

# AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 2084, ALL ECONOMIC REGULATIONS ARE TRANSPARENT ACT OF 2014

Mr. HOLDING. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to make technical corrections in the engrossment of H.R. 2804, including corrections in spelling, punctuation, section and title numbering, cross-referencing, conforming amendments to the table of contents and short titles, and the insertion of appropriate headings.

The SPEAKER pro tempore (Mr. WEBSTER). Is there objection to the request of the gentleman from North Carolina?

There was no objection.

# CONSUMER FINANCIAL PROTECTION SAFETY AND SOUNDNESS IMPROVEMENT ACT OF 2013

## GENERAL LEAVE

Mr. HENSARLING. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks and submit extraneous material on H.R. 3193, the Consumer Financial Protection Safety and Soundness Improvement Act of 2013.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. Pursuant to House Resolution 475 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 3193.

The Chair appoints the gentleman from Wisconsin (Mr. RIBBLE) to preside over the Committee of the Whole.

□ 1441

## IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 3193) to amend the Consumer Financial Protection Act of 2010 to strengthen the review authority of the Financial Stability Oversight Council of regulations issued by the Bureau of Consumer Financial Protection, and for other purposes, with Mr. RIBBLE in the chair.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the rule, the bill is considered read the first time.

The gentleman from Texas (Mr. HENSARLING) and the gentlewoman from California (Ms. WATERS) each will control 30 minutes.

The Chair recognizes the gentleman from Texas.

Mr. HENSARLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we are now into the sixth year of the Obama administration, and probably the two most com-

mon comments I hear from my constituents are "I just can't make ends meet in this economy" and "Washington has become arrogant, unaccountable, and out of touch." At the apex of these sentiments, lies the newly minted Dodd-Frank government agency known as the CFPB. Although many have yet to hear of it, the CFPB is perhaps the single most powerful and least accountable Federal agency in all of Washington.

First, let's speak of its power. Mr. Chairman, when it comes to our credit cards, our auto loans, our mortgages, the CFPB has unbridled discretionary power not only to make them less available and more expensive, but to absolutely take them away.

What does an agency with this kind of power do? It imposes rule like the qualified mortgage rule, or QM for short. Mr. Chairman, what does QM do? According to Federal Reserve data, because of QM, roughly one-third of Black and Hispanic borrowers would not meet the requirements of a QM loan.

CoreLogic, which analyzes mortgage data, has said:

Only half of today's mortgage originations meet QM requirements.

That is egregiously unfair to hardworking Americans.

One of my small town community bankers in east Texas told me recently:

Because of QM, I can't tell you the number of times we have had to tell our good low-to-moderate income customers that we can no longer loan them money to purchase a home to live in.

Mr. Chairman, this is what an agency with too much discretionary power does. It can actually abuse consumers, taking away their homeownership opportunities. That is unfair.

Let's look at what happens to an agency that is not held accountable. Today, the CFPB is spending \$145 million to renovate a \$150 million headquarters building they don't even own. The renovation rate is three times the average Washington, D.C., luxury class A renovation rate. Well, what does \$145 million buy?

Well, it is \$461 per square foot in office renovations. Mr. Chairman, that is more per square foot than was spent to build the Trump World Tower. More than the Trump World Tower. At \$461 per square foot, that was more money than it cost to build the Bellagio hotel and casino in Las Vegas, which at the time, I am told, was the most expensive hotel ever built. Mr. Chairman, this is more money to renovate a building they don't own than Dubai's Burj Khalifa, the single tallest skyscraper in the world. Ironically enough, the architectural firm which designed the Burj Khalifa in Dubai is the same world renowned architectural firm that the CFPB paid over \$7 million to design their headquarter renovations.

Now, according to public documents, Mr. Chairman, some of the Bureau's renovations include "a reflective carnelian granite water table" that will

"lure in the curious passerby." Also for \$145 million of hard-earned taxpayer money, the Bureau is buying "a shady tree bosque" to facilitate "chance interactions in a removed place of rest and contemplation." I mean, I can't make this up, Mr. Chairman. This is how hard-earned money is being squandered. Here it is, the architectural drawings which have been filed publicly.

I have to tell you, Mr. Chairman, I have a lot of people in my district in east Texas who live in mobile homes. They can't afford carnelian granite water tables that apparently the CFPB is going to enjoy that my constituents have to pay for, and the only shady tree bosque to be found in east Texas in the Fifth District are those where hardworking ranchers work their cattle.

□ 1445

Instead of rest and contemplation to be enjoyed by CFPB's employees, because of such blatant waste, my constituents, instead of rest and contemplation, lay awake at night wondering how they are going to pay the bills and make ends meet.

Mr. Chairman, this is what an unaccountable Federal Government agency does. It squanders the people's money because it is not their own and they are not accountable to the people's representatives.

So that is why we are here today, Mr. Chairman. We are here to pass H.R. 3193, the Consumer Financial Freedom and Washington Accountability Act, whose primary author, Mr. DUFFY of Wisconsin, has done excellent work, along with many other members of our committee. This is a package, Mr. Chairman, of commonsense reforms designed to make the CFPB more accountable and more transparent to the American people.

This bill replaces the Bureau's single, unaccountable director with a bipartisan board. It puts the Bureau's employees—whose compensation and benefits average \$178,521, it puts them on the civil service pay scale. It introduces a safety and soundness check on its regulations and gives the American people greater control over the massive, massive quantities of personal financial data that the Bureau is collecting and maintaining on them at this time.

Mr. Chairman, we do need consumer protection, but consumers just don't need to be protected from Wall Street; they need to be protected from Washington as well. H.R. 3193 will protect them from the CFPB, and the House should pass it without delay today.

I reserve the balance of my time.

Ms. WATERS. Mr. Chairman, I yield myself such time as I may consume.

I rise today in strong opposition to H.R. 3193, legislation that would gut the Consumer Financial Protection Bureau, an agency that has been a critical and effective advocate for our Nation's consumers. Today's vote is just the latest chapter in a relentless Republican attack on consumer protection.

Since opening its doors in 2011, the CFPB has gone to bat for those who have been subject to the deceptive practices of unscrupulous financial institutions. Though it has been immensely successful, Republicans have tried to undercut it in every way possible.

Mr. Chairman, in just over 2 years, CFPB's enforcement actions have resulted in over \$3 billion being directly refunded to more than 9.7 million consumers and servicemembers.

The CFPB has ensured that all consumers have fair and transparent access to consumer financial products and services. It has written important mortgage rules that prevent lenders from engaging in the risky and irresponsible practices that led to the collapse of the housing market and fueled the 2008 global financial crisis; and it continues to go after industries and institutions that, for years, have not been held accountable for abusive and deceptive practices.

The CFPB ensures that the tens of millions of consumers who interact with large consumer reporting agencies, debt collectors, payday lenders, and nonbanks originating mortgage loans have an advocate in their corner.

In fact, in fiscal year 2013, the CFPB was a party in 13 enforcement actions related to deceptive marketing, unlawful debt collection, discrimination on the basis of age, unlawful charging of fees, and fraudulent mortgage relief schemes, among other violations.

Since the Consumer Financial Protection Bureau opened its doors, more than 269,000 individual consumer complaints have been received, and it has stood up for our Nation's Active Duty military who so greatly serve us, returning more than \$12.5 million to them under the Military Lending Act.

Just yesterday, CFPB announced a lawsuit against a large for-profit college chain, accusing it of preying on students by pushing them into high-cost loans, very likely to end in default.

But my friends on the other side of the aisle don't believe that we should have a consumer advocate in government. They would prefer that these unscrupulous actors continue to take advantage of consumers without interference.

The simple fact is that H.R. 3193 would accomplish this goal, obstructing the CFPB's ability to protect consumers from deceptive marketing, unlawful debt collection, lending discrimination, overcharge fees, and other illegal activity. The bill does so by undermining CFPB's leadership, ending its autonomy, and tying its funding to Congressional appropriations, among other ways.

In fact, Republicans have brought this bill to the floor claiming a cost savings, but they know that the only way a savings is realized is by slashing the budget of the CFPB, the sole agency charged with consumer financial protections.

But that is not all. The provisions included in this measure would eliminate the position of the CFPB director in favor of some five-member commission that would increase bureaucracy—encouraging, inviting—and encumber its ability to take action on behalf of consumers. It would water down the CFPB's rulemaking authority by lowering the bar for overturning its rules.

Many of the amendments offered today would make this bill even worse. For example, the measure offered by Congressman DeSANTIS would repeal the Bureau's exclusive rulemaking authority, dispersing responsibility for protecting consumers among the same regulators who failed miserably in this task in the run-up to the financial crisis.

It is striking to listen to my friends on the opposite side of the aisle talk about the importance of consumer protection and then push a measure that is an obvious attempt to completely undermine and obstruct the CFPB's ability to protect consumers, students, seniors, and servicemembers.

If holding the Bureau accountable to its mission to protect American consumers truly is a Republican's goal, then why are we considering a bill which is strongly opposed by more than 100 organizations with long records of standing up for the interest of consumers?

I would urge my colleagues to oppose this damaging measure so the CFPB can continue its outstanding work.

I reserve the balance of my time.

Mr. HENSARLING. Mr. Chairman, I am happy to yield 2 minutes to the gentlelady from West Virginia (Mrs. CAPITO), the distinguished chairman of our Financial Institutions and Consumer Credit Subcommittee and a real leader in preserving consumer opportunity and rights.

Mrs. CAPITO. Mr. Chairman, I would like to thank the chairman of our committee for his leadership and for yielding me time this afternoon.

I would also like to thank my colleagues Mr. DUFFY, Mr. BACHUS, and Mr. NEUGEBAUER for their leadership in drafting the components of this bill before us today.

As we have heard, the debate before us today is not new. We have been working for the past 3 years to enact commonsense structural reforms to the CFPB. During debate in the last Congress, our friends on the other side of the aisle said that it was premature to reform this burgeoning agency. They argued that it was too early to tell how the Bureau would operate.

Well, 2½ years later, this is what we know: The Bureau continues to be unresponsive to bipartisan requests for information about their operations. For example, last spring, the Bureau released guidance for indirect auto lending practices.

Over the last year, Republican and Democrat Members have requested information, both in person and in writing, about the data the Bureau used to

support their guidance. Despite these requests, the Bureau refuses to provide substantive answers to the Members' questions.

Over the last year, Members—and I have in particular—expressed significant concern about the effect the CFPB's new rules will have on mortgage availability for low- to moderate-income borrowers. Despite this, the CFPB has moved forward with the rules.

We have also heard that the Bureau is spending over \$100 million to renovate its headquarters. As we learned, the renovation per square foot will cost more than building the Trump World Tower and the Bellagio.

These examples are indicative of an agency that is unaccountable to Congress and to the American taxpayers. Moving the Bureau's leadership structure to a bipartisan commission will ensure that there is a diversity of opinion as the agency crafts new rules, no matter who the President is.

A more diverse leadership structure will result in more balanced rules that provide consumers with sufficient transparency to choose the financial products that best suits their needs.

We are also bringing greater accountability to this agency by putting the Bureau on the regular appropriations schedule. Budgetary control is a critical tool for this Congress, no matter who the President is, to ensure the actions of this agency truly benefits consumers.

I thank the sponsors for their hard work.

Ms. WATERS. Mr. Chairman, I yield 2 minutes to the gentlewoman from New York (Mrs. CAROLYN B. MALONEY), ranking member on the Subcommittee on Capital Markets and Government Sponsored Enterprises.

Mrs. CAROLYN B. MALONEY of New York. Mr. Chairman, I thank the gentlelady for yielding and for her hard work on the Financial Services Committee.

I rise in strong opposition to H.R. 3193, which is a blatantly partisan assault on the CFPB and on American consumers.

I think it is telling that just 4 months after the first government shutdown in 17 years, the Republicans want to remove the CFPB's independent source of funding and subject it to Congress' deeply dysfunctional appropriations process.

It is telling because it exposes the true purpose of this bill. It is not to make the CFPB more accountable, but rather to undermine, defund, and hinder its ability to act to protect consumers in every possible way.

The dysfunction that led to last year's 16-day shutdown is exactly why we gave the CFPB an independent source of funding in Dodd-Frank. We wanted to insulate the CFPB from the political games and partisan brinksmanship that, unfortunately, became a staple of the appropriations process.

Another key reason for creating the CFPB was to make sure that we have at least one regulator whose sole purpose is protecting consumers. Prior to the financial crisis, consumer protection had, unfortunately, become an afterthought of the banking regulators whose primary mission was protecting the safety and soundness of the banks, but not consumers.

□ 1500

When Congress created the CFPB, the whole point was to create a regulator whose sole focus would be to protect consumers. The reason Congress did this was that, prior to the financial crisis, consumers were an afterthought, a secondary thought, a third thought, or usually not even thought about at all. So it was a huge step forward to have a department that was focused on protecting consumers from new products that were harmful and from innovations that were not tested that were harmful to the consumers and the economy as a whole, which led to the financial crisis.

This was a huge step forward for consumers when it was created. Unfortunately, this bill before us today is a huge step backwards because it would give the safety and soundness regulators more authority to veto the CFPB's consumer protections in the name of bank profits—just like in the old days. Let's remember that, in just its first 2½ years, the CFPB has already made huge strides on a number of important consumer protections—from new mortgage protections to credit cards to payday lending.

An independent source said the credit card bill of rights that was supported by the CFPB saves consumers \$20 billion a year. That is a huge step forward for consumers, and the Bureau has been willing to make sensible changes when it has needed to. Last year, the Bureau adopted amendments to the CARD Act that would allow stay-at-home spouses to take out credit cards in their own names. This was a commonsense fix for an unintended problem for stay-at-home spouses who were creditworthy, and they made the decision so that they were able to get these credit cards. That is a huge step forward, and I worked with Mrs. CAPITO on it from across the aisle. The Bureau continues to work hard to develop consumer safeguards in rapidly growing areas, such as prepaid cards and overdraft protection, both of which many Members on both sides have a keen interest in seeing going forward.

