

113TH CONGRESS  
1ST SESSION

# H. R. 2402

To replace the Director of the Bureau of Consumer Financial Protection  
with a five person Commission.

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IN THE HOUSE OF REPRESENTATIVES

JUNE 17, 2013

Mr. DUFFY introduced the following bill; which was referred to the Committee  
on Financial Services

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## A BILL

To replace the Director of the Bureau of Consumer Financial  
Protection with a five person Commission.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Consumer Financial  
5 Protection Commission Act of 2013”.

6 **SEC. 2. ESTABLISHMENT OF THE COMMISSION.**

7 Section 1011 of the Consumer Financial Protection  
8 Act of 2010 is amended—

9 (1) by striking subsections (b), (c), and (d);

1           (2) by redesignating subsection (e) as sub-  
2           section (j); and

3           (3) by inserting after subsection (a) the fol-  
4           lowing new subsections:

5           “(b) ESTABLISHMENT OF THE COMMISSION.—

6           “(1) IN GENERAL.—There is hereby established  
7           a commission (hereinafter referred to in this section  
8           as the ‘Commission’) that shall serve as the head of  
9           the Bureau.

10           “(2) AUTHORITY TO PRESCRIBE REGULA-  
11           TIONS.—The Commission may prescribe such regu-  
12           lations and issue such orders in accordance with this  
13           title as the Commission may determine to be nec-  
14           essary for carrying out this title and all other laws  
15           within the Commission’s jurisdiction and shall exer-  
16           cise any authorities granted under this title and all  
17           other laws within the Commission’s jurisdiction.

18           “(c) COMPOSITION OF THE COMMISSION.—

19           “(1) IN GENERAL.—The Commission shall be  
20           composed of the Vice Chairman for Supervision of  
21           the Federal Reserve System and 4 additional mem-  
22           bers who shall be appointed by the President, by and  
23           with the advice and consent of the Senate, from  
24           among individuals who—

25           “(A) are citizens of the United States;

1           “(B) have strong competencies and experi-  
2           ences related to consumer financial protection;  
3           and

4           “(C) should want to protect service mem-  
5           bers and their families who are sacrificing their  
6           lives for this country from abusive financial  
7           practices.

8           “(2) STAGGERING.—The members of the Com-  
9           mission appointed under paragraph (1) shall serve  
10          staggered terms, which initially shall be established  
11          by the President for terms of 1, 2, 4, and 5 years,  
12          respectively.

13          “(3) TERMS.—

14                 “(A) IN GENERAL.—Each member of the  
15                 Commission appointed under paragraph (1), in-  
16                 cluding the Chair, shall serve for a term of 5  
17                 years.

18                 “(B) REMOVAL FOR CAUSE.—The Presi-  
19                 dent may remove any member of the Commis-  
20                 sion appointed under paragraph (1) only for in-  
21                 efficiency, neglect of duty, or malfeasance in of-  
22                 fice.

23                 “(C) VACANCIES.—Any member of the  
24                 Commission appointed under paragraph (1) ap-  
25                 pointed to fill a vacancy occurring before the

1 expiration of the term to which that member's  
2 predecessor was appointed (including the Chair)  
3 shall be appointed only for the remainder of the  
4 term.

5 “(D) CONTINUATION OF SERVICE.—Each  
6 member of the Commission appointed under  
7 paragraph (1) may continue to serve after the  
8 expiration of the term of office to which that  
9 member was appointed until a successor has  
10 been appointed by the President and confirmed  
11 by the Senate, except that a member may not  
12 continue to serve more than 1 year after the  
13 date on which that member's term would other-  
14 wise expire.

15 “(E) OTHER EMPLOYMENT PROHIBITED.—  
16 No member of the Commission appointed under  
17 paragraph (1) shall engage in any other busi-  
18 ness, vocation, or employment.

19 “(4) ROLES AND RESPONSIBILITIES OF COM-  
20 MISSIONERS.—One member of the Commission shall  
21 have as their primary responsibility the oversight of  
22 the Bureau's activities pertaining to protecting con-  
23 sumers, with a focus on consumers who are older,  
24 minorities, youth, or veterans, from unfair, decep-

1 tive, and abusive lending practices. The designated  
2 commissioner shall be responsible for—

3 “(A) ensuring the Bureau conducts regular  
4 outreach to consumers regarding industry lend-  
5 ing activities;

6 “(B) researching and reporting to the full  
7 Commission, on a regular basis, the impact of  
8 new loan and credit products and services on  
9 consumers; and

10 “(C) ensuring the Bureau coordinates with  
11 State-level consumer protection agencies on en-  
12 forcement measures that protect consumers  
13 from unfair, deceptive, and abusive lending  
14 practices.

15 “(d) AFFILIATION.—With respect to members ap-  
16 pointed pursuant to subsection (c)(1), not more than 2  
17 shall be members of any one political party.

18 “(e) CHAIR OF THE COMMISSION.—

19 “(1) APPOINTMENT.—The Chair of the Com-  
20 mission shall be appointed by the President from  
21 among the members of the Commission appointed  
22 under paragraph (1).

