayburn HOB  
Washington, DC 20515

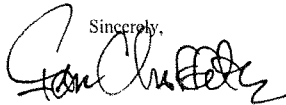
Dear Mr. Chairman:

I write concerning H.R. 1265, the Bureau Advisory Commission Transparency Act. As you know, the Committee on Financial Services received an original referral and the Committee on Oversight and Government Reform a secondary referral when the bill was introduced on March 4, 2015. I recognize and appreciate your desire to bring this legislation before the House of Representatives in an expeditious manner, and accordingly, the Committee on Oversight and Government Reform will forego action on the bill.

The Committee takes this action with our mutual understanding that by foregoing consideration of H.R. 1265 at this time, we do not waive any jurisdiction over the subject matter contained in this or similar legislation. Further, I request your support for the appointment of conferees from the Committee on Oversight and Government Reform during any House-Senate conference convened on this or related legislation.

Finally, I would ask that a copy of our exchange of letters on this matter be included in the bill report filed by the Committee on Financial Services, as well as in the *Congressional Record* during floor consideration, to memorialize our understanding.

Sincerely,



Jason Chaffetz  
Chairman

cc: The Honorable John A. Boehner, Speaker  
The Honorable Elijah E. Cummings  
The Honorable Maxine Waters  
The Honorable Thomas J. Wickham, Parliamentarian



JEB HENSARLING, TX, CHAIRMAN

United States House of Representatives  
Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, DC 20515

MAXINE WATERS, CA, BANKING MEMBER

April 6, 2015

**HAND-DELIVERED**

The Honorable Jason Chaffetz  
Chairman  
Committee on Oversight and Government Reform  
2157 Rayburn House Office Building  
Washington, DC 20515

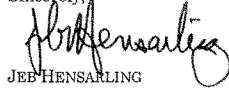
Dear Chairman Chaffetz:

Thank you for your April 6, 2015, letter regarding H.R. 1265, the Bureau Advisory Commission Transparency Act.

I am most appreciative of your decision to forego consideration of H.R. 1265 so that it may move expeditiously to the House floor. I acknowledge that although you are waiving formal consideration of the bill, the Committee on Oversight and Government Reform is in no way waiving its jurisdiction over any subject matter contained in the bill that falls within its jurisdiction. In addition, if a conference is necessary on this legislation, I will support any request that your committee be represented therein.

Finally, I shall be pleased to include your letter and this letter in the *Congressional Record* during floor consideration of H.R. 1265 and in the bill report filed by this Committee.

Sincerely,



JEB HENSARLING  
Chairman

cc: The Honorable John A. Boehner  
The Honorable Maxine Waters  
The Honorable Elijah Cummings  
Mr. Thomas J. Wickham, Jr.