In short, the CFPB's work has already made the lives of American consumers and our constituents better on a day-to-day basis. This bill would undermine these results, and it would weaken the Consumer Financial Protection Bureau, so I strongly urge my colleagues to oppose the bill.

I would like to place in the RECORD independent organizations—literally well over 100—that are in support of the CFPB and that are in opposition to

this bill. They are good government groups, credit groups, individual legislators, and local and State partners, all of whom are in opposition to the bill that undermines the work of the CFPB, which is there to protect consumers.

#### FOLLOWING ARE THE PARTNERS OF AMERICANS FOR FINANCIAL REFORM.

All the organizations support the overall principles of AFR and are working for an accountable, fair and secure financial system. Not all of these organizations work on all of the issues covered by the coalition or have signed on to every statement.

AARP; A New Way Forward; AFL-CIO; AFSCME; Alliance For Justice; American Income Life Insurance; American Sustainable Business Council; Americans for Democratic Action, Inc.; Americans United for Change; Campaign for America's Future; Campaign Money; Center for Digital Democracy; Center for Economic and Policy Research; Center for Economic Progress; Center for Media and Democracy; Center for Responsible Lending; Center for Justice and Democracy; Center of Concern; Center for Effective Government; Change to Win; Clean Yield Asset Management.

Coastal Enterprises Inc.; Color of Change; Common Cause; Communications Workers of America; Community Development Transportation Lending Services; Consumer Action; Consumer Association Council; Consumers for Auto Safety and Reliability; Consumer Federation of America; Consumer Watchdog; Consumers Union; Corporation for Enterprise Development; CREDO Mobile; CTW Investment Group; Demos; Economic Policy Institute; Essential Action; Green America; Greenlining Institute; Good Business International; HNMA Funding Company.

Home Actions; Housing Counseling Services; Home Defender's League; Information Press; Institute for Agriculture and Trade Policy; Institute for Global Communications; Institute for Policy Studies; Global Economy Project; International Brotherhood of Teamsters; Institute of Women's Policy Research; Krull & Company; Laborers' International Union of North America; Lawyers' Committee for Civil Rights Under Law; Main Street Alliance; Move On; NAACP; NASCAT; National Association of Consumer Advocates; National Association of Neighborhoods; National Community Reinvestment Coalition; National Consumer Law Center (on behalf of its low-income clients); National Consumers League.

National Council of La Raza; National Council of Women's Organizations; National Fair Housing Alliance; National Federation of Community Development Credit Unions; National Housing Resource Center; National Housing Trust; National Housing Trust Community Development Fund; National NeighborWorks Association; National Nurses United; National People's Action; National Urban League; Next Step; OpenTheGovernment.org; Opportunity Finance Network; Partners for the Common Good; PICO National Network; Progress Now Action; Progressive States Network; Poverty and Race Research Action Council; Public Citizen; Sargent Shriver Center on Poverty Law.

SEIU; State Voices; Taxpayer's for Common Sense; The Association for Housing and Neighborhood Development; The Fuel Savers Club; The Leadership Conference on Civil and Human Rights; The Seminal; TICAS; U.S. Public Interest Research Group; UNITE HERE; United Food and Commercial Workers; United States Student Association; USAction; Veris Wealth Partners; Western States Center; We the People Now; Wood-

stock Institute; World Privacy Forum; UNET; Union Plus; Unitarian Universalist for a Just Economic Community.

#### List of State and Local Partners

Alaska PIRG; Arizona PIRG; Arizona Advocacy Network; Arizonans For Responsible Lending; Association for Neighborhood and Housing Development NY; Audubon Partnership for Economic Development LDC, New York NY; BAC Funding Consortium Inc., Miami FL; Beech Capital Venture Corporation, Philadelphia PA; California PIRG; California Reinvestment Coalition; Century Housing Corporation, Culver City CA; CHANGER NY; Chautauqua Home Rehabilitation and Improvement Corporation (NY); Chicago Community Loan Fund, Chicago IL; Chicago Community Ventures, Chicago IL; Chicago Consumer Coalition; Citizen Potawatomi CDC, Shawnee OK; Colorado PIRG; Coalition on Homeless Housing in Ohio; Community Capital Fund, Bridgeport CT; Community Capital of Maryland, Baltimore MD; Community Development Financial Institution of the Tohono O'odham Nation, Sells AZ.

Community Redevelopment Loan and Investment Fund, Atlanta GA; Community Reinvestment Association of North Carolina; Community Resource Group, Fayetteville A; Connecticut PIRG; Consumer Assistance Council; Cooper Square Committee (NYC); Cooperative Fund of New England, Wilmington NC; Corporacion de Desarrollo Economico de Ceiba, Ceiba PR; Delta Foundation, Inc., Greenville MS; Economic Opportunity Fund (EOF), Philadelphia PA; Empire Justice Center NY; Empowering and Strengthening Ohio's People (ESOP), Cleveland OH; Enterprises, Inc., Berea KY; Fair Housing Contact Service OH; Federation of Appalachian Housing; Fitness and Praise Youth Development, Inc., Baton Rouge LA; Florida Consumer Action Network; Florida PIRG; Funding Partners for Housing Solutions, Ft. Collins CO; Georgia PIRG; Grow Iowa Foundation, Greenfield IA; Homewise, Inc., Santa Fe NM.

Idaho Nevada CDFI, Pocatello ID; Idaho Chapter, National Association of Social Workers; Illinois PIRG; Impact Capital, Seattle WA; Indiana PIRG; Iowa PIRG; Iowa Citizens for Community Improvement; JobStart Chautauqua, Inc., Mayville NY; La Casa Federal Credit Union, Newark NJ; Low Income Investment Fund, San Francisco CA; Long Island Housing Services NY; MaineStream Finance, Bangor ME; Maryland PIRG; Massachusetts Consumers' Coalition; MASSPIRG; Massachusetts Fair Housing Center; Michigan PIRG; Midland Community Development Corporation, Midland TX; Midwest Minnesota Community Development Corporation, Detroit Lakes MN; Mile High Community Loan Fund, Denver CO; Missouri PIRG; Mortgage Recovery Service Center of L.A.

Montana Community Development Corporation, Missoula MT; Montana PIRG; New Economy Project; New Hampshire PIRG; New Jersey Community Capital, Trenton NJ; New Jersey Citizen Action; New Jersey PIRG; New Mexico PIRG; New York PIRG; New York City Aids Housing Network; New Yorkers for Responsible Lending; NOAH Community Development Fund, Inc., Boston MA; Nonprofit Finance Fund, New York NY; Nonprofits Assistance Fund, Minneapolis M; North Carolina PIRG; Northside Community Development Fund, Pittsburgh PA; Ohio Capital Corporation for Housing, Columbus OH; Ohio PIRG; OligarchyUSA; Oregon State PIRG; Our Oregon; PennPIRG; Piedmont Housing Alliance, Charlottesville VA; Michigan PIRG; Rocky Mountain Peace and Justice Center, CO; Rhode Island PIRG.

Rural Community Assistance Corporation, West Sacramento CA; Rural Organizing

Project OR; San Francisco Municipal Transportation Authority; Seattle Economic Development Fund; Community Capital Development; TexPIRG; The Fair Housing Council of Central New York; The Loan Fund, Albuquerque NM; Third Reconstruction Institute NC; Vermont PIRG; Village Capital Corporation, Cleveland OH; Virginia Citizens Consumer Council; Virginia Poverty Law Center; War on Poverty—Florida; WashPIRG; Westchester Residential Opportunities Inc.; Wigamig Owners Loan Fund, Inc., Lac du Flambeau WI; WISPIRG.

#### Small Businesses

Blu; Bowden-Gill Environmental; Community MedPAC; Diversified Environmental Planning; Hayden & Craig, PLLC; Mid City Animal Hospital, Phoenix AZ; UNET.

Mr. HENSARLING. Mr. Chairman, it is now my honor to yield 1 minute to the gentleman from Virginia (Mr. CANTOR), the distinguished majority leader, who has been a tireless advocate for consumer choice and freedom throughout this debate on this unaccountable Bureau and who has led our Congress' effort to bring bills to the floor to stop government abuse.

Mr. CANTOR. I thank both gentlemen from Texas for their leadership on this issue.

Mr. Chairman, I rise today in support of the Consumer Financial Freedom and Washington Accountability Act.

Our constituents deserve an open government that can easily be held accountable. We in the House have got to be focused on reforming this government so we can create an America that works again. The Founders of our country created this democratic system to include a series of checks and balances to prevent any institution from becoming too powerful, and, today, it is as important as ever to keep those checks and balances strong.

Right now, the Consumer Financial Protection Bureau is an independent agency within the Federal Reserve System that is full of unelected bureaucrats who enjoy an unprecedented amount of power with a serious lack of accountability to any of the three branches of government.

American consumers should not have to fear Federal bureaucrats who can eliminate access to their credit options, collect information on their personal finances without their knowledge or consent, or limit the availability of a mortgage due to the onerous Qualified Mortgage rule that the CFPB put in place last month.

Working families who are struggling to make ends meet during these hard economic times should also not have to worry about their hard-earned tax dollars being spent so recklessly and irresponsibly by government agencies. We have recently learned that the Federal Reserve's inspector general opened up an investigation to find out why a renovation to the CFPB's headquarters skyrocketed from \$55 million to \$145 million in under 2 years. This reckless waste is one of the most dangerous kinds of government abuses. The American workers' pocketbooks are not Washington's ATM machine.

The bill before us today provides solutions to these problems with important structural changes that will place the levers of power in a bipartisan panel, as opposed to a single director, while subjecting the CFPB to the regular appropriations and oversight processes, guaranteeing more accountability.

This is an opportunity for us to show the American people that we are committed to restoring trust in government. By passing these commonsense reforms in a bipartisan fashion, we can hold Washington more accountable to the people we are supposed to protect. So let's pass this bill and take one step closer to stopping government abuse.

Again, I would like to thank Chairman HENSARLING, Chairman NEUGEBAUER, Representatives DUFFY, BACHUS, WESTMORELAND, and FINCHER, and the rest of the Financial Services Committee for their hard work on this issue. I urge my colleagues in the House to support this legislation so we can begin to make America work again for everybody.

Ms. WATERS. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts, Representative LYNCH, who is a member of the Financial Services Committee and who is the ranking member on the Subcommittee on Federal Workforce, U.S. Postal Service and the Census.

Mr. LYNCH. I thank the gentlelady for yielding and for her work on behalf of American consumers.

Mr. Chairman, I rise today in opposition to H.R. 3193, the so-called Consumer Financial Protection and Soundness Improvement Act.

Let's be clear about what my friends on the other side of the aisle are trying to do here today.

They would really like to completely repeal the Consumer Financial Protection Bureau. Many of the sponsors of this act are the ones who tried to defeat the creation and empowerment of the CFPB to begin with. To be mindful, this is the only financial regulator solely responsible for protecting American consumers from unfair, deceptive, and abusive financial products. My friends on the other side of the aisle would like to destroy it, so they are trying to pass off this "death by a thousand cuts" approach as improvements to the Bureau's structure.

This bill will bog down the consumer bureau in bureaucratic and congressional red tape. It will make it more difficult for the Bureau to seek out and retain qualified employees. It will also allow the companies that the Consumer Financial Protection Bureau is supposed to be regulating to have more information, better information—more accurate information, more extensive information—about consumers than the CFPB that is responsible for protecting them will have.

In sum, it will make the Consumer Financial Protection Bureau a second-class and ineffective regulator, sending the signal to bad actors in our finan-

cial markets that we are not really serious about consumer protections, and this bill will do nothing to make consumers safer.

I urge all of my colleagues to join me in voting "no" on H.R. 3193.

Mr. HENSARLING. Mr. Chairman, I am now pleased to yield 1½ minutes to the gentleman from Texas (Mr. NEUGEBAUER), the chairman of the Housing and Insurance Subcommittee, who is a key coauthor of this bill, ensuring that the CFPB is accountable through the congressional appropriations process, and who is a real champion of preserving housing opportunities from Washington bureaucrats.

Mr. NEUGEBAUER. I thank Chairman HENSARLING.

Mr. Chairman, I think it is kind of interesting that my colleagues on the other side of the aisle seem to want to justify this "spending gone wild" agency, an agency that last year alone had a budget overreach of nearly \$100 million.

That is the reason that I introduced title II of this bill, which really says two things: one, that we take this agency out of the Fed and make it a stand-alone entity; and two, that we put it on budget, a normal appropriations process, where Members of Congress can begin to sit down and look at the budget that is presented to them by the agency—how you are going to spend their money. Maybe we would have prevented some of these overreaches that happened.

I don't think that anybody thinks that government should just have an unlimited purse, and this is what this agency basically has. If they run out of money—spend too much money—they just reach over into the Fed and take that money out. No other agency that I know of in the government has that, and I think the hardworking American people and the hardworking people of the 19th District feel like agencies ought to come and bring their budgets, like in other areas of government, and explain and prove why they need that money.

Interestingly enough, the CFPB has 1,500 employees, 60 percent of them making over \$100,000 and 5 percent of those making more than Cabinet secretaries. Mr. Chairman, again, we think there needs to be more accountability here.

The CHAIR. The time of the gentleman has expired.

Mr. HENSARLING. I yield the gentleman an additional 30 seconds.

Mr. NEUGEBAUER. This agency can draw up to \$500 million each year, really. In fact, some of the requests for transfer were done on small pieces of paper.

Can you imagine a three-line paragraph saying, "Please send over \$150 million. We have run out of money"?

Mr. Chairman, H.R. 3193 begins to bring the accountability that the American taxpayers not only deserve but desire.

Ms. WATERS. Mr. Chairman, I yield 4 minutes to the gentleman from Washington, Representative HECK, who is a

member of the Financial Services Committee and who has paid a lot of attention to this issue.

Mr. HECK of Washington. I thank the ranking member very much.