23 “(2) AUTHORITY.—The Chair shall be the prin-  
24 cipal executive officer of the Bureau, and shall exer-

1 cise all of the executive and administrative functions  
2 of the Bureau, including with respect to—

3 “(A) the appointment and supervision of  
4 personnel employed under the Bureau (other  
5 than personnel employed regularly and full time  
6 in the immediate offices of members of the  
7 Commission other than the Chair);

8 “(B) the distribution of business among  
9 personnel appointed and supervised by the  
10 Chair and among administrative units of the  
11 Bureau; and

12 “(C) the use and expenditure of funds.

13 “(3) LIMITATION.—In carrying out any of the  
14 Chair’s functions under the provisions of this sub-  
15 section the Chair shall be governed by general poli-  
16 cies of the Commission and by such regulatory deci-  
17 sions, findings, and determinations as the Commis-  
18 sion may by law be authorized to make.

19 “(4) REQUESTS OR ESTIMATES RELATED TO  
20 APPROPRIATIONS.—Requests or estimates for reg-  
21 ular, supplemental, or deficiency appropriations on  
22 behalf of the Commission may not be submitted by  
23 the Chair without the prior approval of the Commis-  
24 sion.

1       “(f) NO IMPAIRMENT BY REASON OF VACANCIES.—

2 No vacancy in the members of the Commission shall im-  
3 pair the right of the remaining members of the Commis-  
4 sion to exercise all the powers of the Commission. Three  
5 members of the Commission shall constitute a quorum for  
6 the transaction of business, except that if there are only  
7 3 members serving on the Commission because of vacan-  
8 cies in the Commission, 2 members of the Commission  
9 shall constitute a quorum for the transaction of business.  
10 If there are only 2 members serving on the Commission  
11 because of vacancies in the Commission, 2 members shall  
12 constitute a quorum for the 6-month period beginning on  
13 the date of the vacancy which caused the number of Com-  
14 mission members to decline to 2.

15       “(g) SEAL.—The Commission shall have an official  
16 seal.

17       “(h) COMPENSATION.—

18               “(1) CHAIR.—The Chair shall receive com-  
19 pensation at the rate prescribed for level I of the  
20 Executive Schedule under section 5313 of title 5,  
21 United States Code.

22               “(2) OTHER MEMBERS OF THE COMMISSION.—

23 The 3 other members of the Commission appointed  
24 under subsection (c)(1) shall each receive compensa-  
25 tion at the rate prescribed for level II of the Execu-

1       tive Schedule under section 5314 of title 5, United  
2       States Code.

3       “(i) INITIAL QUORUM ESTABLISHED.—During any  
4       time period prior to the confirmation of at least two mem-  
5       bers of the Commission, one member of the Commission  
6       shall constitute a quorum for the transaction of business.  
7       Following the confirmation of at least 2 additional com-  
8       missioners, the quorum requirements of subsection (f)  
9       shall apply.”.

10   **SEC. 3. CONFORMING AMENDMENTS.**

11       (a) CONSUMER FINANCIAL PROTECTION ACT OF  
12   2010.—

13           (1) IN GENERAL.—The Consumer Financial  
14   Protection Act of 2010 is amended—

15                   (A) in section 1002, by striking paragraph  
16                   (10);

17                   (B) in section 1012(c)(4), by striking “Di-  
18                   rector” each place such term appears and in-  
19                   serting “Commission of the Bureau”;

20                   (C) in section 1013(c)(3)—

21                           (i) by striking “Assistant Director of  
22                           the Bureau for” and inserting “Head of  
23                           the Office of”; and



1 (ii) in subparagraph (B), by striking  
2 “Assistant Director” and inserting “Head  
3 of the Office”;

4 (D) in section 1013(g)(2)—

5 (i) by striking “ASSISTANT DIREC-  
6 TOR” and inserting “HEAD OF THE OF-  
7 FICE”; and

8 (ii) by striking “an assistant director”  
9 and inserting “a Head of the Office of Fi-  
10 nancial Protection for Older Americans”;

11 (E) in section 1016(a), by striking “Direc-  
12 tor of the Bureau” and inserting “Chair of the  
13 Commission”;

14 (F) in section 1017(c)(1), by striking “Di-  
15 rector and other employees” and inserting  
16 “members of the Commission and other employ-  
17 ees”;

18 (G) in section 1027(l)(1), by striking “Di-  
19 rector and the”; and

20 (H) in section 1066(a), by striking “Direc-  
21 tor of the Bureau is” and inserting “first mem-  
22 ber of the Commission is”.

23 (2) GLOBAL AMENDMENTS.—The Consumer Fi-  
24 nancial Protection Act of 2010 is amended—

1 (A) by striking “Director of the” each  
2 place such term appears, other than in—

3 (i) subparagraphs (A) and (E) of sec-  
4 tion 1017(4);

5 (ii) section 1043;

6 (iii) section 1061(b)(3);

7 (iv) section 1062;

8 (v) section 1063(f);

9 (vi) subparagraphs (E) and (G) of  
10 section 1064(i)(2); and

11 (vii) section 1065(a); and

12 (B) by striking “Director” each place such  
13 term appears and inserting “Bureau”, other  
14 than in—

15 (i) section 1063(f)(2); and

16 (ii) section 1065(a).