Mr. Chairman, I am from Washington State, and I am about to commit a sacrilege. We could have saved a lot of trees and a lot of time if we had had a one-sentence bill that simply said: "End the Consumer Financial Protection Bureau."

We could have had an honest debate then about whether we should have any government agency with the mandate to protect consumers from deceptive financial marketing and abusive financial practices. We could have had a discussion about what the CFPB has accomplished thus far and whether it is accessible to Americans, whether its proposed streamlined forms are more effective at educating Americans, whether its rules are thoroughly researched and revised after comments from all sides. Instead, we are having a debate over reorganizing and defunding and subordinating and other matters of process and organization that are all, frankly, designed to kill CFPB by a thousand cuts.

I think the proposition here is fairly straightforward and remains a mystery to me. If one desires to do away with the CFPB, why not have the courage to introduce that bill straightforwardly?

Ordinarily, I don't assign motives or characterize intent on the part of people who advance legislation. The fact of the matter is many of those who are advocating for this bill's passage opposed the creation of the agency flat out. The fact of the matter is that a companion bill—granted, one not in this—even re-titled the agency and took the words "consumer protection" out. The fact of the matter is, if there were more credible arguments in support of this legislation, I think we would be a little more careful with the facts.

Here is a fact: there isn't a penny of taxpayer dollars that supports CFPB. It is fee-based. Here is a fact omitted: more than 60 percent of the costs associated with the alleged remodel budget, which is an estimate—a fact omitted—is associated with upgrading to code. Now, I know for another fact that the people who are making that argument do not want civil servants to occupy unsafe and unhealthy buildings.

□ 1515

But most importantly—this is the part that really gets me—we are going to spend a lot of time on this today and in committee, and we are going to pass it to the Senate, and we all know what its fate is going to be, right down into the ground. Well, that is fine. People have the right to make their point, but what is the opportunity cost of making that point in committee and on the floor? At least one of the opportunity costs is getting to work on actual regulatory relief.

We have several bipartisan bills for regulatory relief. Some form of the

CLEAR Act, not all the Members on my side support it, but some do. We could actually get to work on regulatory relief if we would set aside our efforts for this messaging and exercise.

As for me, no matter what the form, I am going to vote "no" on any bill that kills the CFPB, any bill. I will vote "no" because of the work the CFPB does on behalf of my constituents.

I will vote to preserve the Office of Servicemember Affairs and the great work that Holly Petraeus is doing. They have a special mandate to protect the men and women in uniform. I have the privilege to represent Joint Base Lewis-McChord, tens of thousands of uniformed personnel. If you ever talk to anybody—I don't see how anybody who has a military base even near their district can support this legislation.

The CHAIR. The time of the gentleman has expired.

Ms. WATERS. I yield an additional 1 minute to the gentleman.

Mr. HECK of Washington. Mr. Chair, I don't see how anybody who has a military base anywhere near their district can support this legislation.

I will vote to protect the experts who are laying the groundwork for the first national consumer protection rules on payday loans and other short-term, high-interest loans. I will vote to defend the Bureau's work protecting students from high-interest-rate loans and creating a uniform set of borrower rights and protections for all student loans, public or private. If we really want a stable, predictable business environment, we wouldn't be going down this path.

At the end of the day, again, the proposition is very straightforward. If you support consumer protection, you will vote "no" on this legislation. If you oppose consumer protection, you will vote "yes." But I entreat you, I plead with you, to please vote "no."

Mr. HENSARLING. Mr. Chairman, I yield myself 5 seconds to encourage the gentleman from Washington to read section 1017 of the Dodd-Frank Act, and he would discover that the CFPB is funded by the Federal Reserve, which happens to be taxpayer money.

Mr. Chairman, at this time I am happy to yield 1 minute to the gentleman from Missouri (Mr. LUETKEMEYER), the vice chairman of our Housing and Insurance Subcommittee.

Mr. LUETKEMEYER. Mr. Chairman, my colleagues have done a good job of listing some of the problems of CFPB. I would like to give you an example of some of the overreach of this new agency already.

A small community bank in my district, they purchased a small lending company. With that lending company comes the lease of the building that they are operating their office out of. The CFPB comes in and says the lease is \$300 per month over the course of 9 months over what the rate should be for that area. They go in and tell the bank that they are going to fine them

\$107,000 for this lease, which is nothing the bank made. It doesn't impact consumers, yet they are fined \$107,000. The bank eventually settles for \$80—plus \$30,000 in attorneys' fees.

Mr. Chairman, this is an example already of this new agency's overreach. It has got to stop. H.R. 3193 does that. I urge support for that bill.

Ms. WATERS. Mr. Chair, I am waiting for additional speakers, and I reserve the balance of my time.

Mr. HENSARLING. Mr. Chairman, I am now pleased to yield 1½ minutes to the gentleman from New Jersey (Mr. GARRETT), the chairman of our Capital Markets and GSE Subcommittee.

Mr. GARRETT. Mr. Chairman, the Bureau of Financial Protection claims unlimited power to define and regulate every conceivable financial transaction in the country, and yet it claims to be unaccountable to no one. So I find it disturbing that the Bureau collects private credit card data on Americans and does so without the knowledge of those Americans. Its effort is so vast that the Bureau collects information on over 990 million credit card accounts.

According to Dr. Thomas Stratmann, Professor of Economics and Law at George Mason University:

There are costs and potential harms to collecting and maintaining massive databases of personal financial information: including the potential for abuse, or violation of consumer privacy, and security concerns in the event of a data breach.

Mr. Chairman, the Bureau believes that actions must go unquestioned, and now it wants your credit card information, too. This legislation before us protects citizens by protecting and prohibiting the Bureau from collecting Americans' nonpublic personal financial information without first receiving the express permission of the consumer.

I urge my colleagues from both sides of the aisle to respect the financial privacy of all Americans and support this legislation.

Ms. WATERS. I continue to reserve the balance of our time.

Mr. HENSARLING. Mr. Chairman, I am pleased now to yield 1½ minutes to the gentleman from North Carolina (Mr. MCHENRY), the chairman of the Oversight and Investigation Subcommittee of the Financial Services Committee.

Mr. MCHENRY. Mr. Chair, I appreciate my colleagues for their leadership on this important legislation.

I rise in support of it to bring some balance to an otherwise unaccountable bureaucratic agency, perhaps the most powerful agency in government with the least amount of public accountability. It has no accountability to the administration, very little to Congress, and even less to the American people. As a result, it should come as no surprise that this Bureau has operated with less transparency and less concern for fiscal discipline than even a very low bar and low standard we hold for our Federal tax dollars.

Due to this lack of accountability, certain expenditures have been called into question; in fact, their building expenditures, which is a beautiful release of a \$150 million plan to renovate a building that they are leasing. Now, it is a very rare thing and pretty silly in real estate to do an enormous upfit for a building that costs \$153 million—that is the appraised value—and to put \$150 million at \$461 a square foot into that building. It makes no sense unless you understand that these are your tax dollars at work to build luxury a couple of blocks from the White House.

These buildings are just another example of why this agency needs to be held accountable to not just the American people and the taxpayers, but to the taxpaying public and those of us who care about having access to good financial products while protecting.

So that is why I support this legislation.

Ms. WATERS. Mr. Chair, I continue to reserve the balance of my time.

Mr. HENSARLING. Mr. Chairman, I am now happy to yield 1 minute to the gentleman from Virginia (Mr. HURT), the vice chairman of our Capital Markets and GSE Subcommittee.

Mr. HURT. I thank the chairman for his leadership on this issue. I thank him for yielding.

Mr. Chairman, today I rise in support of the Consumer Financial Freedom and Washington Accountability Act.

As I travel across our Virginia's Fifth District, I continue to hear troubling stories about the impacts of the CFPB. I have heard from consumers, community banks, and credit unions about how the unchecked authority of the CFPB is restricting consumer choice, creating an atmosphere of economic uncertainty, and increasing costs.

Real consumer protection requires that we shift power from Washington bureaucrats to American consumers by providing access to competitive markets with choice, information, and accountability. This bill would help achieve that goal by adding much-needed oversight and transparency to this far-reaching new government agency without weakening consumer protection.

These bipartisan checks and balances will protect our community banks and credit unions who play a critical role in providing capital to our small businesses and working families. At a time when too many Americans remain out of work, it is critical that we continue to support policies that will help restore certainty to the marketplace, create jobs, and protect our consumers.

I urge support of this good bill.

Ms. WATERS. Mr. Chairman, I am very pleased to yield 4 minutes to the gentleman from Minnesota (Mr. ELLISON), the chief deputy whip who also serves on the Financial Services Committee and is cochair of the Progressive Caucus.

Mr. ELLISON. Mr. Chairman, let me thank our ranking member for the time.

I urge a “no” vote on H.R. 3193 today. It is a bad bill, and it is bad for consumers, bad for Americans.

As I listened to my colleagues, one of them mentioned the CFPB offers uncertainty. Well, here is some certainty for you. You cannot cheat consumers. That is certainty enough for me. Another one said, well, you know, the CFPB doesn't offer choice. Here is a choice. You can offer any product that is fair and transparent to consumers.

That is exactly what my friends on the other side of the aisle object to. They don't want average Americans to be able to get a financial services product that is fair, that is balanced, and that makes sense in the marketplace.

You have nothing to fear from the CFPB if you do not offer a product that is designed to bilk consumers. If you do, I can see why you might be quite upset at the activity of the CFPB.

The bottom line is this is a bad bill. It will set our country back, and in fact, I believe consumer protection is at the very heart of the recession that we just went through.

Now, of course, we have heard ad nauseam that it was the housing goals and it was the other sort of measures that caused the recession, but the fact is the recession was caused because large numbers of home buyers were bilked into mortgages that they couldn't afford, that were difficult to understand, with high pressure tactics and were incentivized, even to be guided and steered to products that were more high cost than the ones they qualified for.

Then we packaged these things into mortgage-backed securities that were unsound to begin with. The rating agencies said they were fine, took out a form of insurance on them, and then when the house of cards fell, the whole economy went with it.

Consumer protection is at the heart of the problem. Consumer protection is the solution to this problem, and so this effort to undermine the CFPB today under the guise of H.R. 3193 is wrong.

Mr. Chair, we are at a whose side are you on moment. Are you on the side of Mom and Pop, of the small business owner, of the consumer trying to get a house loan or other form of credit? Or are you on someone else's side who is not in favor of a fair product?

I have said to my community bankers, look, your opponents before the crash didn't have the regulator; now, everyone has one. The CFPB offers a level playing field for all. Now everybody offering mortgage products has a degree of accountability. This is good for the financial services sector, not bad.

Since the CFPB was created following the financial crisis, it has received, Mr. Chair, more than 250,000 consumer complaints. Mr. Chair, who are these 250,000 complaints supposed to be directed to but for an agency that is responsive to them? Who would my friends on the other side of the aisle

have these people go to to try to get their problems solved? We know that they weren't being listened to before the CFPB.

Now that the CFPB exists, a quarter of a million complaints and untold numbers of complainants have come forward to say, Please help me. Half of these complaints have been in the mortgage servicing area alone. Of the 3,135 complaints from my own State of Minnesota, 1,320 have been related to mortgage issues. This bill threatens to turn off access to these consumers, and I will not stand silently by while they do this.

This is a bad bill.

The CHAIR. The time of the gentleman has expired.

□ 1630

Ms. WATERS. Mr. Chairman, I yield an additional 1 minute to the gentleman.

Mr. ELLISON. Mr. Chairman, this is a bad bill. Among the CFPB's many accomplishments, they have refunded more than \$3 billion—billion with a “b”—to more than 9 million consumers. That is good fiscal stewardship.

Now, the CFPB oversees industries that previously were not regulated by the Federal government, including credit reporting agencies, nonbank mortgage providers, debt collection agencies and payday lenders. All of that consumer protection would end if this bad piece of legislation were to pass.

Say no, resoundingly. Vote “no” on this bill.

Mr. HENSARLING. Mr. Chairman, I am now pleased to yield 1 minute to the gentleman from Indiana (Mr. STUTZMAN).

Mr. STUTZMAN. Mr. Chairman, I rise in support of the Consumer Financial Freedom and Washington Accountability Act. I thank Congressman DUFFY and Chairman HENSARLING for their leadership on this issue.

The CFPB is disgracefully unaccountable to the American people. Richard Cordray and future directors of the Bureau are virtually unchecked by Congress and the President.

We have seen what happens when bureaucrats so powerful are left so unaccountable. In its 3 short years, the CFPB has burned through its budgets and rifled through the private financial data of millions of Americans.

Hoosiers deserve consumer protections, but they also deserve integrity and accountability. After talking with families, small businesses, community banks, and credit unions back home, I am proud to support the commonsense reforms before the House today.

Let's replace the CFPB's Director with a five-member commission to ensure healthy discussion and bring more seats to the table. Let's rein in the CFPB's budget so that the Members of Congress from both parties can protect their constituents. Let's prohibit government bureaucrats from using private personal information without the consumers' consent.

Mr. Chairman, let's protect and empower American consumers, not Washington bureaucrats.

Ms. WATERS. Mr. Chairman, I continue to reserve the balance of my time.

Mr. HENSARLING. Mr. Chairman, can I inquire whether the gentlelady has any more speakers?

Ms. WATERS. Mr. Chairman, we have one speaker on the way.

Mr. HENSARLING. We have plenty of speakers here, Mr. Chairman. I would be glad to lend the gentlelady a few if she needs some people to speak.

Otherwise, Mr. Chairman, I yield 1 minute to the gentleman from South Carolina (Mr. MULVANEY).

Mr. MULVANEY. Mr. Chairman, I rise today in support of H.R. 3193 which, amongst many other things, replaces the single Director with a five-member commission.

I would remind my friends across the aisle that this brings the bill into the original spirit of Dodd-Frank, which, when it left this House several years ago, had eventually a five-member commission. All we are trying to do is get back to that original intention.

Further, during the discussions in committee, we focused on the membership of that commission and how it would be a decent idea to have people who are on the commission who actually knew something about the industries that they were regulating.

For example, the CFPB regulates insured banks, non-depository financial institutions, credit unions, all of which are very unique. Wouldn't it be nice to actually have folks regulating those industries who knew something about them?

This is not rare in the world of regulation. The FDIC, which oversees State banks, has been required to have someone on its commission for years who actually has experience regulating State banks. It has not been a problem for the FDIC, and it would not be a problem for the CFPB.

We need to pass this bill for a variety of reasons but, first and foremost, we need to replace the single Director with a five-man commission, and for that, I hope that we pass the bill.

Ms. WATERS. Mr. Chairman, I yield an additional 2 minutes to the gentleman from Minnesota (Mr. ELLISON).

Mr. ELLISON. Mr. Chairman, I thank the ranking member.

I only rise for one simple point, and that is to correct the RECORD when it comes to this claim that the CFPB engages in massive, excessive data collection of consumers' information. It is not true.

Anyone listening to this debate, Mr. Chairman, should know that the CFPB does not monitor the accounts of particular consumers and does not track the financial behavior or activities of any individual customer.

The CFPB is already prohibited by law from collecting personally identifiable information in the course of its market-monitoring responsibility. Al-

though the Bureau does collect certain information as part of its responsibility to identify and monitor market trends and proactively address emerging consumer credit issues, this information is deliberately depersonalized and aggregated to ensure consumers' sensitive information is protected.

Now, this is critically important because speaker after speaker is trying to scare consumers into believing that somebody is looking at their personal data. It is not true. It is not true, and I think it is important for people listening to this debate to know that.

Requiring the Bureau to seek consent on an individual level in order for it to access aggregated or anonymous data is not only a hindrance to the CFPB's core mission of regulating the entities that offer consumer financial products or services, but it is a burdensome requirement and, of course, intended simply to slow down, gum up, undermine, and break down the institution itself.

It is not true. People's data is safe. Looking for aggregate trends and proactively addressing emerging problems, as would have been very helpful as we got closer to the financial foreclosure crisis just a few years ago, is what the CFPB is doing.

It is doing what it is supposed to do. It is doing it well, and I don't know why any fair-minded person would be against that.

Mr. HENSARLING. Mr. Chairman, I yield myself 30 seconds to say that the CFPB is building a database containing full credit report data on 53 million borrowers who took out mortgages since 1998. The project manager said: "It is easy to reverse-engineer and identify the people in our database."

CFPB has a credit card database of at least 991 million credit cards and approximately 136 million Americans. The Bureau is collecting a database of credit reports on 8.6 million Americans. They continue to collect personalized data from Americans without their permission. It is unacceptable.

Mr. Chairman, I yield 1 minute to the gentleman from Florida (Mr. ROSS).

Mr. ROSS. Mr. Chairman, the Consumer Financial Protection Bureau is one of the largest Federal undertakings in recent history, created by Congress yet unaccountable to Congress. One man is tasked with oversight of essentially the entire financial services industry.

Director Cordray works hard for consumers, but no single individual can have sufficient expertise to make determinations that impact low-income families, community banks, mortgage lending, auto lending, credit card users and students.

A real estate lawyer in my district who represents clients who specialize in lending to low-income people, whose clients have a foreclosure rate of less than 5 percent, commented:

The only way these folks can own a home is to finance the purchase from an unconventional source. My clients get financial information from the prospective buyers relating

to their ability to pay, but it does not meet the thresholds established to qualify as a Qualified Mortgage.

This year, that lawyer advised all his clients to discontinue lending. This is the same story we are receiving from our community banks.

These are the results of an unaccountable agency with insular focus. H.R. 3193 would bring much-needed accountability and ensure that enough experts are at the decision table that American families are actually protected by Federal regulations, not harmed by unintended consequences, a situation we have seen all too often in recent months.

Ms. WATERS. Mr. Chairman, I continue to reserve the balance of my time.

Mr. HENSARLING. Mr. Chairman, I would like to inquire how much time is remaining on each side.

The CHAIR. The gentleman from Texas has 9½ minutes remaining. The gentlewoman from California has 4½ minutes remaining.

Mr. HENSARLING. Mr. Chairman, I yield 1 minute to the gentlewoman from Missouri (Mrs. WAGNER).

Mrs. WAGNER. Mr. Chair, I want to thank the chairman for yielding me time. I particularly want to thank the gentleman from Wisconsin (Mr. DUFFY) for his leadership on this important issue and for standing up on behalf of hardworking American families.

I rise today in support of H.R. 3193 and urge its passage by this House.

The Financial Services Committee has, on multiple occasions, asked the question "Who protects consumers from the Bureau of Consumer Financial Protection?"

Unfortunately, the answer for the last 3½ years has been nobody. Today, this House has an opportunity to change that.

The underlying bill includes a number of provisions to ensure that the very basic principles of good government apply to the Bureau, and it puts an end to the special treatment granted to the Bureau under Dodd-Frank.

These are commonsense, pro-consumer provisions that will help protect hardworking American families and taxpayers from yet another Washington bureaucracy that thinks it knows what is in their best interest.

I urge the passage of this bill.

Ms. WATERS. Mr. Chairman, I continue to reserve the balance of my time.

Mr. HENSARLING. Mr. Chairman, I yield 1 minute to the gentleman from Kentucky (Mr. BARR).

Mr. BARR. Mr. Chairman, this legislation is about holding Washington accountable. The Bureau of Consumer Financial Protection is one of the most powerful and unaccountable agencies in the entire Federal Government. Unfortunately, the Bureau reaches deeply into the everyday lives of Kentuckians.

In following its partisan agenda, the Bureau makes it harder for small businesses on Main Street to get a loan to

grow their business. The Bureau makes it harder for families in Kentucky to obtain a mortgage to purchase a home, including for manufactured homes. The Bureau even makes it harder to get financing discounts that help Kentuckians purchase their car or truck.

The Bureau is so out of touch that it even regulates Bath County, in my district, one of the most rural counties in America, as “non-rural.”

These concerns are not only voiced inside of Washington. Just last week I was in Powell County, and a small business owner raised his hand during my public event to talk about how the Bureau’s rules are harming his ability to do business in his community.

This avalanche of red tape coming out of the Bureau is making life harder for millions of Americans, which is why we need to pass this legislation that will reform the Bureau in a way that reins in the misguided rules that stem from its partisan excesses and unaccountable culture.

Ms. WATERS. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. CONNOLLY), the ranking member of the Oversight and Government Reform Subcommittee on Government Operations.

Mr. CONNOLLY. Mr. Chairman, I thank my distinguished ranking member and my friend from California.

Mr. Chairman, I rise to oppose this latest Republican assault on the CFPB. It is truly baffling to see my colleagues’ continued attempts to undermine the only Federal regulator created to protect American consumers.

Contrary to the talking points of the other side, this mash-up of bills will only burden the CFPB with more bureaucracy, not less. For example, the bill would replace the Director, who has been on the job for just 6 months, after the Senate Republicans held up his confirmation for 2 years, with a cumbersome five-person commission.

The bill also seeks to take the CFPB out of the Federal Reserve and make it subject to annual congressional appropriations. My Republican colleagues claim this is to provide tougher oversight, but that is a ruse. They have already stated they would defund CFPB altogether if they could.

As ranking member of the House Oversight Subcommittee on Government Operations, I firmly believe in accountability, but I would note that Director Cordray has been before this Congress 46 times since CFPB was created. I would call that pretty responsive oversight.

After the 2008 Wall Street meltdown, safeguarding our financial system ought to be a primary concern, but this bill would, once again, place the interest of banks over those of consumers. As we saw during the financial crisis, innovation led to a wave of untested and sophisticated financial products, allowing dishonest actors to take advantage of many Americans.

Dodd-Frank, which my Republican friends fought against tooth-and-nail,

remains Congress’ sole substantive response to the greatest financial meltdown since the Great Depression.

My colleagues on the other side of the aisle found it necessary not only to fight against any attempt at regulating Wall Street, but waged much of the battle against the CFPB itself. Republicans in the Senate waged a 700-day battle to prevent a confirmation of CFPB’s Director—700 days.

In just a short amount of time, since his confirmation, CFPB has become an effective champion for all Americans. It has fielded more than 280,000 consumer complaints.

The CHAIR. The time of the gentleman has expired.

Ms. WATERS. I yield 10 seconds to the gentleman.

Mr. CONNOLLY. This bill is a bad idea. It is an anti-consumer bill. I urge my colleagues to vote against it.

Mr. HENSARLING. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. ROTHFUS).

□ 1545

Mr. ROTHFUS. Mr. Chairman, much more accountability and transparency is needed in Washington, especially at the Consumer Financial Protection Bureau.

The Bureau wields broad and unchecked power over our economy, from banks to businesses to anyone who uses credit or payment plans. Abuses of that power, enabled by a lack of accountability and transparency, harms families and businesses up and down Main Streets in Pennsylvania and across the Nation.

That is why I rise today in strong support of the Consumer Financial Freedom and Washington Accountability Act. Importantly, this common-sense legislation better protects consumers by prohibiting the Bureau from using personal and private financial information without their knowledge and consent.

It also makes the Bureau subject to the regular authorization and appropriations process. This increases the American people’s ability to demand accountability through their elected representatives.

The legislation will also replace a single and unaccountable director with a bipartisan five-member commission and establish more reasonable thresholds for reviewing and repealing regulations.

These changes will help rein in the regulatory overreach coming from Washington, D.C., elites. It will ensure a diversity of viewpoints is represented whenever the Bureau makes decisions that will directly impact families and businesses across the Nation.

These very reasonable reforms will protect consumers and our Nation’s financial system by providing for more rigorous oversight of the powerful and unaccountable Bureau.

I urge my colleagues to support this good-government legislation.

Ms. WATERS. I reserve the balance of my time.

Mr. HENSARLING. Mr. Chairman, I am now especially pleased to yield 3 minutes to the gentleman from Wisconsin (Mr. DUFFY), who is the vice chairman of our Financial Institutions and Consumer Credit Subcommittee and the chief author of the legislation of which we debate today.

Mr. DUFFY. Mr. Chairman, I thank the chairman for all the work that he has put in on this consumer financial protection reform bill. This is really a bill about accountability and transparency.

As has been discussed today, the CFPB is collecting information on almost 1 billion credit cards—1 billion credit cards—which means if you are an American and you have a credit card, the CFPB is collecting and monitoring your transactions.

So what we have done is said: Listen, if you are here to protect a consumer, why don’t you ask the consumer for permission and consent to take their information?

If we care about the American citizenry—if we care about consumers and don’t care about Big Government and the information they have on us, let’s give them the power. Let’s ask them. That is all we do. Empower the American citizenry.

Again, let’s empower Congress and the American people as well. When we don’t fund agencies through this institution, we lose authority; we lose oversight.

Let’s take that power and control back into Congress, and let’s actually put the power back in the hands of the people; but if you empower the Fed to fund this agency, you have taken the control away from this institution. That is wrong.

One of the most important reform parts of this bill is meaningful to me because I come from rural America; and the way that the law is structured is that if a bad rule comes from the CFPB, it can be overturned.

You can go to FSOC and say: Listen, this rule is going to create systemic risk; meaning, it is going to have a negative impact on our economy. It should be overturned.

Now think about what kind of financial institutions can go to FSOC and say: This rule is bad; overturn it.

Is it the small community bank? Is it the credit union in rural America? Heck, no. But if you are a big Wall Street bank, you have been given a voice in the way my friends across the aisle have structured this law.

Big banks on Wall Street who created the crisis are given a voice to have rules from the CFPB overturned, but you have left the small banks and credit unions in my district voiceless to say: this rule is going to hurt us.

That is wrong.

Listen, we want to talk about protecting consumers, giving a voice to consumers, making sure Big Government isn’t breathing down their backs.

Want to know who protects consumers and finance? Our credit unions,

our small community banks. And guess what? The Credit Union National Association, they endorse and support our bill. The National Association of Federal Credit Unions endorsed and support this bill. The Independent Community Bankers endorsed and support this bill.

This is the right thing to do. Let's empower Congress and empower the American people. Let's reform the CFPB and actually make it work.

Ms. WATERS. I reserve the balance of my time.

Mr. HENSARLING. Mr. Chairman, I am now pleased to yield 1 minute to the gentleman from North Carolina (Mr. PITTENGER).

Mr. PITTENGER. Mr. Chairman, I thank Chairman HENSARLING for the time and for allowing me to speak on this important issue; and I also thank the gentleman from Wisconsin (Mr. DUFFY) for his the leadership on this legislation.

This legislation is absolutely necessary to bring pragmatic reforms to CFPB. The CFPB needs transparency. It needs accountability. It needs privacy reforms.

The first main goal of this legislation is to replace the single all-powerful director with a five-person independent commission. This will allow for a healthy debate and to bring rules and regulations that are proposed at this agency.

It would put CFPB on a regular budgetary cycle with annual appropriations. This will shield the very American taxpayer from wasteful spending and allow Congress the proper oversight that this agency absolutely needs.

One of the key provisions of this bill prohibits CFPB from accessing, collecting, and analyzing the American people's personal financial data without their express permission.

In the wake of the regulation tsunami coming from D.C., it is time that Congress exercise its authority to help rein in government bureaucrats and help provide the clarity to business owners across the country.

I urge all of my colleagues to support this bill.

Ms. WATERS. I reserve the balance of my time.

Mr. HENSARLING. Mr. Chairman, I am very pleased to yield 1 minute to the gentleman from Pennsylvania (Mr. KELLY).

Mr. KELLY of Pennsylvania. Mr. Chairman, I rise in strong support of H.R. 3193.

I am an automobile dealer, and my family has been in the business for 63 years.

CFPB is kind of interesting because what we have done now, we have absolutely abandoned the rulemaking process, and we have gone to another type of influencing people; and the relationship that car dealers have with their customers is sometimes to navigate a very difficult financial system to get their loans arranged.