17 (b) DODD-FRANK WALL STREET REFORM AND CON-  
18 SUMER PROTECTION ACT.—The Dodd-Frank Wall Street  
19 Reform and Consumer Protection Act is amended—

20 (1) in section 111(b)(1)(D), by striking “Direc-  
21 tor” and inserting “Chair of the Commission”; and

22 (2) in section 1447, by striking “Director of the  
23 Bureau” each place such term appears and inserting  
24 “Bureau”.

1           (c) ELECTRONIC FUND TRANSFER ACT.—Section  
2 921(a)(4)(C) of the Electronic Fund Transfer Act, as  
3 added by section 1075(a)(2) of the Consumer Financial  
4 Protection Act of 2010, is amended by striking “Director  
5 of the Bureau of Consumer Financial Protection” and in-  
6 serting “Bureau of Consumer Financial Protection”.

7           (d) EXPEDITED FUNDS AVAILABILITY ACT.—The  
8 Expedited Funds Availability Act, as amended by section  
9 1086 of the Consumer Financial Protection Act of 2010,  
10 is amended by striking “Director of the Bureau” each  
11 place such term appears and inserting “Bureau”.

12           (e) FEDERAL DEPOSIT INSURANCE ACT.—Section 2  
13 of the Federal Deposit Insurance Act, as amended by sec-  
14 tion 336(a) of the Dodd-Frank Wall Street Reform and  
15 Consumer Protection Act, is amended by striking “Direc-  
16 tor of the Consumer Financial Protection Bureau” each  
17 place such term appears and inserting “Chair of the Com-  
18 mission of the Bureau of Consumer Financial Protection”.

19           (f) FEDERAL FINANCIAL INSTITUTIONS EXAMINA-  
20 TION COUNCIL ACT OF 1978.—Section 1004(a)(4) of the  
21 Federal Financial Institutions Examination Council Act of  
22 1978 (12 U.S.C. 3303(a)(4)), as amended by section 1091  
23 of the Consumer Financial Protection Act of 2010, is  
24 amended by striking “Director of the Consumer Financial

1 Protection Bureau” and inserting “Chair of the Commis-  
2 sion of the Bureau of Consumer Financial Protection”.

3 (g) FINANCIAL LITERACY AND EDUCATION IM-  
4 PROVEMENT ACT.—Section 513 of the Financial Literacy  
5 and Education Improvement Act, as amended by section  
6 1013(d) of the Consumer Financial Protection Act of  
7 2010, is amended by striking “Director” each place such  
8 term appears and inserting “Chair of the Commission”.

9 (h) HOME MORTGAGE DISCLOSURE ACT OF 1975.—  
10 Section 307 of the Home Mortgage Disclosure Act of  
11 1975, as amended by section 1094(6) of the Consumer  
12 Financial Protection Act of 2010, is amended by striking  
13 “Director of the Bureau of Consumer Financial Protec-  
14 tion” each place such term appears and inserting “Bureau  
15 of Consumer Financial Protection”.

16 (i) INTERSTATE LAND SALES FULL DISCLOSURE  
17 ACT.—The Interstate Land Sales Full Disclosure Act, as  
18 amended by section 1098A of the Consumer Financial  
19 Protection Act of 2010, is amended—

20 (1) by amending section 1402(1) to read as fol-  
21 lows:

22 “(1) ‘Chair’ means the Chair of the Commission of  
23 the Bureau of Consumer Financial Protection;”;

1           (2) in section 1416(a), by striking “Director of  
2           the Bureau of Consumer Financial Protection” and  
3           inserting “Chair”; and

4           (3) by striking “Director” each place such term  
5           appears and inserting “Bureau”.

6           (j) REAL ESTATE SETTLEMENT PROCEDURES ACT  
7 OF 1974.—Section 5 of the Real Estate Settlement Proce-  
8 dures Act of 1974, as amended by section 1450 of the  
9 Dodd-Frank Wall Street Reform and Consumer Protec-  
10 tion Act, is amended—

11           (1) by striking “The Director of the Bureau of  
12           Consumer Financial Protection (hereafter in this  
13           section referred to as the ‘Director’)” and inserting  
14           “‘The Bureau of Consumer Financial Protection’”;  
15           and

16           (2) by striking “Director” each place such term  
17           appears and inserting “Bureau”.

18           (k) S.A.F.E. MORTGAGE LICENSING ACT OF 2008.—  
19 The S.A.F.E. Mortgage Licensing Act of 2008, as amend-  
20 ed by section 1100 of the Consumer Financial Protection  
21 Act of 2010, is amended—

22           (1) by striking “Director” each place such term  
23           appears in headings and text and inserting “Bu-  
24           reau”; and

25           (2) in section 1503, by striking paragraph (10).

1       (l) TITLE 44, UNITED STATES CODE.—Section  
2 3513(c) of title 44, United States Code, as amended by  
3 section 1100D(b) of the Consumer Financial Protection  
4 Act of 2010, is amended by striking “Director of the Bu-  
5 reau” and inserting “Bureau”.

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