But no, we want to do it a different way. We want to do it with guidance. Here is the way it kind of works. It is like the policeman walking his beat and pulling out his billy club and tapping it on his hand and saying: I strongly suggest you follow my guidance.

There is no oversight on this. This group of people are going to make decisions by not even consulting us, the people. We do represent the people, and I would like to think that we can come together once in a while to do what is in the best interest of the people that we represent, not a Republican issue, not a Democratic issue, but an American issue.

We have to do these things. Again, strong suggestions that you follow my guidance, as opposed to letting people sit down and negotiate themselves, that is not the way the American system works.

It never has, never will. It never should have happened. CFPB should have never come to the light of day.

Ms. WATERS. I yield myself the balance of my time.

Mr. Chairman, I want to, once again, reiterate my strong opposition to this harmful legislation which will weaken the Consumer Financial Protection Bureau, an agency created to protect consumers and defend them against bad actors and practices throughout our financial system.

Just in case we are losing sight of what this Bureau is all about, we have many citizens out there who are the victims of false advertising. People advertise something. They advertise a price. They advertise a product. They go to buy the product. It is not there. It costs more money.

Debt collectors, how many of our citizens have been harassed by debt collectors, calling them in the middle of the night, asking for information, and charging them with things they have never been involved in?

Don't forget those payday loans. Poor people run out of money, go to a payday lender, get charged 500 percent for a payday loan.

What about those private postsecondary schools where all of those students who are trying to get an education are forced into getting loans, are encouraged to get loans, get ripped off, don't learn anything, can't get a job?

What about those mortgage lenders who tricked all of those people into mortgage loans and they end up losing their homes? What about discrimination against the aged? What about what they did to our good men and women who served in different branches of the military for all of us and got ripped off by payday lenders?

This is what the Consumer Financial Protection Bureau is all about. I don't know how anyone could think that we shouldn't have protection for our consumers. Our consumers are finding out that, finally, we have something.

They are calling our telephone number, (855) 411-2372, to get some help.

They are going to our Web site, [www.consumerfinance.gov](http://www.consumerfinance.gov). Over 289,000 citizens have gone to this [www.consumerfinance.gov](http://www.consumerfinance.gov) Web site. They have called this telephone number, (855) 411-2372, because, finally, they have a bureau that is paying attention to all of the rip-offs, all of the fraudulent advertising, all of the overcharging of fees, all of what they did not have protection from in the past.

We realized, at some point in time, that all of our regulatory agencies that were supposed to be paying attention were not. Now, we have protection.

I yield back the balance of my time.

Mr. HENSARLING. Mr. Chairman, I yield myself the balance of my time.

To protect consumers, you first need to make sure they have the power to consume; and under the Obama administration economic policies, tens of millions of our fellow citizens are either unemployed or underemployed. They don't have the income to consume. That is not consumer protection.

Part of the problem is the CFPB because true consumer protection, Mr. Chairman, empowers consumers in innovative, transparent, competitive markets; and it respects the intelligence and the dignity of the American citizen; and it preserves their economic liberty to choose the mortgages, the credit cards, and, yes, even the payday loans that they choose to consume.

But instead, Mr. Chairman, many of my friends on the other side of the aisle would love to take away "In God we trust" and put up there "In government we trust."

The American people are tired of unaccountable, arrogant Washington bureaucrats, the unaccountable, the unelected who are taking away their homeownership opportunities, taking away their credit cards, and insulting them by saying: I am from Washington. I am smarter than you. I am better than you. I know what is best.

It is time for us to pass the Consumer Financial Freedom and Washington Accountability Act; and I particularly thank Messrs. DUFFY, BACHUS, and NEUGEBAUER for authoring this key piece of legislation. I urge its passage.

I yield back the balance of my time.

Mr. CUMMINGS. Mr. Chair, the Consumer Financial Protection Bureau (CFPB), which is a cornerstone of the Dodd-Frank Act, has already proven invaluable in ensuring that financial products offered to American consumers comply with federal law and are not abusive or misleading.

The CFPB has brought transparency, accountability and clarity to our markets.

Because of the CFPB's work, our residential mortgage lending system is now governed by standards that cap the points and fees a lender may charge, limit risky loan products, and prohibit loans with terms longer than 30 years.

CFPB has also enacted new rules to end the abuses in the mortgage servicing process that were so common before the financial crisis. These rules require servicers to credit payments the day they are received and to respond to customer inquiries in a timely manner.

They also limit “dual tracking” to ensure borrowers are not foreclosed on while they wait to see if they qualify for a loan modification.

And through its enforcement actions, CFPB has already recovered approximately \$3 billion for consumers who have been the victims of abuse. As of this month, the CFPB has received and is processing more than nine thousand complaints from residents of Maryland alone.

Unfortunately, rather than ensuring the CFPB has all of the resources it needs to help consumers, Republicans in the House have routinely sought to undermine the CFPB and the bill before us today simply continues that attack.

The only way to protect our constituents from entities that would take advantage of them is to vote against this bill and oppose all efforts to roll back the consumer protections enacted in the Dodd-Frank legislation.

Mrs. BEATTY. Mr. Chair, I rise today in strong opposition to the Consumer Financial Protection Safety and Soundness Improvement Act, H.R. 3193.

As designed by Dodd-Frank, the Consumer Financial Protection Bureau—CFPB—is the only agency whose final rules can be overruled by a vote of other financial regulators.

This was explicitly included in Dodd-Frank to ensure that CFPB guidelines do not unduly jeopardize the safe functioning of the U.S. financial system.

However, the inaptly named H.R. 3193 is yet another transparent attempt by Members of the majority to weaken the authority of the only federal agency responsible for protecting consumers in their financial dealings.

If enacted, H.R. 3193 would not only broaden the ability to overturn CFPB rules, but would also lower the threshold required to do so.

This would make it more difficult for the CFPB to meet its mission of creating and enforcing federal consumer financial laws, and would be a significant step backward in the effort to improve oversight and supervision of our nation's financial institutions.

It is repugnant to me that after millions of Americans had their financial security imperiled by the predatory practices of mortgage lenders, originators and servicers, that Members of this House would consider this bill designed to weaken the one financial regulator focused on returning temperance to deals where there was once greed, and prudence to markets where there was previously “irrational exuberance.”

I urge my colleagues to stand up for the American people by voting “no” on H.R. 3193.

Mr. VAN HOLLEN. Mr. Chair, H.R. 3193 is a clear attempt to undermine the independence and effectiveness of the Consumer Financial Protection Bureau. As such, I oppose passage of this legislation.

The Consumer Financial Protection Bureau (CFPB) was created by the Dodd-Frank Wall Street Reform Bill in response to widespread market abuses that helped precipitate the financial crisis and is the first ever independent watchdog charged with the sole task of protecting the financial lives of America's families. Since its inception, the CFPB has handled nearly 270,000 consumer complaints and secured more than \$3 billion in relief for almost 10 million consumers through enforcement actions against bad actors who were violating

the law. It has established important oversight for industries ranging from payday lenders to debt collectors to credit reporting agencies. And it has generally received high marks from industry leaders and consumer advocates alike for the openness and evenhandedness of its operations. Not surprisingly, the Senate confirmed the CFPB's first director Richard Cordray by a bipartisan vote of 66–34 in the summer of last year.

Rather than building on this track record of success, H.R. 3193 would weaken the CFPB by bureaucratizing its structure, placing additional constraints on its operations, slashing its funding and subjecting that funding to the political pressures of the annual appropriations process. If the majority really believed the annual appropriations process was necessary to ensure the proper oversight of our federal banking regulators, this legislation would be recommending similar treatment for the Federal Reserve, or the Office of the Comptroller of the Currency. It doesn't—which tells you all you need to know about the consistency of the conviction underlying this bill.

In my judgment, the CFPB is succeeding at its job of protecting consumers in a fair and transparent marketplace. Accordingly, I urge a no vote.

Mr. AL GREEN of Texas. Mr. Chair, I would like to express my opposition to H.R. 3193, the Consumer Financial Protection Safety and Soundness Improvement Act of 2013. This legislation would strip essential mandates from an agency that was created to protect consumers from risky practices that caused the financial crisis.

The Consumer Financial Protection Bureau (CFPB) has successfully refunded over \$3 billion to consumers who were financially harmed by deceptive practices. The vital protections the CFPB provides must not be overlooked; without its oversight, consumers will be exposed to greater risk in financial markets.

Since its creation in 2011, the CFPB has collected over \$80 million in civil penalties from financial institutions that harmed consumers. They also have handled more than 269,900 complaints from consumers. Thirty million consumers would not be subject to federal protections from improper debt collections if the CFPB did not exist.

Additionally, without the presence of the CFPB, twelve million consumers that use pay day lending would not be protected by federal supervision, and 200 million consumer credit reports would not be protected from unscrupulous behavior. The CFPB should be applauded for its efforts to end harmful practices in the marketplace. Rather than abrogate this successful agency, the CFPB should retain its current structure and mandate so that it can continue to be an exemplary model for other bank regulators.

The CHAIR. All time for general debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule.

It shall be in order to consider as an original bill for the purpose of amendment under the 5-minute rule an amendment in the nature of a substitute consisting of the text of Rules Committee Print 113–36 modified by the amendment printed in part A of House Report 113–350. That amendment in the

nature of a substitute shall be considered as read.

The text of the amendment in the nature of a substitute is as follows:

H.R. 3193

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

*This Act may be cited as the “Consumer Financial Freedom and Washington Accountability Act”.*

#### SEC. 2. FINANCIAL PRODUCT SAFETY COMMISSION.

*(a) ESTABLISHMENT.—Section 1011 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5491) is amended to read as follows:*

##### “SEC. 1011. ESTABLISHMENT OF THE FINANCIAL PRODUCT SAFETY COMMISSION.

*“(a) ESTABLISHMENT.—There is established an independent commission to be known as the ‘Financial Product Safety Commission’ (hereinafter referred to in this section as the ‘Commission’), which shall regulate the offering and provision of consumer financial products or services under the Federal consumer financial laws. The Commission shall be considered an Executive agency, as defined in section 105 of title 5, United States Code. Except as otherwise provided expressly by law, all Federal laws dealing with public or Federal contracts, property, works, officers, employees, budgets, or funds, including the provisions of chapters 5 and 7 of title 5, shall apply to the exercise of the powers of the Commission.*

*“(b) AUTHORITY TO PRESCRIBE REGULATIONS.—The Commission may prescribe such regulations and issue such orders in accordance with this title as the Commission may determine to be necessary for carrying out this title and all other laws within the Commission's jurisdiction and shall exercise any authorities granted under this title and all other laws within the Commission's jurisdiction.*

*“(c) COMPOSITION OF THE COMMISSION.—*

*“(1) IN GENERAL.—The Commission shall be composed of the Vice Chairman for Supervision of the Federal Reserve System and 4 additional members who shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals who—*

*“(A) are citizens of the United States; and*

*“(B) have strong competencies and experiences related to consumer financial protection.*

*“(2) STAGGERING.—The members of the Commission appointed under paragraph (1) shall serve staggered terms, which initially shall be established by the President for terms of 1, 2, 4, and 5 years, respectively.*

*“(3) TERMS.—*

*“(A) IN GENERAL.—Each member of the Commission appointed under paragraph (1), including the Chair, shall serve for a term of 5 years.*

*“(B) REMOVAL.—The President may remove any member of the Commission appointed under paragraph (1).*

*“(C) VACANCIES.—Any member of the Commission appointed under paragraph (1) appointed to fill a vacancy occurring before the expiration of the term to which that member's predecessor was appointed (including the Chair) shall be appointed only for the remainder of the term.*

*“(D) CONTINUATION OF SERVICE.—Each member of the Commission appointed under paragraph (1) may continue to serve after the expiration of the term of office to which that member was appointed until a successor has been appointed by the President and confirmed by the Senate, except that a member may not continue to serve more than 1 year after the date on which that member's term would otherwise expire.*

*“(E) OTHER EMPLOYMENT PROHIBITED.—No member of the Commission appointed under paragraph (1) shall engage in any other business, vocation, or employment.*

“(d) **AFFILIATION.**—With respect to members appointed pursuant to subsection (c)(1), not more than 2 shall be members of any one political party.

“(e) **CHAIR OF THE COMMISSION.**—

“(1) **APPOINTMENT.**—The Chair of the Commission shall be appointed by the President from among the members of the Commission appointed under subsection (c)(1).

“(2) **AUTHORITY.**—The Chair shall be the principal executive officer of the Commission, and shall exercise all of the executive and administrative functions of the Commission, including with respect to—

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

“(B) the distribution of business among personnel appointed and supervised by the Chair and among administrative units of the Commission; and

“(C) the use and expenditure of funds.

“(3) **LIMITATION.**—In carrying out any of the Chair's functions under the provisions of this subsection the Chair shall be governed by general policies of the Commission and by such regulatory decisions, findings, and determinations as the Commission may by law be authorized to make.

“(4) **REQUESTS OR ESTIMATES RELATED TO APPROPRIATIONS.**—Requests or estimates for regular, supplemental, or deficiency appropriations on behalf of the Commission may not be submitted by the Chair without the prior approval of the Commission.

“(f) **NO IMPAIRMENT BY REASON OF VACANCIES.**—No vacancy in the members of the Commission shall impair the right of the remaining members of the Commission to exercise all the powers of the Commission. Three members of the Commission shall constitute a quorum for the transaction of business, except that if there are only 3 members serving on the Commission because of vacancies in the Commission, 2 members of the Commission shall constitute a quorum for the transaction of business. If there are only 2 members serving on the Commission because of vacancies in the Commission, 2 members shall constitute a quorum for the 6-month period beginning on the date of the vacancy which caused the number of Commission members to decline to 2.

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

“(h) **COMPENSATION.**—

“(1) **CHAIR.**—The Chair shall receive compensation at the rate prescribed for level I of the Executive Schedule under section 5313 of title 5, United States Code.

“(2) **OTHER MEMBERS OF THE COMMISSION.**—The 3 other members of the Commission appointed under subsection (c)(1) shall each receive compensation at the rate prescribed for level II of the Executive Schedule under section 5314 of title 5, United States Code.

“(i) **INITIAL QUORUM ESTABLISHED.**—During any time period prior to the confirmation of at least two members of the Commission, one member of the Commission shall constitute a quorum for the transaction of business. Following the confirmation of at least 2 additional commissioners, the quorum requirements of subsection (f) shall apply.

“(j) **OFFICES.**—The principal office of the Commission shall be in the District of Columbia. The Commission may establish regional offices of the Commission in order to carry out the responsibilities assigned to the Commission under the Federal consumer financial laws.”

(b) **BRINGING THE COMMISSION INTO THE REGULAR APPROPRIATIONS PROCESS.**—Section 1017 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5497) is amended—

(1) in subsection (a)—

(A) by amending the heading of such subsection to read as follows: “BUDGET, FINANCIAL MANAGEMENT, AND AUDIT.—”; and

(B) by striking paragraphs (1), (2), and (3);

(C) by redesignating paragraphs (4) and (5) as paragraphs (1) and (2), respectively; and

(D) by striking subparagraphs (E) and (F) of paragraph (1), as so redesignated;

(2) by striking subsections (b) and (c);

(3) by redesignating subsections (d) and (e) as subsections (b) and (c), respectively; and

(4) in subsection (c), as so redesignated—

(A) by striking paragraphs (1), (2), and (3) and inserting the following:

“(1) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this title \$300,000,000 for each of fiscal years 2014 and 2015.”; and

(B) by redesignating paragraph (4) as paragraph (2).

(c) **ENSURING THE INDEPENDENCE OF THE COMMISSION.**—The Consumer Financial Protection Act of 2010 is amended—

(1) in section 1012(c), (12 U.S.C. 5492 (c)) by striking paragraphs (2), (3), (4), and (5); and

(2) in section 1014(b), (12 U.S.C. 5494(b)) by striking “Not fewer than 6 members shall be appointed upon the recommendation of the regional Federal Reserve Bank Presidents, on a rotating basis.”

(d) **CONFORMING AMENDMENTS.**—

(1) **CONSUMER FINANCIAL PROTECTION ACT OF 2010.**—

(A) **IN GENERAL.**—Except as provided under subparagraph (B), the Consumer Financial Protection Act of 2010 (12 U.S.C. 5481 et seq.) is amended—

(i) by striking “Director of the” each place such term appears, other than where such term is used to refer to a Director other than the Director of the Bureau of Consumer Financial Protection; and

(ii) by striking “Director” each place such term appears and inserting “Financial Product Safety Commission”, other than where such term is used to refer to a Director other than the Director of the Bureau of Consumer Financial Protection; and

(iii) in section 1002 (12 U.S.C. 5481), by striking paragraph (10).

(B) **EXCEPTIONS.**—The Consumer Financial Protection Act of 2010 is amended—

(i) in section 1012(c)(4) (12 U.S.C. 5492 (c) (4)), by striking “Director” each place such term appears and inserting “Financial Product Safety Commission”;

(ii) in section 1013(c)(3) (12 U.S.C. 5493 (c) (3))—

(I) by striking “Assistant Director of the Bureau for” and inserting “Head of the Office of”; and

(II) in subparagraph (B), by striking “Assistant Director” and inserting “Head of the Office”;

(iii) in section 1013(g)(2) (12 U.S.C. 5493(g)(2))—

(I) by striking “ASSISTANT DIRECTOR” and inserting “HEAD OF THE OFFICE”; and

(II) by striking “an assistant director” and inserting “a Head of the Office of Financial Protection for Older Americans”;

(iv) in section 1016(a) (12 U.S.C. 5496(a)), by striking “Director of the Bureau” and inserting “Chair of the Commission”; and

(v) in section 1066(a) (12 U.S.C. 5586(a)), by striking “Director of the Bureau is” and inserting “first member of the Commission is”.

(2) **DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT.**—The Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5301 et seq.) is amended—

(A) in the table of contents for such Act by amending the item relating to section 1011 to read as follows:

“Sec. 1011. Establishment of the Financial Product Safety Commission.”;

(B) in section 111(b)(1)(D) (12 U.S.C. 5321(b)(1)(D)), by striking “Director” and inserting “Chair of the Financial Product Safety Commission”; and

(C) in section 1447 (12 U.S.C. 1701p-2), by striking “Director of the Bureau” each place such term appears and inserting “Financial Product Safety Commission”.

(3) **ELECTRONIC FUND TRANSFER ACT.**—Section 920(a)(4)(C) of the Electronic Fund Transfer Act (15 U.S.C. 1693o-2(a)(4)(C)), as added by section 1075(a)(2) of the Consumer Financial Protection Act of 2010, is amended by striking “Director of the Bureau of Consumer Financial Protection” and inserting “Financial Product Safety Commission”.

(4) **EXPEDITED FUNDS AVAILABILITY ACT.**—The Expedited Funds Availability Act (12 U.S.C. 4001 et seq.), as amended by section 1086 of the Consumer Financial Protection Act of 2010, is amended by striking “Director of the Bureau” each place such term appears and inserting “Financial Product Safety Commission”.

(5) **FEDERAL DEPOSIT INSURANCE ACT.**—Section 2 of the Federal Deposit Insurance Act (12 U.S.C. 1812), as amended by section 336(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, is amended by striking “Director of the Consumer Financial Protection Bureau” each place such term appears and inserting “Chair of the Financial Product Safety Commission”.

(6) **FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL ACT OF 1978.**—Section 1004(a)(4) of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3303(a)(4)), as amended by section 1091 of the Consumer Financial Protection Act of 2010, is amended by striking “Director of the Consumer Financial Protection Bureau” and inserting “Chair of the Financial Product Safety Commission”.

(7) **FINANCIAL LITERACY AND EDUCATION IMPROVEMENT ACT.**—Section 513 of the Financial Literacy and Education Improvement Act (20 U.S.C. 9702), as amended by section 1013(d)(5) of the Consumer Financial Protection Act of 2010, is amended by striking “Director” each place such term appears and inserting “Chair of the Commission”.

(8) **HOME MORTGAGE DISCLOSURE ACT OF 1975.**—Section 307 of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2806), as amended by section 1094(6) of the Consumer Financial Protection Act of 2010, is amended by striking “Director of the Bureau of Consumer Financial Protection” each place such term appears and inserting “Financial Product Safety Commission”.

(9) **INTERSTATE LAND SALES FULL DISCLOSURE ACT.**—The Interstate Land Sales Full Disclosure Act (15 U.S.C. 1701 et seq.), as amended by section 1098A of the Consumer Financial Protection Act of 2010, is amended—

(A) by amending section 1402(1) (15 U.S.C. 1701(1)) to read as follows:

“(1) ‘Chair’ means the Chair of the Financial Product Safety Commission.”; and

(B) in section 1416(a) (15 U.S.C. 1715(a)), by striking “Director of the Bureau of Consumer Financial Protection” and inserting “Chair”.

(10) **REAL ESTATE SETTLEMENT PROCEDURES ACT OF 1974.**—Section 5 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2604), as amended by section 1450 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, is amended—

(A) by striking “The Director of the Bureau of Consumer Financial Protection (hereafter in this section referred to as the ‘Director’)” and inserting “The Financial Product Safety Commission”; and

(B) by striking “Director” each place such term appears and inserting “Financial Product Safety Commission”.

(11) **S.A.F.E. MORTGAGE LICENSING ACT OF 2008.**—The S.A.F.E. Mortgage Licensing Act of 2008 (12 U.S.C. 5101 et seq.), as amended by section 1100 of the Consumer Financial Protection Act of 2010, is amended—

(A) by striking “Director” each place such term appears in headings and text, other than where such term is used in the context of the Director of the Office of Thrift Supervision, and

inserting “Financial Product Safety Commission”; and

(B) in section 1503 (12 U.S.C. 5102), by striking paragraph (10).

(2) TITLE 44, UNITED STATES CODE.—Section 3513(c) of title 44, United States Code, as amended by section 1100D(b) of the Consumer Financial Protection Act of 2010, is amended by striking “Director of the Bureau” and inserting “Financial Product Safety Commission”.

(e) DEEMING OF NAMES.—

(1) BUREAU OF CONSUMER FINANCIAL PROTECTION.—Any reference in a law, regulation, document, paper, or other record of the United States to the Bureau of Consumer Financial Protection shall be deemed a reference to the Financial Product Safety Commission.

(2) DIRECTOR.—Any reference in a law, regulation, document, paper, or other record of the United States to the Director of the Bureau of Consumer Financial Protection shall be deemed a reference to the Chair of the Financial Product Safety Commission.

### SEC. 3. RATE OF PAY FOR EMPLOYEES OF THE FINANCIAL PRODUCT SAFETY COMMISSION.

(a) IN GENERAL.—Section 1013(a)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5493(a)(2)) is amended to read as follows:

“(2) COMPENSATION.—The rates of basic pay for all employees of the Financial Product Safety Commission shall be set and adjusted in accordance with the General Schedule set forth in section 5332 of title 5, United States Code.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to service by an employee of the Financial Product Safety Commission following the 90-day period beginning on the date of enactment of this Act.

### SEC. 4. CONSUMER RIGHT TO FINANCIAL PRIVACY.

(a) REQUIREMENT OF THE FINANCIAL PRODUCT SAFETY COMMISSION TO OBTAIN PERMISSION BEFORE COLLECTING NONPUBLIC PERSONAL INFORMATION.—

(1) REQUIRED NOTIFICATION AND PERMISSION.—Section 1022(c)(9)(A) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5512(c)(9)(A)) is amended—

(A) by striking “may not obtain from a covered person or service provider” and inserting “may not request, obtain, access, collect, use, retain, or disclose”;

(B) by striking “personally identifiable financial” and inserting “nonpublic personal”; and

(C) by striking “from the financial records” and all that follows through the period at the end and inserting “unless—

“(i) the Financial Product Safety Commission clearly and conspicuously discloses to the consumer, in writing or in an electronic form, what information will be requested, obtained, accessed, collected, used, retained, or disclosed; and

“(ii) before such information is requested, obtained, accessed, collected, used, retained, or disclosed, the consumer informs the Financial Product Safety Commission that such information may be requested, obtained, accessed, collected, used, retained, or disclosed.”.

(2) APPLICATION OF REQUIREMENT TO CONTRACTORS OF THE FINANCIAL PRODUCT SAFETY COMMISSION.—Section 1022(c)(9)(B) of such Act (12 U.S.C. 5512(c)(9)(B)) is amended to read as follows:

“(B) APPLICATION OF REQUIREMENT TO CONTRACTORS OF THE FINANCIAL PRODUCT SAFETY COMMISSION.—Subparagraph (A) shall apply to any person directed or engaged by the Financial Product Safety Commission to collect information to the extent such information is being collected on behalf of the Financial Product Safety Commission.”.

(3) DEFINITION OF NONPUBLIC PERSONAL INFORMATION.—Section 1022(c)(9) of such Act (12 U.S.C. 5512(c)(9)) is amended by adding at the end the following:

“(C) DEFINITION OF NONPUBLIC PERSONAL INFORMATION.—In this paragraph, the term ‘nonpublic personal information’ has the meaning given the term in section 509 of the Gramm-Leach-Bliley Act (15 U.S.C. 6809).”.

(b) REMOVAL OF EXEMPTION FOR THE FINANCIAL PRODUCT SAFETY COMMISSION FROM THE RIGHT TO FINANCIAL PRIVACY ACT.—Section 1113 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3413) is amended by striking subsection (r).

### SEC. 5. CONSUMER FINANCIAL PROTECTION SAFETY AND SOUNDNESS IMPROVEMENTS.

(a) COUNCIL VOTING PROCEDURE.—Section 1023(c)(3)(A) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5513(c)(3)(A)) is amended—

(1) by striking “2/3” and inserting “a majority”; and

(2) by inserting before the period the following: “, excluding the Chair of the Financial Product Safety Commission”.

(b) REVIEW AUTHORITY OF THE COUNCIL.—Section 1023 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5513) is amended—

(1) in subsection (a)—

(A) by striking “may” and inserting “shall”; and

(B) by striking “regulation or provision would put the safety and soundness of the United States banking system or the stability of the financial system of the United States at risk” and inserting “regulation which is the subject of the petition is inconsistent with the safe and sound operations of United States financial institutions”; and

(2) in subsection (c)—

(A) in paragraph (3)(B)(ii), by striking “would put the safety and soundness of the United States banking system or the stability of the financial system of the United States at risk” and inserting “is inconsistent with the safe and sound operations of United States financial institutions”;;

(B) in paragraph (4)—

(i) by striking subparagraph (B); and

(ii) by redesignating subparagraph (C) as subparagraph (B);

(C) by striking paragraph (5); and

(D) by redesignating paragraphs (6), (7), and (8) as paragraphs (5), (6), and (7), respectively.

(c) SAFETY AND SOUNDNESS CHECK.—Section 1022(b)(2)(A) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5512(b)(2)(A)) is amended—

(1) in clause (i), by striking “and” at the end;

(2) in clause (ii), by adding “and” at the end; and

(3) by adding at the end the following:

“(iii) the impact of such rule on the financial safety or soundness of an insured depository institution.”.

The CHAIR. No amendment to that amendment in the nature of a substitute shall be in order except those printed in part B of House Report 113-350. Each such amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment, and shall not be subject to a demand for division of the question.

AMENDMENT NO. 1 OFFERED BY MR. RIGELL

The CHAIR. It is now in order to consider amendment No. 1 printed in part B of House Report 113-350.

Mr. RIGELL. I have an amendment at the desk.

The CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Add at the end the following new section:

### SEC. 6. ANALYSIS OF REGULATIONS.

Section 1022 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5512) is amended by adding at the end the following new subsection:

“(e) ANALYSIS OF REGULATIONS.—

“(1) IN GENERAL.—Each time the Commission proposes a new rule or regulation, the Commission shall—

“(A) carry out an initial regulatory flexibility analysis for such proposed rule or regulation, which shall be carried out as closely as possible to those initial regulatory flexibility analyses required under section 603 of title 5, United States Code, but which shall analyze the financial impact of the proposed rule or regulation on covered persons, regardless of size; and

“(B) carry out an analysis of whether the proposed rule or regulation will impair the ability of individuals and small businesses to have access to credit.

“(2) REPORT.—The Commission shall issue a report to the Council on each analysis carried out under paragraph (1), and make such analysis available to the public.

“(3) USE OF EXISTING RESOURCES.—The Commission shall use existing resources to carry out the requirements of this subsection.”.

The CHAIR. Pursuant to House Resolution 475, the gentleman from Virginia (Mr. RIGELL) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Virginia.

Mr. RIGELL. Mr. Chairman, I want to thank my friend and colleague from Texas, Chairman HENSARLING, and all of those who worked on this underlying legislation, H.R. 3193.

My amendment strengthens that legislation, and I really respect how it was crafted, the legislation that underlies my amendment. It really is much needed.

□ 1600

My amendment is focused on one of the most critical ingredients that is necessary for those that are trying to start a new business or to grow an existing business, and that is access to credit. Now, I offer my amendment based on my own real-world experience. It is about 22 years ago that I started my business, and I was able to start it and to grow it and to say these wonderful words to so many fellow Americans in Virginia's Second Congressional District, “You are hired.” I was able to say those words because one of the ingredients I had available to me was access to credit.

I offer my amendment today based, as well, on the clear, united, and truly rational voice that is being articulated by Virginia's Second Congressional District, and that is that the Consumer Financial Protection Bureau is truly and irrefutably, in their view and in mine, damaging and harming their ability to have access to credit.

Common ground is something that I come to work every day seeking to advance. I am convinced, absolutely, that it is here and it can be found. In fact, this gridlock that we so often experience truly is hurting our country. But

as I listen to my colleagues so often on the other side—and I have been up here and had the privilege of serving in this institution 3 years—quite frankly, when I hear statements like we don't care about consumers, I take offense at this. And I have listened to it for 3 years, and I think that it does a disservice to this House and to the American people to continually claim that we don't care about the American consumer or that we don't care about the environment or the poor or the aged. Indeed we do. And this represents my best judgment, and the best judgment of so many, that this underlying legislation in my particular amendment would help consumers. I am convinced of this.

What my amendment does is it requires the Bureau to simply do this: to consider and to calculate in a very careful way exactly how the impact—the adverse impact that these regulations that are being put forth by this organization—would affect credit. Now, indeed, isn't this common ground? It is really common sense. Before you take any action to do something, you ought to take a moment to consider what that action might do in inhibiting individual Americans and businesses from accessing credit.

I think it is critical, too, that we look at the organization itself. This is an organization that is really outside of the scope of accountability that we really should be requiring of each and every agency in the Federal Government. It is largely outside the accountability and the influence of Congress. And this is quite striking: it is largely out of the influence of the President. In a unique way, and I think in a harmful way, it is largely outside of the accountability of the court system.

Look, common sense will just tell you that is not a good idea for any agency to be outside of accountability. Each Member here is accountable to our own district. The actions that have been taken by this organization already, sure, we can find a few that have been helpful and I think ought to continue—taking care of our military and making sure that businesses operate in an ethical manner—but, overwhelmingly, what we are seeing is this: that the sum of all things is it is hurting the American consumer, and it is hurting our ability of fellow Americans to access credit. That is why I urge support for the underlying legislation and my amendment.

I reserve the balance of my time.

Ms. WATERS. Mr. Chair, I rise in opposition to the amendment.

The Acting CHAIR (Mr. MARCHANT). The gentlewoman from California is recognized for 5 minutes.

Ms. WATERS. Mr. Chair, I yield myself 3 minutes.

I rise in opposition to this amendment, and I will take a moment just to respond to the gentleman from Virginia who seemed a little bit disturbed that we would claim that they do not care about consumers. The proof of the

pudding is in the eating, sir, and because of the way that the Republicans have opposed the Consumer Financial Protection Bureau, the manner in which we have described today that you have attempted to dismantle this Bureau, the way that you have tried to deny it having a strong Director, for all of those reasons, it is absolutely clear that you do not wish to have a Bureau that protects our consumers.

And so when we make these charges, we make them because we have proof. We have the information, we have the actions, and we have all that you have done to demonstrate that you really don't want a Bureau to protect the consumers of this country.

The fact is that Americans want banks to be regulated in order to prevent the kind of economic catastrophe that we are recovering from to this day. Because Republicans haven't been able to repeal the Dodd-Frank Act, you have focused on making it impossible for the agencies to enact the rules required by the Wall Street reform bill. Your new strategy is to prevent our regulators from functioning by saddling them with burdensome and duplicative cost-benefit requirements.

Let's take a moment to talk about the cost of the financial crisis. The United States Department of the Treasury measured the cost of the financial crisis at \$19.2 trillion in loss of household wealth and 8.8 million in lost jobs. Communities of color were hit particularly hard, losing over 50 percent of their household wealth. Millions of borrowers have been foreclosed upon, and millions more remain underwater and struggling to stay in their homes to this day.

A report by the Government Accountability Office on the cost-benefit analysis of the Dodd-Frank Act stated:

If the cost of a future crisis is expected to be in the trillions of dollars, then the act likely would need to reduce the probability of a future financial crisis by only a small percent for its expected benefit to equal the act's expected cost.

Beyond all of this, this amendment is a solution in search of a problem. The Consumer Financial Protection Bureau is already required to perform cost-benefit analysis on its rules and evaluate impacts on small businesses. The CFPB has repeatedly demonstrated its commitment to minimizing the impact of its rules on small banking institutions and small businesses.

I yield back the balance of my time.

The Acting CHAIR. Members are reminded to address their remarks to the Chair.

Mr. RIGELL. Mr. Chairman, tell me how much time is remaining, please.

The Acting CHAIR. The gentleman from Virginia has 30 seconds remaining.

Mr. RIGELL. Mr. Chairman, I appreciate the gentlelady's remarks. I still hold the view that the sum of all things that I have heard in our district is that the Bureau is doing more harm than good.

I urge, again, my colleagues to vote for the underlying legislation and my amendment which would help protect individual Americans and businesses in their ability to seek credit, which is an essential part to keeping our economy growing and creating more jobs.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Virginia (Mr. RIGELL).

The question was taken; and the Acting Chair announced that the ayes appeared to have it.

Ms. WATERS. Mr. Chairman, I ask for a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Virginia will be postponed.

The Chair understands that amendment No. 2 will not be offered.

AMENDMENT NO. 3 OFFERED BY MR. DESANTIS

The Acting CHAIR. It is now in order to consider amendment No. 3 printed in part B of House Report 113-350.

Mr. DESANTIS. Mr. Chair, I offer my amendment.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Add at the end the following:

**SEC. 6. REPEAL OF EXCLUSIVE RULEMAKING AUTHORITY.**

Section 1022(b) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5512(b)) is amended by striking paragraph (4).

The Acting CHAIR. Pursuant to House Resolution 475, the gentleman from Florida (Mr. DESANTIS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Florida.

Mr. DESANTIS. Mr. Speaker, James Madison told us in the Federalist Papers:

If men were angels, no government would be necessary. And if angels were to govern men, neither external nor internal controls on government would be necessary.

And so as I look at this agency which lacks all the traditional measures for constitutional accountability, I am reminded by that insight. The Founding Fathers understood human nature, and they understood that people in positions of power will eventually, at some point, abuse that power. That is just inherent in the nature of man, and so they built a government to have checks and balances.

As I look at this consumer financial protection agency, I am wowed by the amount of power that has been invested in this: very limited executive accountability, the CFPB Director is essentially the financial czar of the country, and no budget oversight by Congress. I know we are trying to change that in this bill, but Madison said that the most effectual check that we have in Congress is the power of the purse.

There is this huge amount of deference in terms of what judicial review

is allowed to be done. The courts are instructed to defer to the CFPB. The problem with that is that there are a lot of novel concepts in this bill. Terms are introduced that don't necessarily have a definition in other regulatory history, and the CFPB is basically going to be given carte blanche to go forward on that. And when asked about some of these terms, the CFPB Director said, well, you kind of figure it out when you see it, and it is a puzzle that we are putting together.

Well, that is not acceptable, and I think the American people need to have recourse to the courts. So what my amendment does is it reinstitutes judicial review, and it removes this excessive deference that has been granted to the CFPB.

I hear reports about all this data that is being collected on American citizens—credit card transactions and debit card transactions, millions of these things are being done. Are we just supposed to say that the people should have no recourse in case that is abused? We are just supposed to trust the CFPB in terms of how they use that data?

The bottom line is you have an agency that is combining legislative power, executive power, and judicial power. That is contrary to our constitutional structure and contrary to the separation of powers doctrine, and I don't think most Americans have confidence that some far, distant Bureau should just be left to their own devices and that somehow they will be able to make all these decisions better for individual Americans than they can make for themselves.

So I urge the adoption of my amendment, Mr. Chairman, and I reserve the balance of my time.

Ms. WATERS. Mr. Chairman, I rise in opposition to the amendment.

The Acting CHAIR. The gentlewoman from California is recognized for 5 minutes.

Ms. WATERS. Mr. Chair, I yield myself 3 minutes.

The Consumer Financial Protection Bureau was designed with one goal in mind: we were giving consumers a fair shake in the marketplace by making sure they finally had a regulator who was on their side. The CFPB is the only agency with the expertise and the mission to focus on developing trends in the consumer finance marketplace, identify abuses, and stop them before they lead borrowers into financial ruin.

Prior to the passage of the Dodd-Frank Act, consumer financial laws were supposed to be enforced by cooperation amongst all of the regulators. But as we now know all too well, safety and soundness concerns time and again trumped those of consumer protection, leading to the system where all of the regulators were responsible and none of them were accountable.

It was precisely this inattention to consumer protection that allowed the crisis to boil up under regulators'

noses, leaving American families to foot the bill. Fortunately, Congress learned the lesson that strong protections for consumers are essential to maintaining a stable and sound economic foundation.

Upon passage of the Dodd-Frank Act, this House finally had put a cop on the beat with exclusive authority to issue sensible rules that protect every American. We are confident that the CFPB will continue to work diligently with prudential regulators to make sure their rules are consistent with the safe and sound operations of banks, ensuring that both rulemaking and enforcement authorities reside exclusively with the CFPB and will increase confidence in consumer markets and also ensure certainty for businesses and financial institutions.

Returning to the broken model that existed before the crisis just doesn't make good sense. So I would urge my colleagues to reject this amendment, and I reserve the balance of my time.

□ 1615

Mr. DESANTIS. Mr. Chairman, I urge my colleagues to adopt this amendment. The notion that somehow we are just going to put all this trust in the CFPB and why you can't have the ability to go into court and have the courts review some of their actions to me just doesn't cut it. I would much rather err on the side of having protections for the American people from government agencies that have too much power than err on the side of giving the agency an excessive amount of power and just hoping that they exercise that in a prudent fashion.

With that, Mr. Chairman, I ask my colleagues to vote "yes" on this amendment. I applaud the other Members who have been involved in crafting this bill.

I yield back the balance of my time.

Ms. WATERS. Mr. Chairman and Members, we have had discussions with Members on the opposite side of the aisle about protection for our consumers. We have heard them tell us everything about people should have choices. They can go and hire their own lawyers, they can go into court. They can do all of these things. The fact of the matter is, government does have the responsibility to protect consumers. This is a government of laws and rules that we put together for businesses. We allow businesses to operate in certain ways, but we cannot allow them to run roughshod over consumers.

Like I said, prior to Dodd-Frank, that is, the reform, we had nobody looking out for consumers. We had our financial services agencies of government saying that their real job was for safety and soundness, not for consumer protection. So we have had news media, we have had nonprofit agencies, we have had groups getting together trying to address all of these abuses, all of these problems all by themselves. Well, guess what? Now we have a cop

on the block. It is your government. This consumerfinance.gov Web site is there for all of our citizens. This telephone number, (855) 411-2372, is there for our consumers to call, and while you are calling the Bureau, call your elected officials also and ask them why they don't stand up for you, why they are on the floor of Congress advocating against your right to have protection from all of these kinds of abuses. Enough is enough.

Americans consumers are losing dollars every day because of crooks and schemes and thieves and on and on and on, and now you get rid of the very agency that would protect them from all of these schemes? I am so happy that we have reform. I am so happy that now the American people can rely on their government to come to their aid.

I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentleman from Florida (Mr. DESANTIS).

The question was taken; and the Acting Chair announced that the ayes appeared to have it.

Ms. WATERS. Mr. Chairman, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Florida will be postponed.

#### AMENDMENT NO. 4 OFFERED BY MS. MOORE

The Acting CHAIR. It is now in order to consider amendment No. 4 printed in part B of House Report 113-350.

Ms. MOORE. Mr. Chair, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Add at the end the following:

#### SEC. 6. FINDINGS; SENSE OF CONGRESS.

(a) FINDINGS.—The Congress finds the following:

(1) "The Congress acknowledges and honors the tremendous work of the Bureau of Consumer Financial Protection in protecting and providing relief to consumers from instances of unfair, deceptive, and abusive practices in financial markets.

(2) The Bureau of Consumer Financial Protection has refunded over \$3 billion to approximately 9.7 million victims of deceptive or abusive practices in financial markets since its inception.

(3) The Bureau of Consumer Financial Protection has continued to engage with consumers, industry, Congress, and other regulators to promulgate rules making U.S. financial markets the fairest, safest, and most robust in the world.

(4) Changes to the current management, oversight, or funding of the Bureau of Consumer Financial Protection would undermine the mission of the Bureau.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the Congress—

(1) acknowledges the meritorious work of the Bureau of Consumer Financial Protection; and

(2) supports the Bureau's ongoing mission by preserving the current management, oversight, and funding structure of the Bureau.

The Acting CHAIR. Pursuant to House Resolution 475, the gentlewoman

from Wisconsin (Ms. MOORE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Wisconsin.

Ms. MOORE. Mr. Chairman, my amendment is straightforward. It simply provides a sense of Congress that acknowledges the tremendous work done by the Consumer Financial Protection Bureau as it was originally conceived in Dodd-Frank and how it has been operating to this point.

The agency, Mr. Chair, has refunded \$3 billion to 9.7 million victims of unfair, deceptive, and abusive practices in financial markets. The Consumer Financial Protection Bureau has helped people, and fraud has been curtailed. The message has been sent to the next generation of financial hustlers that there is a dedicated cop on the beat in financial markets.

The singular and dedicated mission of the Consumer Financial Protection Bureau is to protect consumers of financial products from schemes, and it inspires trust in our markets that attracts capital and promotes allocations of that capital to productive, legitimate endeavors.

My amendment affirms that the current management, oversight, and funding source, as enshrined in Dodd-Frank, are the best way to preserve the integrity and independence of the agency, and to ensure that we don't return to the bad old days and bad old ways that put the ox in the ditch by creating the 2008 financial crisis and the \$700 billion bailout.

Now, H.R. 3193 openly acknowledges that it would alter and neuter the agency's mission because H.R. 3193 would rename the Consumer Financial Protection Bureau to the Financial Product Safety Commission, removing, Mr. Chairman, consumers from the equation, both in name and function. It would subject the agency's funding to protect consumers to the unwieldy appropriations process, sequester, defunding amendments, instead of the outside independent funding vis-a-vis these powerful financial institutions.

Now, whether intentional or not, Republicans, Mr. Chair, have shown their hand with the omission of consumers in H.R. 3193, and despite the euphemistic name of the bill as written, this bill would alter the mission and cripple the Consumer Financial Protection Bureau by focusing on protecting financial products rather than consumers. Whatever the intent, Mr. Chairman, consumers would be thrown under the bus by removing the cop from the Wall Street beat.

I reserve the balance of my time.

Mr. HENSARLING. Mr. Chairman, I rise to oppose the amendment.

The Acting CHAIR. The gentleman from Texas is recognized for 5 minutes.

Mr. HENSARLING. Mr. Chairman, I find this to be a most curious amendment from the gentlelady from Wisconsin, and we do enjoy her participation on the committee, but it is a curi-

ous amendment because if it is accepted, and I believe the House is going to pass it, then it says the House is on record as saying we are going to do something but we just didn't feel really good about it. In other words, her amendment does nothing to the underlying bill except a sentiment that says we shouldn't have passed it in the first place. So it is a curious, curious amendment, Mr. Chairman.

I personally, and I don't think the House, want to be on record as saying that the CFPB has given us the fairest, safest, and most robust capital markets in the world. I have no doubt there are many good men and women who work there. They have done some important work. But fair? Fair, Mr. Chairman? An agency in the name of consumer protection that would deny one-third of current Black and Hispanic homeowners the opportunity to own a home? This is fair? It is just incredible.

We have brought this up several times in this debate, Mr. Chairman, and we hear crickets chirping on the other side of the aisle. Now if a private company did that, there would be riots in the street, but it is okay if government has a disparate impact on minorities. I don't know if that is fair. We have had testimony in our committee that literally half-half—of the mortgages today, according to CoreLogic, wouldn't qualify under the QM rule promulgated by the CFPB. I am not going to go on record saying that is fair; that it is somehow fair that half of Americans who otherwise would have qualified for a mortgage can no longer have it?

To say that somehow the current oversight is adequate to this agency, an agency that sets its own budget, an agency that is spending \$145 million to renovate a \$150 million building they don't even own, to give us a tree bosque, to give us granite water features? This is somehow a good use of the taxpayer money, a reflective carnelian granite water table, triple the renovation rate of class A luxury space in Washington?

If there was ever an agency, Mr. Chairman, that demands accountability to the American people, this is it. You do not protect consumers by taking away their rights, their freedoms, their ability to shop in competitive and transparent markets, and you do not protect them by taking away their income and spending it on a lavish palace for unelected, unaccountable bureaucrats.

I reserve the balance of my time.

Ms. MOORE. Mr. Chairman, I always enjoy the chairman of the Financial Services Committee and his lavish explanations.

I just want to clear up some of the confusion and bewilderment that he seems to be under with regard to minority and Latin borrowers. He has said over and over and over again, he has talked about and referred to the Qualified Mortgage standards under

the new rules. The new standards have just taken place, and I think that minorities will find that 95 percent of the mortgages today will fall within the Qualified Mortgage standards.

Now having said that, I will just say that the chairman should look at something other than the PATH Act toward restoring the GSEs, if he is very concerned about minorities, and I would join him in that to be able to get mortgages.

I would say that to clear up his bewilderment here, I just want to congratulate the Consumer Financial Protection Bureau because it is a fact that they have supported the refund of \$3 billion to 9.7 million victims of unfair practices.

I agree with him: the purpose of this bill and the reason that they won't accept this amendment is because they don't want to go on record that they support consumers over all of these very, very lucrative financial products that are out there, and they want no regulation, which is why we saw the 2008 meltdown, the no rules of the road. They want to return to the days when there was an ability to drive the economy over the cliff and to deceive consumers to the point that they could and would become victims. So I can understand the chairman's reluctance to accept this language.

Mr. Chairman, I enter into the RECORD our defense of our claims, and I yield back the balance of my time.

RESPONSE TO CORELOGIC ANALYSIS OF QUALIFIED MORTGAGE (QM) STANDARDS, CRL ISSUE BRIEF; FEBRUARY 20, 2013

The recently released CoreLogic report "The Mortgage Market Impact of Qualified Mortgage Regulation" has received a lot of attention due to its finding that 48 percent of the mortgage market would not qualify as a "safe loan" under new Qualified Mortgage (QM) guidelines.

CoreLogic uses a "waterfall" analysis to estimate the proportion of 2010 mortgage originations that do not meet one or more of the QM criteria. While a waterfall approach is a reasonable methodology for estimating the proportion of recent originations that fall outside of QM standards, there are problems both with the specifics of CoreLogic's model and its assumptions about the expiration of the GSE exemption that significantly undercut the usefulness of its estimates of the impact of the QM rule.

Removes Loans with Credit Scores less than 640: As part of estimating the impact of QM, CoreLogic included a restriction on credit scores. Specifically, the waterfall analysis first removes loans with credit scores below 640 "because they resemble subprime loans." In fact, five percent of originations are removed solely based on this criterion. This exclusion is not warranted because the QM guidelines do not place any restrictions on a borrower credit score.

Assumes that borrowers who received loan products with prohibited QM features would not be able to access QM-eligible loan products in the future: The other waterfall layers used to estimate the QM impact are: total debt-to-income (DTI) ratio over 43 percent; whether the loan was negatively amortizing, balloon or interest only; low- or no-documentation; and loan terms of greater than 30 years. These restrictions result in exclusions of 24 percent, 1 percent, 16 percent, and 2 percent respectively. Based on this analysis,

while it might be reasonable for the report to estimate that 43 percent of 2010 originations did not meet these new QM guidelines, it is not reasonable to infer that none of these borrowers could have received QM loans if the rule had been in place in 2010. While having a high DTI may be a difficult barrier that many borrowers cannot overcome, the disqualifying loan terms, such as negative amortization options or terms of greater than 30 years, can easily be avoided in most cases by simply

Re-structuring the loans into amortizing 30 year loans. Similarly, most borrowers who received no-doc or low-doc loans in 2010, the origination year analyzed in the report, likely could have documented their incomes. Therefore, the inference that none of the 19 percent of borrowers that had disqualifying loan products could have received QM loans is unwarranted.

Assumes the GSE exemption expires: As the report recognizes, most of the 24 percent of loans to borrowers with high DTIs are currently being made by GSEs or insured by FHA and these loans automatically qualify as QM under a temporary exemption (up to seven years). Indeed, the report acknowledges that the impact of the QM rule on loans currently being made would be "minor". Given the uncertainties concerning GSE reform and mortgage finance that will need to be resolved over the next seven years, it is not at all clear that the temporary exemption will in fact end in seven years.

[From the Housingwire, Oct. 28, 2013]

IT'S OKAY TO LEND OUTSIDE QM: CFPB  
DIRECTOR RICHARD CORDRAY  
(By Kerri Ann Panchuk)

It's likely mortgage bankers attending the Mortgage Bankers Association 100th Annual Convention & Expo in Washington, D.C., eagerly awaited the arrival of Consumer Financial Protection Bureau Director Richard Cordray.

After all, the regulatory landscape stemming from the 2010 Dodd-Frank Act has left the lending industry shell-shocked by not only the CFPB's new enforcement authority, but by all the lending/servicing rules slated to take effect in January.

If bankers are worried about this new CFPB-era, Cordray told the crowd: Don't be.

In his speech, the CFPB director basically asserted that in many cases, non-qualified mortgages with the right underwriting are perfectly fine even if they fall outside the QM boundaries. This mirrors past statements in which Cordray said he doesn't anticipate an outbreak of QM-related litigation.

Where he stops short—or simply doesn't go—is in explaining how lenders know at the beginning of the origination cycle that what they've done outside QM in terms of underwriting is sufficient enough to protect them later on if someone were to perhaps raise an ability-to-repay claim.

Lawyers up for litigation love gray lines, but those wanting to prevent future ability-to-repay litigation are likely to prefer black and white rules. Cordray shows optimism around the idea that responsible lenders are still safe outside QM, but no specifics were given on how the CFPB would address non-QM lending decisions down the road if a default were to occur. Yet, he seems to be saying don't over worry as long as standards are in place.

And when it comes to the 3% points-and-fee threshold, Cordray has another strong viewpoint, saying "though no data is available to model the precise impact of the three-percent threshold for points and fees mandated by the statute, that threshold is

more than three times the average lender origination fees reported by Bankrate.com in its most recent annual survey, and our rule provides an even higher threshold for smaller loans."

He added that the definition of a qualified mortgage already covers most of the loans made today. And even loans not covered by QM can still be generated as long as lenders use "sound underwriting standards and routinely perform well over time," the director told the MBA crowd. Again, what does 'perform well over time' mean? That part is not as clear.

As an example, Cordray told the audience, he is aware of borrowers who may possess considerable other assets, but who remain stifled by high debt-to-income ratios that force them outside the QM standards. As long as lenders ensure the best underwriting standards, they should be fine, Cordray said. "Lenders that have long upheld such standards have little to fear from the ability-to-repay rule; the strong performance of their loans over time demonstrates the care they have taken in underwriting to ensure that borrowers have the ability to repay," Cordray added.

"Nothing about their traditional lending model has changed, and they should continue to offer the same kinds of mortgages to borrowers whom they evaluate as posing reasonable credit risk—whether or not they meet the criteria to be classified as qualified mortgages."

Cordray further noted that lenders who refuse to lend outside QM will be at no greater risk, absent other factors, of facing fair lending allegations.

The CFPB director once again cited data from Mark Zandi, chief economist for Moody's Analytics, noting that 95% of the mortgages made today fall within the qualified mortgage standard.

"Some, such as CoreLogic, have put out much lower figures, but by their own admission, those figures were not intended to take account of the expanded definition of QM that will actually take effect in January but instead were offered as projections of a distant future when the temporary expansion expires," Cordray explained.

□ 1630

Mr. HENSARLING. Mr. Chairman, I would just say to my friends on the other side of the aisle—and the gentlelady from Wisconsin, I would draw her attention to the Federal Reserve bulletin, November 2013, Volume 99, No. 4, page 37, that clearly shows, again, according to the Federal Reserve, that 34 percent of Blacks and 32 percent of Hispanics would not meet the new QM standard based upon the 43 percent debt-to-income requirement.

Now, this is Federal Reserve data. If the gentlelady or any other Member on the other side of the aisle wishes to refute this data from the Federal Reserve, they are certainly free to do so on their time.

But again, I am not going to go on record saying this is fair. I haven't heard anybody rebut what CoreLogic has said, that when fully implemented, half of today's mortgages would not qualify under the QM rule. This is not fair.

Mr. Chairman, somebody has to protect consumers from the CFPB. Consumers, yes, they have to be protected from Wall Street, but they have to be protected from Washington as well.

You do not protect consumers by having unelected, unaccountable bureaucrats in Washington whose average salary is over \$175,000—salary and benefits—to somehow say: I am from Washington. I am smarter than you. I will decide whether or not you get a mortgage.

It is arrogant; it is unfair; it is abusive. It must stop. We should reject the gentlelady's amendment, and we should adopt the underlying legislation.

I yield back the balance of my time. The Acting CHAIR. The question is on the amendment offered by the gentlewoman from Wisconsin (Ms. MOORE).

The question was taken; and the Acting Chair announced that the noes appeared to have it.

Ms. MOORE. Mr. Chairman, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentlewoman from Wisconsin will be postponed.

Mr. HENSARLING. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. HOLDING) having assumed the chair, Mr. MARCHANT, Acting Chair of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 3193) to amend the Consumer Financial Protection Act of 2010 to strengthen the review authority of the Financial Stability Oversight Council of regulations issued by the Bureau of Consumer Financial Protection, and for other purposes, had come to no resolution thereon.

#### PROVIDING FOR CONSIDERATION OF H.R. 899, UNFUNDED MAN- DATES INFORMATION AND TRANSPARENCY ACT OF 2013

Ms. FOXX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 492 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 492

*Resolved*, That at any time after adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 899) to provide for additional safeguards with respect to imposing Federal mandates, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chair and ranking minority member of the Committee on Oversight and Government Reform. After general debate the bill shall be considered for amendment under the five-minute rule. The bill shall be considered as read. All points of order against provisions in the bill are waived. No amendment to the bill shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered