

Renacci
Ribble
Rice (SC)
Rigell
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rohrabacher
Rokita
Rooney (FL)
Roskam
Ross
Rothfus
Rouzer
Royce
Russell
Salmon
Sanford
Scalise
Schweikert
Scott, Austin
Sensenbrenner

NAYS—184

Adams
Aguilar
Ashford
Bass
Beatty
Becerra
Bera
Beyer
Bishop (GA)
Blumenauer
Bonamici
Boyle, Brendan F.
Brady (PA)
Brown (FL)
Brownley (CA)
Bustos
Butterfield
Capps
Capuano
Cárdenas
Carney
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu, Judy
Cicilline
Clark (MA)
Clarke (NY)
Clay
Cleaver
Clyburn
Cohen
Connolly
Conyers
Cooper
Costa
Courtney
Crowley
Cuellar
Cummings
Davis (CA)
Davis, Danny
DeGette
Delaney
DeLauro
DeBene
DeSaulnier
Deutch
Dingell
Doggett
Doyle, Michael F.
Duckworth
Edwards
Ellison
Engel
Eshoo
Esty
Farr
Fattah
Foster
Frankel (FL)

NOT VOTING—6

DeFazio
Fleming

□ 1341

Mr. WELCH changed his vote from “yea” to “nay.”
So the resolution was agreed to.

Walker
Walorski
Walters, Mimi
Weber (TX)
Webster (FL)
Wenstrup
Westerman
Westmoreland
Whitfield
Williams
Wilson (SC)
Wittman
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IA)
Young (IN)
Zeldin
Zinke

Napolitano
Neal
Nolan
Norcross
O'Rourke
Pallone
Pascarell
Payne
Pelosi
Perlmutter
Peters
Peterson
Pingree
Pocan
Polis
Price (NC)
Quigley
Rangel
Rice (NY)
Richmond
Roybal-Allard
Ruiz
Rush
Ryan (OH)
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schrader
Scott (VA)
Scott, David
Serrano
Sewell (AL)
Sherman
Sinema
Sires
Slaughter
Smith (WA)
Speier
Swalwell (CA)
Takano
Thompson (CA)
Thompson (MS)
Titus
Tonko
Torres
Tsongas
Van Hollen
Vargas
Veasey
Vela
Velázquez
Visclosky
Walz
Wasserman
Schultz
Waters, Maxine
Watson Coleman
Welch
Wilson (FL)
Yarmuth

Ruppersberger
Takai

□ 1345

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY COMMITTEE ON RULES REGARDING AMENDMENT PROCESS FOR H.R. 8, NORTH AMERICAN ENERGY SECURITY AND INFRASTRUCTURE ACT OF 2015

(Mr. SESSIONS asked and was given permission to address the House for 1 minute.)

Mr. SESSIONS. Mr. Speaker, I will be sending around a Dear Colleague later this afternoon outlining the amendment process for H.R. 8, the North American Energy Security and Infrastructure Act of 2015. The amendment deadline will be Tuesday, November 24, 2015, at 12 p.m. Amendments should be drafted to the text posted on the Committee on Rules Web site. Please feel free to contact me or my staff if we may be of further assistance.

REFORMING CFPB INDIRECT AUTO FINANCING GUIDANCE ACT

GENERAL LEAVE

Mr. HENSARLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and submit extraneous materials on the bill (H.R. 1737) to nullify certain guidance of the Bureau of Consumer Financial Protection and to provide requirements for guidance issued by the Bureau with respect to indirect auto lending.

The SPEAKER pro tempore (Rodney Davis of Illinois). Is there objection to the request of the gentleman from Texas? There was no objection.

The SPEAKER pro tempore. Pursuant to House Resolution 526 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. 1737.

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

□ 1344

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. 1737) to nullify certain guidance of the Bureau of Consumer Financial Protection and to provide requirements for guidance issued by the Bureau with respect to indirect auto lending, with Mr. POE of Texas in the chair.

The Clerk read the title of the bill.
The CHAIR. 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. Chairman, I rise today in support of H.R. 1737, the Reforming CFPB Indirect Auto Financing Guidance Act. It is an important, bipartisan bill cosponsored by 166 Members of the House, including 65 Democratic Members. It was approved by the Financial Services Committee that I chair with strong bipartisan support, including more than half of the committee's Democratic members who voted.

If Congress means what it says when we write a law, then the CFPB cannot be allowed to willfully ignore the law. Without this bill, the CFPB would have done a blatant end run around the Dodd-Frank Act as well as the Administrative Procedure Act.

I would like to thank Representative GUINTA of New Hampshire and Representative PERLMUTTER of Colorado for their leadership in providing the CFPB with an opportunity to live up to its claim of transparency and accountability. I want to thank the gentleman from Texas (Mr. WILLIAMS) as well for his outstanding work on this bill.

The CFPB's flawed bulletin on indirect auto lending attempts to regulate compensation paid to auto dealers despite the fact that auto dealers were specifically exempted in the Dodd-Frank Act from CFPB rulemaking.

By using this bulletin, the Bureau went far beyond merely clarifying existing law and instead, in trying to make new policy through this guidance, did this without using the normal rulemaking process and without public input.

This is an affront, Mr. Chairman, to due process. This is an affront to the rule of law and to basic fairness. Furthermore, the CFPB has not been transparent in revealing the methodology it used to determine whether fair lending violations existed in the auto finance market.

It took a year of constant pressure from Members of Congress and 13 different letters from 90 Democrat and Republican Members to get the CFPB to finally provide documentation regarding its disparate impacts.

In the white paper ultimately provided by the CFPB, they admitted that their own proxy methodology for determining racial disparities is flawed and overestimates the number of African Americans by perhaps as much as 20 percent. Outside statisticians at the well-respected Charles River Associates found the figure could be off by as much as 41 percent.

According to a series of three articles published this past September in the American Banker, internal agency documents show the CFPB was aware that their disparate impact methodology significantly overstates racial impact. In other words, Mr. Chairman, they knowingly used junk science and may have no evidence of unintentional discrimination based on the disparate impact theory.

In those same internal memos, the American Banker newspaper also found that unaccountable CFPB bureaucrats

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

chose to disregard the explicit exemption of auto dealers that Democrats, when they had a supermajority in both the Senate and the House and controlled the White House, put into Dodd-Frank.

They chose to disregard the formal rulemaking requirement set out by the Administrative Procedure Act and instead used high-profile enforcement actions against large auto lenders to pressure them to lower the caps they set on dealer reserve.

Now, not only does this call into question the CFPB's attempts to police the fairness of auto loans, its preferred outcomes will obviously increase costs for consumers.

As was noted earlier, the CFPB has pressured finance companies to lower the caps they set on dealer reserve or eliminate this discretion altogether. However, under this pricing model, *The Wall Street Journal* recently revealed that interest payments for some consumers could increase by as much as \$580 over the life of the loan.

This shows the dire need for the CFPB to follow a transparent process when issuing any subsequent auto finance guidance. That is what H.R. 1737 will ensure.

The bill is a simple bill. It requires the Bureau to, number one, provide notice and an opportunity for public comment. Number two, it says the CFPB must make any studies, data, or analysis used in writing the bulletin public. Number three, it must consult with other relevant regulators. Four, it must study the impact of the guidance on consumers as well as women-owned businesses, minority-owned businesses, and small businesses.

To those who claim this bill somehow undermines the CFPB's antidiscrimination efforts, let me quote from the views the Democrat members stated in our report:

H.R. 1737 does not alter the CFPB's examination or enforcement activity pursuant to ECOA. That is simply a red herring.

Mr. Chairman, I urge all my colleagues to support H.R. 1737.

Mr. Chairman, I reserve the balance of my time.

Ms. MAXINE WATERS of California. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman and Members, I rise today in opposition to H.R. 1737, which would impede the Consumer Financial Protection Bureau's important work of regulating discriminatory auto lending practices and protecting minority borrowers.

In spite of the fact that Chairman HENSARLING just talked about a study, what he didn't tell you is that was a study that was done by the automobile industry, who is supporting this bill.

H.R. 1737 would cancel important policy guidance the CFPB provided to lenders to help them comply with Federal fair lending laws.

The bill also imposes burdensome restrictions on the issuance of any future auto lending guidance by requiring

that the CFPB undergo a public notice and comment period and conduct cost-benefit studies before issuing guidance, requirements that have historically only been applied to agency rulemakings.

These restrictions are clearly designed to substantially delay or effectively prevent the Bureau from issuing future antidiscrimination guidance to auto lenders, action that would undermine a lender's ability to comply with the law at the expense of minority borrowers. The long shadow of discrimination is still alive and well in some corners of the auto lending marketplace.

The CFPB has secured nearly \$140 million in relief to minority borrowers since December 2013 in landmark settlements against Ally Financial, Fifth Third Bank, and American Honda Finance Corporation, finding in each case that undisclosed dealer markups caused minority borrowers to overpay for their auto loans by an average of \$200 over the life of the loan compared to similarly situated White borrowers, even when considering the borrower's creditworthiness.

Mike Jackson, the CEO of the Nation's largest auto retailer, AutoNation, commended the CFPB's approach in its settlement with Honda, noting that other lenders should take a close look at the Honda settlement as a template for a solution.

Much like Mr. Jackson, I believe that the CFPB is doing a commendable job of tackling a decades-old problem of minority borrowers not getting a fair deal when they obtain financing from dealerships.

The Bureau's work in this regard should be supported, but instead, we are faced with H.R. 1737, yet another legislative proposal that would attempt to tie the Bureau's hands as it attempts to inform lenders of the steps that they can take to comply with Federal fair lending laws and to protect minority borrowers.

I wouldn't care if everybody were treated the same way—you charge everybody too much—but, when you single out a certain segment of our society that happens to be minorities and you charge them more than other borrowers, it is a problem.

H.R. 1737 follows a familiar script of industry-driven attempts to undermine the CFPB. Cost-benefit analysis, public notice and comment periods, outside rulemakings, unnecessary interagency consultation requirements are all designed to do the same thing, delay and undermine the important work of the CFPB.

Instead of addressing the underlying discrimination in indirect auto lending that the CFPB is seeking to address, H.R. 1737 takes away an important tool for lenders seeking to follow the law who have been relying on the guidance for almost 3 years to develop their compliance policies.

This is not a modest proposal designed to bring about transparency in the CFPB's oversight of auto lenders.

Since issuing its guidance in March 2013, the CFPB has been transparent.

It has provided industry with its models for identifying potential fair lending violations. Its supervisory manual describes exactly what the Bureau is seeking when conducting fair lending exams and supervisory highlights that clearly set forth the kinds of business practices that the Bureau will focus on when it examines an indirect auto lender.

Furthermore, the CFPB's settlement agreements all follow a similar template that give lenders a glimpse into the kind of remediation that the Bureau will pursue should there be potential fair lending violations within a lender's portfolio.

H.R. 1737's supporters have yet to identify what information any additional transparency would yield or what additional information lenders need to comply with Federal fair lending laws.

If enacted, H.R. 1737 would actually place lenders at a disadvantage, just as scrutiny for fair lending violations from the CFPB and the DOJ intensifies. We should be working to support efforts to give industry as much information as possible so that they can comply with the law. H.R. 1737 does just the opposite, creating unnecessary uncertainty for lenders.

Mr. Chairman, I reserve the balance of my time.

Mr. HENSARLING. Mr. Chairman, I yield 5 minutes to the gentleman from New Hampshire (Mr. GUINTA), the author of H.R. 1737, a real champion for due process and auto buyers.

Mr. GUINTA. I thank Chairman HENSARLING for his leadership on this very, very important issue.

Mr. Chairman, it has been over 2 years since the Consumer Financial Protection Bureau issued flawed auto financing guidance that created much uncertainty in the auto lending market.

More than half of car buyers finance their purchase when they acquire an automobile. These consumers have the ability to receive great auto rates through dealer-assisted financing.

However, this flawed and unstudied guidance threatens to eliminate auto dealers' flexibility to discount the interest rates offered to their consumers, the customers.

My good friend across the aisle, Mr. PERLMUTTER of Colorado, and I have introduced H.R. 1737, along with 166 of our colleagues, both Republican and Democrat, to give the CFPB a chance to fix this faulty guidance. This bill was carefully written by Republicans and Democrats very simply and narrowly to provide clarity, fairness, and, most importantly, due process.

No Federal agency can set new policies through guidance. However, in March of 2013, the CFPB attempted to go outside the formal rulemaking process by blatantly disregarding consumers and small businesses, blatantly disregarding their ability and their

right to comment on guidance that will directly affect them.

Mr. Chairman, H.R. 1737 asks that the CFPB rescind their flawed guidance and reissue it under a more transparent process by consulting other regulators and allowing the public notice and comment.

I want to be clear. This bill does not strip the CFPB of any rulemaking authority it currently has. H.R. 1737 gives the CFPB the golden opportunity to correct and reissue their guidance that would take into account consumers and bring clarity to the market.

Mr. Chairman, again, I want to reiterate that my colleagues and I are merely trying to promote transparency, accountability, and due process.

There are a small number of critics that believe this bill is unnecessary because the CFPB already has the tools to correct their auto guidance. Well, the CFPB could have fixed this issue without legislation over 2 years ago, but they disregarded 13 bipartisan letters that were sent urging them to correct the fallacies in their guidance.

I find it ironic that the agency that is supposed to protect the consumer is, in fact, harming them with this guidance. In fact, this guidance impacts much more than car buyers. It harms auto dealers, RV dealers, motorcycle dealers, international dealers, and even manufacturers.

□ 1400

Congress created the CFPB to protect consumers, not hurt them by silencing the voices of thousands of consumers and small businesses.

On August 31 of this year, The Wall Street Journal reported: "Some automakers have responded by overhauling their loan pricing in ways that will likely mean higher costs for some borrowers."

If the CFPB really cares about developing policies that are truly in the best interest of consumers, they should amend their guidance to be more transparent and allow public participation.

Mr. Chairman, my bill is very simple and narrow, and, quite frankly, it is common sense. It only asks for five things: public notice and comment; make the data available to the public; consult with the Federal Reserve Board, the FTC, and the DOJ; create a consumer impact report; and conduct a study on women- and minority-owned businesses. That is the crux of the bill.

Mr. Chairman, I include in the RECORD letters of support from the National Automobile Dealers Association, the National Independent Automobile Dealers Association, the Recreation Vehicle Industry Association, American International Automobile Dealers Association, the National Auto Auction Association, Alliance of Automobile Manufacturers, the National RV Dealers Association, the Motorcycle Industry Council, American Financial Services Association, New Hampshire Automobile Dealers Association,

and the Small Business and Entrepreneurship Council, the U.S. Chamber, and the U.S. Consumer Coalition.

I urge my colleagues to join the 166 Members in support of H.R. 1737.

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,

November 17, 2015.

TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES: The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America's free enterprise system, strongly supports H.R. 1737, the "Reforming CFPB Indirect Auto Financing Guidance Act," and H.R. 1210, the "Portfolio Lending and Mortgage Access Act."

H.R. 1737 would change the Consumer Financial Protection Bureau's (CFPB) approach to the indirect auto lending market, and bring much-needed transparency. The CFPB has created enormous uncertainty in this market by issuing guidance without notice and comment, and undertaking enforcement and supervisory actions based upon post hoc statistical models—but has failed to share its analysis and assumptions, thus depriving lenders of the ability to anticipate the CFPB's analysis and to comply accordingly. H.R. 1737 would establish clear rules and put any guidance regarding indirect auto lending on a solid footing by eliminating any legal effect of the CFPB's 2013 guidance, and then imposing reasonable conditions on any future guidance on this topic.

The Chamber supports H.R. 1210, which would provide regulatory certainty to lenders—particularly small lenders such as community banks and credit unions—by allowing loans held on the books of a lender to be eligible for the safe harbor provided under the Qualified Mortgage (QM) rule. It would also correct the CFPB's "one-size-fits-all" approach for the mortgage market. H.R. 1210 would facilitate a robust underwriting process by lenders and would also help qualified borrowers obtain mortgages by alleviating some of the uncertainty that currently exists under the QM rule.

Collectively, these bills would provide clear rules and establish certainty in the marketplace benefiting consumers and businesses. The Chamber urges the House of Representatives to pass these bills as expeditiously as possible.

Sincerely,

R. BRUCE JOSTEN,
Executive Vice President,
Government Affairs.

SMALL BUSINESS &
ENTREPRENEURSHIP COUNCIL,
November 17, 2015.

TO ALL MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES: The Small Business and Entrepreneurship Council (SBE Council) strongly supports H.R. 1737, the "Reforming CFPB Indirect Auto Financing Guidance Act." We urge you to vote for this bipartisan legislation when it is acted upon by the full House this week.

This important piece of legislation rescinds the problematic guidance issued by the Consumer Financial Protection Bureau (CFPB) on indirect auto financing. The guidance is based on assumptions and analysis the CFPB has not made public. In the end, CFPB's action would prevent consumers from negotiating and selecting a financing method that makes the most sense for them. This guidance would also raise costs. Small firms and self-employed individuals who pur-

chase vehicles to conduct businesses would be impacted by this unnecessary auto-financing rule. To compete and survive, small businesses need flexibility in choosing their best financing arrangement.

H.R. 1737 requires that the CFPB be more transparent on future rules or guidance by making those proposed actions available for public review and comment. The CFPB would also be required to study the impact of its actions on consumers.

Thank you for your consideration, and for your support of America's entrepreneurs and small business owners.

Sincerely,

KAREN KERRIGAN,
President & CEO.

MOTORCYCLE INDUSTRY COUNCIL,
Arlington, VA, November 17, 2015.

Hon. FRANK GUINTA,
House of Representatives, Cannon House Office
Building, Washington, DC.

DEAR REPRESENTATIVE GUINTA: On behalf of the Motorcycle Industry Council (MIC), I write in support of H.R. 1737, the "Reforming CFPB Indirect Auto Financing Guidance Act." This important legislation was voted out of Committee with overwhelming support and currently has 166 cosponsors. We are encouraged that this bipartisan legislative measure will be considered by the full House of Representatives this week and look forward to continuing to work with you as the bill moves through the legislative process and ultimate enactment.

The MIC is a not-for-profit national industry association with offices in Irvine, California and metropolitan Washington, D.C. The MIC seeks to support motorcyclists by representing manufacturers, distributors, dealers and retailers of motorcycles, scooters, ATVs, ROVs, motorcycle/ATV/ROV parts, accessories and related goods and services, and members of allied trades such as insurance, finance and others with a commercial interest in the industry.

H.R. 1737 is necessary as a result of 2013 Consumer Financial Protection Bureau (CFPB) guidance that threatens the ability of dealers to discount the annual percentage rate offered to consumers to finance vehicle purchases. The guidance was issued without adequate public input, consultation with sister agencies or study of the impacts of the guidance on consumers. Your legislation would address these issues by requiring the CFPB to provide notice and a period for public comment; make public any studies, data, and analyses upon which the guidance is based; consult with the Federal Reserve Board, the Federal Trade Commission and the Department of Justice; and study the cost and impact of the guidance on consumers as well as women-owned, minority-owned, and small businesses.

Thank you.

Sincerely,

DUANE TAYLOR,
Director, Federal Affairs.

NOVEMBER 18, 2015.

DEAR REPRESENTATIVE: We, the undersigned organizations who represent businesses that make, sell, finance, auction and service motor vehicles are writing to express our strong support for H.R. 1737, the "Reforming CFPB Indirect Auto Financing Guidance Act." This bipartisan bill, introduced by Reps. Guinta (R-NH) and Perlmutter (D-CO), would rescind the Consumer Financial Protection Bureau's (CFPB) flawed 2013 auto finance guidance and allow the CFPB to reissue it under a more transparent and better informed process.

H.R. 1737, drafted by members of the House Financial Services Committee on a bipartisan basis, has 166 bipartisan cosponsors. On

July 29, the House Financial Services Committee passed H.R. 1737 by a vote of 47-10. In addition to rescinding the 2013 guidance, H.R. 1737 would require that, prior to issuing any new guidance related to indirect auto financing, the CFPB:

provide notice and a period for public comment;

make public any studies, data, and analyses upon which the guidance is based;

consult with the Federal Reserve Board, the Federal Trade Commission and the Department of Justice; and

study the cost and impact of the guidance on consumers as well as women-owned, minority-owned, and small businesses.

This is the entire scope of the bill. By design, H.R. 1737 does not impinge on the CFPB's structure, jurisdiction, or authorities.

H.R. 1737 is needed to produce a more informed guidance compared to the 2013 guidance, which lacked public input, transparency, consultation with the CFPB's sister agencies and, by the CFPB's own admission, any study of the impact of the guidance on consumers. As a consequence of being issued without these essential safeguards, the CFPB's guidance could potentially (1) eliminate a dealer's ability to discount credit in the showroom; (2) raise credits costs; and (3) push marginally creditworthy consumers out of the auto credit market entirely.

Apart from the fact that guidance should not be used as a means to make sweeping policy and market changes, the CFPB auto guidance does not effectively manage fair credit risk in the showroom, which is its purported goal. The Department of Justice (DOJ), however, has created a better approach to address fair credit risk without decreasing competition and harming consumers. The DOJ model was used as a template for a comprehensive compliance program that the National Automobile Dealers Association, National Association of Minority Automobile Dealers, and American International Automobile Dealers Association issued last year to their respective members. This compliance program addresses fair credit risk where it matters—in the showroom—while preserving a dealer's ability to discount credit.

Thirteen Congressional letters signed by over 90 Members and Senators on both sides of the aisle have been written to the CFPB asking questions and expressing concern regarding its auto guidance. Nonetheless, many essential questions still remain unanswered. The open and transparent process required by H.R. 1737 would provide a framework for those questions to be answered, and to ascertain whether the CFPB's new policy can withstand public scrutiny.

Since the 1920s, credit has been the lifeblood of America's auto industry. H.R. 1737 is a moderate, bipartisan process bill that does not direct a result or tie the CFPB's hands, but merely gives the public an opportunity to scrutinize and comment on the CFPB's attempt to change the auto loan market via "guidance."

We respectfully ask you to protect consumers and vote "yes" on H.R. 1737. Thank you for your consideration.

Sincerely,

PETER WELCH,
President, National
Automobile Dealers
Association.

CHRIS STINEBERT,
President and CEO,
American Financial
Services Association.

STEVE JORDAN,
CEO, National Independent
Automobile
Dealers Association.

CODY LUSK, AIADA,
President, American
International Auto-
mobile Dealers Asso-
ciation.

MITCH BAINWOL,
President and CEO,
Alliance of Auto-
mobile Manufacturers.

PHIL INGRASSIA,
President, The Na-
tional RV Dealers
Association.

FRANK HUGELMEYER,
President, Recreation
Vehicle Industry As-
sociation.

FRANK HACKETT,
CEO, National Auto
Auction Association.

TIM BUCHE,
President and CEO,
Motorcycle Industry
Council.

UNITED STATES CONSUMER COALITION.
Majority Leader MCCARTHY,
House of Representatives,
Washington, DC.

MAJORITY LEADER MCCARTHY: On behalf of the U.S. Consumer Coalition, I write in support of H.R. 1737, the "Reforming CFPB Indirect Auto Financing Guidance Act." USCC thanks you for scheduling a House vote on legislation that would rescind flawed guidance from the Consumer Financial Protection Bureau (CFPB) that was designed to eliminate the ability of consumers to access auto financing discounts.

USCC would also like to thank Representative Guinta and Chairman Hensarling for prioritizing the needs of American consumers by introducing and shepherding this legislation through Committee.

The U.S. Consumer Coalition (USCC) is a grassroots advocacy organization that works to protect consumers' rights to access free-market goods and services, and we believe that all Americans benefit from a thriving free-market economy. Unfortunately, the CFPB is actively engaging in efforts to regulate, restrict, and diminish consumer choice. As an advocate on behalf of America's consumers, defending their right to make decisions for themselves and their families without burdensome government interference, USCC supports H.R. 1737.

H.R. 1737 would grant consumers continued access to auto financing discounts that can save them millions of dollars every year. To further protect the rights of consumers, H.R. 1737 would also require more transparency in the CFPB's regulation and rule making process. Specifically, the bill would require the CFPB:

Provide a public notice and comment period before issuing any final guidance on indirect auto financing;

Make publicly available all information relied on by the CFPB for making such a rule;

Consult with other government agencies that share jurisdiction over the indirect auto lending market; and

Study the costs and impacts of the guidance to consumers and women-owned, minority-owned, and small businesses.

By the CFPB's own admission, the 2013 guidance was made without any study on the impact that it would have on consumers. It is imperative that such studies are done to show the direct, and indirect, impacts that the powerful CFPB can have on the every day lives of the American consumer.

USCC supports the reforms that H.R. 1737 seeks to make, as well as any effort to protect consumers' freedom and choice.

Sincerely,

BRIAN WISE,
President, USCC.

NEW HAMPSHIRE AUTOMOBILE
DEALERS ASSOCIATION, INC.,
Concord, NH, November 16, 2015.

Hon. FRANK GUINTA,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE GUINTA: On behalf of the 149 new car and truck dealers in New Hampshire, we are writing to express our strong support for H.R. 1737, the "Reforming CFPB Indirect Auto Financing Guidance Act." This bipartisan bill was introduced on April 8 by you and Rep. Ed Perlmutter (D-CO). H.R. 1737 would rescind the Consumer Financial Protection Bureau's (CFPB) flawed 2013 auto finance guidance and allow the CFPB to reissue it under an open and transparent process.

In addition to rescinding the 2013 guidance, H.R. 1737 would require that, prior to issuing any new guidance related to indirect auto financing, the CFPB:

provide notice and a period for public comment;

make public any studies, data, and analyses upon which the guidance is based;

consult with the Federal Reserve Board, the Federal Trade Commission and the Department of Justice; and

study the cost and impact of the guidance on consumers as well as women-owned, minority-owned, and small businesses.

By design, H.R. 1737 does not impinge on the CFPB's structure, jurisdiction, or authorities.

H.R. 1737 is needed to produce a more informed guidance compared to the 2013 guidance, which lacked public input, transparency, consultation with the CFPB's sister agencies and, by the CFPB's own admission, any study of the impact of the guidance on consumers. As a consequence of being issued without these essential safeguards, the CFPB's guidance could potentially (1) eliminate a dealer's ability to discount credit in the showroom; (2) raise credits costs; and (3) push marginally creditworthy consumers out of the auto credit market entirely.

Apart from the fact that guidance should not be used as a means to make sweeping policy and market changes, the CFPB auto guidance does not effectively manage fair credit risk in the showroom, which is its purported goal. The Department of Justice (DOJ), however, has created a better approach to address fair credit risk without decreasing competition and harming consumers. The DOJ model is being used as a template for a comprehensive compliance program that the National Automobile Dealers Association, National Association of Minority Automobile Dealers, and American International Automobile Dealers Association issued last year to their respective members. This optional compliance program addresses fair credit risk where it matters—in the showroom—while preserving a dealer's ability to discount credit.

H.R. 1737 establishes an orderly, transparent process whereby the CFPB can identify the DOJ model as a viable means to address fair credit risk.

Since the 1920s, credit has been the lifeblood of America's auto industry. H.R. 1737 is a moderate, bipartisan process bill that does not direct a result or tie the CFPB's hands, but merely gives the public an opportunity to scrutinize and comment on the CFPB's attempt to change the auto loan market via "guidance." Without this legislation, dealer-assisted financing remains at risk, along

with the threat that the CFPB's policy may eliminate our customers' ability to obtain lower interest rates at dealerships.

On behalf of all New Hampshire small business auto dealers, thank you for your leadership on this important small business and consumer issue.

Sincerely,

DENNIS GAUDET,
New Hampshire Director,
National Automobile Dealers Association.

WILLIAM GURNEY,
Chairman, New Hampshire Automobile Dealers Association.

Ms. MAXINE WATERS of California. I yield 3 minutes to the gentleman from Texas (Mr. AL GREEN), who is the ranking member on the Oversight and Investigations Subcommittee.

Mr. AL GREEN of Texas. Mr. Chairman, I thank President Obama; I thank Mr. Cordray, who is the head of the CFPB; and I thank the ranking member for taking the position of protecting consumers.

Mr. Chairman, we live in a world where it is not enough for things to be right. They must also look right. And here is what doesn't look right and, in fact, is not right.

It doesn't look right and is not right for a person to go into an auto dealership, agree on a price, and then be sent to a finance department where this indirect lending takes place. It doesn't look right for that person to then be quoted an interest rate and agree to that interest rate, not knowing that the interest rate that the person has agreed to is higher than the one the person qualified for.

This is what we are dealing with, consumers not knowing that they are paying more for their interest rates than they have qualified for. We dealt with this with the yield spread premium, same thing, slightly different, in that it dealt with home mortgages, but we outlawed that in Dodd-Frank. The CFPB is now trying its very best to make sure all people are treated fairly and equally when they apply for auto loans.

It doesn't look right for this to happen, and studies consistently show that minorities, African Americans, Hispanics, Asians, are charged more for these loans than others are charged. The empirical evidence is there for those who wish to see it.

It is not enough for things to be right; they must also look right. This bill just doesn't look right, and it doesn't smell right, and it is not right, and we ought not continue this kind of behavior in this country.

In a righteous world, we would be debating the type of fraud that is being perpetrated on consumers.

Mr. Chairman, I ask that people vote their conscience. But I will tell you that I am not going to support this kind of procedure that makes it entirely possible for invidious discrimination to continue. I came here to fight invidious discrimination. This is a part of that fight.

We must not allow this kind of behavior to continue when we have got a CFPB that is willing to stand up for minorities, we have got a President who has appointed this man, and we have got a ranking member who is fighting hard to make sure minorities are treated fairly.

To this end, I would say, consumers have no greater friend in the Congress of the United States of America than the Honorable MAXINE WATERS, who goes to bat every day to make sure that consumers, regardless of race, creed, color, national origin, or sexuality, are treated fairly.

Mr. HENSARLING. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. GARRETT), chairman of the Capital Markets and Government Sponsored Enterprises Subcommittee of our committee.

Mr. GARRETT. Mr. Chairman, it was just back in 2013, the CFPB, the Consumer Financial Protection Bureau, issued something called a bulletin.

What did it do? It tried to eliminate auto dealer discounts, essentially helping consumers, on the grounds that these discounts create a fair credit risk.

Now, there are two major problems with what they did. First, the CFPB's actions will actually raise costs, raise credit costs for families—these very same families that are having a tough time, as it is, in this economy because this is a bad economy right now—and make it harder for these family to purchase a car.

Secondly, the CFPB's action is expressly prohibited by law from regulating auto dealers by the authorizing statute in Dodd-Frank.

You see, the CFPB acted behind closed doors, without any transparency or input from the general public that they are supposed to be protecting, to circumvent, to go around the law, and found an indirect way to alter an industry that the CFPB is prohibited by law from doing.

If that is not the very definition of an out-of-control agency, I don't know what it is.

Mr. Chairman, it is time that we defend the rule of law in this country and defend transparent government against these unaccountable bureaucrats down the street at the CFPB.

That is why I am proud to sponsor the Reforming CFPB Indirect Auto Financing Guidance Act. And by doing so, by repealing their improper, unlawful actions and denying the ability to provide dealers discounts, denying the ability to provide them the discounts to the customers, and requiring a transparent process for all future actions, this bill will preserve the consumers' ability to get a discounted auto rate and preserve the ability to adhere to the principles of open, honest, transparent, lawful government.

So I urge my colleagues from both sides of the aisle to support H.R. 1737.

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

We must realize that what Mr. GARRETT just shared with us is certainly not what the CFPB has done. As a matter of fact, what the CFPB has done, it has said: Lender, you cannot say that I will take X amount of percentage of interest; I will take 5, 10 percent interest; and, dealer, you can mark it up another 3, 4, 5 percent.

So he has not exactly shared with you what happens with the CFPB.

I yield 3 minutes to the gentleman from Minnesota (Mr. ELLISON), a member of the Financial Services Committee.

Mr. ELLISON. I want to thank the gentlewoman for the time. The ranking member has been an outstanding advocate for American consumers, and I thank her.

I rise today to ask people to vote "no" on this piece of legislation and to alert the American people of another attempt to make it easier to overcharge you when you make a purchase.

Today's threat to Americans' wallets occurs when you try to buy a car. Most people need to take out a loan to buy a car or a truck. They frequently get their financing through an auto dealer.

Car buyers don't realize that some dealers can raise the price or the interest rate offered by the partnering bank to make an additional profit.

For years, there has been a concern that African Americans and Latinos, despite negotiating harder and having good credit scores, pay a higher interest rate than white car buyers, charging some people 2 or 2.5 more percent than others, based on skin color.

It is also a violation of the law. The Equal Credit Opportunity Act prohibits discrimination in the financial marketplace. Lenders who partner with auto dealers have a responsibility to ensure that borrowers receive fair treatment. That is what the Consumer Financial Protection Bureau is trying to do.

The CFPB issued guidance recommending that the auto industry establish flat-rate pricing and some other approach to ensure that they are not discriminating against their customers. This makes sense to me and would be beneficial to consumers.

This bill, on which I urge a "no," nullifies the CFPB's guidance. It requires the bill to jump through a number of hoops that open the Bureau up to litigation before the CFPB can establish new guidance.

The National Association of Minority Auto Dealers opposes this bill. They say: "To date, the recent consent orders between the CFPB, DOJ and financial institutions and captive finance companies to settle discrimination claims have not resulted in any negative outcomes or loss of revenue for minority dealers. We are convinced that this matter should and, more importantly, can be resolved with a non-legislative fix."

Mr. Chairman, I say thank you to them.

When people are overcharged or treated unfairly in the marketplace, it

harms their ability to build wealth and fully participate in this economy. If you want to do something about income inequality, you must say “no” to this bill.

Join the National Association of Minority Auto Dealers, the National Association for the Advancement of Colored People, the Center for Responsible Lending, the Consumers Union, Consumer Action, the National Council of La Raza, Americans for Financial Reform, American Association for Justice, ColorOfChange, Leadership Conference on Civil Rights and Human Rights, the Urban League, and more to vote “no” on this legislation.

I include in the RECORD the National Association of Minority Automobile Dealers’ letter opposing this legislation and the NAACP’s letter opposing this legislation.

I just want to point out that discrimination in this country has been fought long and hard for centuries. Let’s not stop now.

NATIONAL ASSOCIATION OF
MINORITY AUTOMOBILE DEALERS,
Largo, MD, November 13, 2015.

Hon. G.K. BUTTERFIELD,
RHOB,
Washington, DC.

DEAR CONGRESSMAN BUTTERFIELD: The National Association of Minority Automobile Dealers (NAMAD) is not in support of H.R. 1737, “Reforming CFPB Indirect Auto Financing Guidance Act”, as we believe this issue can and should be resolved non-legislatively. This legislation does nothing to alter the Consumer Financial Protection Bureau’s (CFPB) authority to enforce, or lenders’ obligations under the Equal Credit Opportunity Act (Act).

We support the CFPB’s mission to ensure that consumers are protected and treated fairly. Reversing guidance to lenders at a time of heightened regulatory scrutiny could delay lenders’ efforts to comply with the Act.

Looking back on the great financial crisis of 2008, legislation enacted to bail out financial institutions and to aid General Motors and Chrysler through bankruptcy was not beneficial for minority dealers. Minority-owned dealers were disproportionately affected with a 40% (400 dealers) decline in its dealer body in comparison to non-minority dealers, who suffered only a 6% decline. Today, out of the 18,000 new automobile dealerships, only 1,100 are minority owned.

NAMAD finds that, to date, the recent consent orders between the CFPB, DOJ and financial institutions and captive finance companies to settle discrimination claims have not resulted in any negative outcomes or loss of revenue for minority dealers.

We are convinced that this matter should, and more importantly, can be resolved with a non-legislative fix. In particular, NAMAD believes that the Fair Credit Compliance Policy & Program it instituted in 2014 along with NADA and AIADA achieves this goal, as the program is designed to prevent any discriminatory practices for all consumers.

We do not support H.R. 1737, as the solution to discrimination in auto lending, but rather urge you and your colleagues to assist us in coming up with and implementing a non-legislative answer.

Sincerely,

DAMON LESTER,
President.

NOVEMBER 18, 2015.

Re NAACP Strong Opposition to H.R. 1737,
The Reforming CFPB Indirect Auto Financing Guidance Act.

MEMBERS,

U.S. House of Representatives, Washington, DC.

DEAR REPRESENTATIVE ELLISON, On behalf of the NAACP, our nation’s oldest, largest and most widely-recognized grassroots-based civil rights organization, I strongly urge you to oppose and vote against H.R. 1737, the Reforming CFPB Indirect Auto Financing Guidance Act. If enacted, this legislation will allow racial and ethnic minorities to continue to be discriminated against by auto lenders. Discrimination based on race or ethnicity in the financial services or any other arena must be stopped, and this bill goes in the opposite, and wrong, direction.

Financial regulators have known for more than 20 years that the full price you may pay for an auto may not be based solely on the make, type, and model of the car; some of the less scrupulous car dealers would offer higher loan rates to people based on the color of their skin, their last name, or what they look like. In the mid-1990’s, this trend of discrimination became apparent and a series of lawsuits were filed against the largest auto finance companies in the country. The data from those lawsuits showed that borrowers of color were twice as likely to have their loans marked up, and paid markups twice as large as similarly situated white borrowers with similar credit ratings. Thus, on March 21, 2013, the Consumer Financial Protection Bureau (CFPB) issued a bulletin providing guidance for indirect auto lenders who may fall within the CFPB’s jurisdiction on ways to limit fair lending risk under the Equal Credit Opportunity Act, or ECOA.

This CFPB bulletin explained that certain lenders who offer auto loans through dealerships are responsible for any unlawful, discriminatory pricing, which may occur and that they should take actions to eliminate the discrimination. In other words, dealers could continue to mark up loans, and they could continue to be compensated for such mark-ups; simply, they should not discriminatorily mark-up loans based on race. And the financial servicers which underwrote the loans should do what they could to ensure that discrimination based on race or against any other protected class was not perpetuated.

The NAACP commends the CFPB on this guidance on indirect auto lending. It is an important step in the Bureau’s enforcement of fair lending laws and regulations, and it is clearly within the jurisdiction of the CFPB to ensure that there is not discrimination in lending.

The CFPB has authority to examine large banks, and credit unions—and their affiliates—that have assets over \$10 billion. The CFPB supervises more than 150 of the nation’s largest financial institutions. Furthermore, existing law, ECOA, makes it illegal for a creditor to discriminate in any aspect of a credit transaction on prohibited bases including race, color, religion, national origin, sex, marital status, and age. Under ECOA, and not to mention under the rules of basic fairness and a moral sense of right and wrong, lenders have an obligation to monitor and eradicate discrimination, and to change those practices that lead to the discrimination. In its bulletin, the CFPB reiterated that certain lenders which may offer auto loans through dealerships are liable for unlawful, discriminatory pricing.

Racial and ethnic minorities have long been victims of high priced, often-unsustainable, predatory, loans. This is true when we are discussing almost every financial transaction: whether it be a mortgage, an auto loan, or a short-term loan just to

make ends meet, including a payday loan. These high cost, predatory, loans have been a staple in our community for decades. Study after study has clearly demonstrated that even when credit history is taken into account, African Americans and Latinos are regularly charged more for home or auto loans than white customers. While dealer markups affect all consumers, research has shown that Latino and African American borrowers are more likely than White borrowers to receive an unnecessary markup in their interest rate, and the markup is typically higher for Latinos and African Americans than Whites, regardless of creditworthiness.

H.R. 1737, the Reforming CFPB Indirect Auto Financing Guidance Act” would undermine the ability of the CFPB to root out discrimination, something that has no place in our lending markets, yet has, unfortunately, been proven to exist. The role of the CFPB is to protect consumers, and with their 2013 guidance, they have done just that. We should be applauding and encouraging the agency’s measured, yet affirmative, steps to stop discrimination. Yet H.R. 1737 attacks the Bureau’s attempts to protect us.

Auto dealers and auto dealer financing agencies who play by the rules and do not discriminate should have no problems with the CFPB guidance. In fact, they should welcome it as it helps clean up an industry which has been tainted by discrimination for too long. An auto is too prevalent, too necessary, and too much of a family investment for us to allow discrimination to exist in the cost of the car.

Thank you in advance for your attention to the NAACP position. Should you have any questions or comments on the NAACP position, please feel free to contact me.

Sincerely,

HILARY O. SHELTON,
*Director, NAACP
Washington Bureau
& Senior Vice President for Policy and Advocacy.*

PREVENT DISCRIMINATION IN AUTO LENDING
OPPOSE H.R. 1737: THE REFORMING CFPB
INDIRECT AUTO FINANCING GUIDANCE ACT

H.R. 1737 is opposed by the National Association of Minority Auto Dealers, Center for Responsible Lending, NAACP, Consumers Union, Consumer Action, National Council of La Raza, Americans for Financial Reform, American Association for Justice (AAJ), Color of Change, Leadership Conference on Civil and Human Rights, National Consumer Law Center, National Urban League, U.S. PIRG, the Woodstock Institute and more.

DEAR COLLEAGUE: We urge you to oppose H.R. 1737, the so-called “Reforming CFPB Indirect Auto Financing Guidance Act.” This legislation would prevent the Consumer Financial Protection Bureau (CFPB) from enforcing laws against discrimination in auto lending. This bill nullifies CFPB’s guidance to lenders on how to avoid practices that may lead to discriminatory pricing.

Automobiles are the most common financial assets owned by American households, and are a prerequisite for many jobs. When people buy cars with dealer financing, they can be charged an interest rate mark up. This mark up can be set by the individual car dealer. Such variable pricing can lead to discrimination. Even though current U.S. law prohibits lending discrimination based on unrelated background traits, African Americans, Latinos and others could be charged a higher interest rate, regardless of credit scores or income.

In recent years, the CFPB and the Department of Justice took actions resulting in

more than \$176 million in fines and restitution to people who paid higher interest rates for auto loans based not on their credit risk but on their ethnicity.

There is no reason why the CFPB should not be able to continue to enforce these rules for indirect auto lenders. When people are overcharged, they have less money to spend and invest which slows our economy. We urge members to support, not weaken, the CFPB's effort to fight discrimination in auto lending. Oppose H.R. 1737.

Sincerely,

KEITH ELLISON,
Co-Chair, Congressional Progressive
Caucus.
RAÚL GRIJALVA,
Co-Chair, Congressional Progressive
Caucus.

SUPPORT FAIR LENDING, OPPOSE H.R. 1737
STAND WITH NEARLY 70 CIVIL RIGHTS AND CONSUMER ADVOCACY ORGANIZATIONS IN OPPOSITION TO H.R. 1737

DEAR COLLEAGUE: This week, the House will consider H.R. 1737, the "Reforming CFPB Indirect Auto Lending Guidance Act." This legislation sends a clear message to the CFPB that they should back down from enforcing our fair lending laws against auto lenders. The CFPB has recovered \$140 million in fines and penalties against auto lenders for engaging in discriminatory auto lending practices in two years—more than other regulators in the 40 years since the Equal Credit Opportunity Act (ECOA) was enacted. Now is not the time to tell the Bureau to back away from their mission in ensuring lending free from discrimination on the basis of race, ethnicity or other protected characteristics or to introduce unnecessary uncertainty to ongoing lender efforts to comply with fair lending laws.

Over the course of several investigations, the CFPB has found that auto lenders have failed to appropriately monitor practices that allow African-American, Hispanic, and Asian and Pacific Islander borrowers to be charged more than their white counterparts through undisclosed interest-rate markups. These additional markups are charged without regard to the borrower's credit history and have displayed a clear pattern of discrimination. Several large auto financiers have already settled with the CFPB and pledged to reform their practices, while at least seven additional investigations are still ongoing.

Dealers should be fairly compensated for their work, but it should not be at minority borrowers' expense. Fair compensation for dealers can co-exist with affordable and equitable access to credit, and the CFPB's approach to date reflects this recognition. Even the CEO of the largest auto retailer in the country, AutoNation's Mike Jackson, has commended the CFPB's approach stating that "[t]he goal [of the Honda Settlement] is to reduce the variability in loans without hurting the dealer economically . . . [t]he [Honda agreement] is a very viable method of doing both of those things, and I'm saying the industry should look at this as a template for moving forward."

The CFPB is tackling decades of discrimination in the auto lending marketplace, and they have done it in spite of various attempts to undermine their authority to do so directly through familiar attacks on the Bureau's structure and funding and indirectly through proposals like H.R. 1737. This legislation would tie the Bureau's hands at the very time that they are making progress in reining in decades-old practices that have left far too many borrowers overpaying for their auto loans.

Supporters of H.R. 1737 contend that the proposal is modest because it is not a direct attack on the Bureau's structure, budget or enforcement authority under ECOA. This is misleading, as it undermines lenders' attempts to comply with ECOA. Lenders have used the guidance H.R. 1737 nullifies for nearly three years to develop compliance policies designed to protect consumers. As the Administration notes in their opposition to H.R. 1737, "[t]he bill would create confusion about the existing protections in place to prevent discriminatory auto loan pricing, and effectively block [the] CFPB from issuing related guidance in the near-term."

Further, while H.R. 1737 does not expressly prohibit the reissuance of future guidance, the restrictions it places on the Bureau concerning any future guidance ensures that it will be substantially delayed or never reissued. No other agency is required to undergo requirements similar to a rulemaking for simply issuing guidance to regulated entities, and no other type of guidance from the CFPB is subject to these burdensome restrictions except guidance to auto lenders. Indeed, H.R. 1737's supporters have yet to demonstrate why guidance to auto lenders requires that the Bureau jump through so many bureaucratic hoops when the guidance is there to help lenders comply with the law.

Contrary to H.R. 1737's supporters' claims that the proposal is necessary to maintain affordable auto financing, the CFPB's oversight of potentially discriminatory lending practices has not led to higher borrower costs or restricted access to credit. Outstanding auto loan balances reached \$1 trillion dollars in the second quarter of 2015—the first time in U.S. history. Industry experts predict that the number of vehicles sold in 2015 will exceed 17 million for the first time since 2001. The National Association of Minority Auto Dealers have confirmed this, noting in their opposition to H.R. 1737 that the CFPB's activity, "ha[s] not resulted in any negative outcomes or loss of revenue" for their member dealers. There is simply no evidence that the Bureau's oversight has caused prices to increase or led to fewer borrowers being able to get financing.

Make no mistake, H.R. 1737 leaves consumers more vulnerable to unfair or discriminatory business practices. This is why the Administration, the nation's minority auto dealers, the largest auto dealer in the country, and nearly 70 civil rights organizations and consumer advocacy groups oppose H.R. 1737—it does nothing to move the ball forward on the important work of eliminating potentially discriminatory lending practices.

The people best positioned to address discriminatory lending practices are the lenders themselves, and H.R. 1737 denies lenders vital information they need to ensure that they are not underwriting loans that contain potentially discriminatory interest rate markups that harm borrowers.

For the foregoing reasons I would urge a NO vote on H.R. 1737.

Respectfully,

MAXINE WATERS.

Mr. HENSARLING. Mr. Chairman, I yield myself 10 seconds just to say that the exact same group the gentleman quoted, the National Association of Minority Auto Dealers, says in their letter: "This legislation does nothing to alter the Consumer Financial Protection Bureau's authority to enforce, or lenders' obligations under the Equal Credit Opportunity Act."

Again, that is a red herring.

I yield 1½ minutes to the gentleman from Indiana (Mr. MESSER).

Mr. MESSER. Mr. Chairman, if it ain't broke, don't fix it.

Ignoring this simple wisdom, the CFPB issued a guidance bulletin, without public notice and comment, threatening to eliminate a car dealer's ability to discount interest rates for their customers.

This so-called guidance was offered with no study of the impact on consumers or small businesses, and it was issued with no proof that current industry standard discount practices were harming consumers.

Let me repeat. Despite the rhetoric, the guidance was issued with no evidence of any discrimination.

This much is clear: the regulatory burden imposed by this guidance will be bad for car dealers because it eliminates a car dealer's ability to provide lower interest rates for their customers, and it is bad for consumers because they will inevitably pay more.

H.R. 1737 is commonsense legislation that stops the CFPB's solution in search of a problem. It nullifies the CFPB's current guidance bulletin restricting discounts on auto loan interest rates, and it requires the CFPB to allow for public notice and comment before any further restrictions can be imposed.

It also requires a study of the costs and impacts of interest rate deductions on consumers.

It is a good bill, and I urge my colleagues to support it.

Ms. MAXINE WATERS of California. Mr. Chairman and Members, this business about consumers not being able to negotiate down, that somehow the car dealers can't give a discount is absolutely not true, absolutely not true.

I yield 2 minutes to the gentlewoman from Wisconsin (Ms. MOORE), the ranking member on the Subcommittee on Monetary Policy and Trade of the Financial Services Committee.

Ms. MOORE. I thank the ranking member.

Mr. Chairman, I do rise to oppose H.R. 1737. I have listened very carefully to my colleagues, and I am very sympathetic and empathetic to their desire to help their auto dealers. Too bad this legislation doesn't do that.

I also agree with the proponents of this bill that the CFPB can't directly regulate auto dealers, and I don't think the CFPB wants to regulate auto dealers.

□ 1415

The problem with this bill is that it doesn't help auto dealers, and it is not a response to CFPB regulatory overreach. What the CFPB does have jurisdiction over is the Equal Credit Opportunity Act.

A few years ago, the Bureau noticed a funny thing: that minorities were paying higher markups on auto loans, even when you control for credit risk and other factors, discounts. They noticed if you were Jesus Rodriguez or Barack Obama Jones that somehow you paid a higher price for the car.

Now, the problem is that this legislation attempts to free the auto dealers from discrimination. Of course, discrimination is a violation of the Equal Credit Opportunity Act. The CFPB and the Department of Justice brought actions against these lenders for violations of ECOA.

We heard from the other side that there was no evidence that these car dealers had done anything wrong. No, because it didn't go to court. That is why there was no evidence. It went to settlement, and they settled for \$140 million.

Pretty simple, the CFPB protected borrowers from discrimination and then put out helpful guidance.

So why are we here today, Mr. Chairman? We are here considering this legislation so that auto dealers can violate the ECOA.

Mr. HENSARLING. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana (Mr. STUTZMAN).

Mr. STUTZMAN. Mr. Chairman, I thank the chairman for his yielding and his work on this issue. I also thank Mr. GUINTA for bringing this bill forward.

Mr. Chairman, ever since the CFPB introduced its 2013 bulletin on indirect auto lending, the need for this legislation has been clear.

First, the CFPB issued its bulletin in order to get around the rulemaking process for indirect auto lending. This kind of guidance is traditionally used as a mere restatement of law or to provide further explanation of rulemaking. It is not traditionally used to make a major policy like fundamentally altering the auto loan market.

Second, it is clear that the CFPB is unwilling to publish online all of the data and assumptions it has relied upon for this guidance. Providing these details should be an obvious and easy step to implement for any credible government agency.

Unfortunately, because the CFPB is not subject to the appropriations process, they seem unwilling to comply with even the most commonsense oversight by Congress. Therefore, H.R. 1737 is necessary to require the CFPB to provide for a notice and comment period before it can reissue any related guidance.

Mr. Chairman, this compromise legislation represents fair and reasonable adjustments to the CFPB's regulatory guidance process intended to promote transparency and accountability for regulators. This legislation is truly a bipartisan effort that was supported in committee by 13 Members on the minority side of the aisle.

I am also glad to see widespread support for this legislation from a range of groups, including the U.S. Chamber of Commerce, the National Automobile Dealers Association, the national RV Dealers Association, the Independent Community Bankers Association, and the Credit Union National Association.

Mr. Chairman, last year I was proud to introduce legislation similar to Mr.

GUINTA's after hearing from so many auto dealers in my State the frustrations they had with this particular rule. I am proud to support this legislation, and I urge my colleagues on both sides of the aisle to help us promote greater transparency and accountability and bring common sense back to the marketplace.

Again, I thank the gentleman from New Hampshire (Mr. GUINTA).

Ms. MAXINE WATERS of California. Mr. Chairman, what Mr. STUTZMAN is doing is trying to confuse people between a rule and a guidance. This is a guidance, and they are trying, through this legislation, to make guidance comply with the same kind of rules that the rules have to go through. So don't pay any attention to that. He is just trying to confuse people.

Mr. Chairman, I yield 2 minutes to the gentlewoman from New York (Ms. VELÁZQUEZ), a member of the Financial Services Committee.

Ms. VELÁZQUEZ. Mr. Chairman, I rise in strong opposition to H.R. 1737.

Mr. Chairman, this legislation is yet another attempt to obstruct the most important watchdog working on behalf of U.S. consumers, the CFPB.

Since its creation, the agency has returned over \$11 billion to more than 25 million consumers harmed by unfair and deceptive practices. Its work is absolutely essential for everyday Americans, giving them the security of knowing that there is someone on their side.

One area where the CFPB's role is increasingly important is auto finance, where outstanding car and truck loan balances now reach \$1 trillion, the highest in history.

Unfortunately, discrimination is still alive and well in the indirect auto lending marketplace. In the three settlements to date against Ally Financial, Fifth Third Bank, and Honda, the CFPB secured nearly \$140 million in borrower relief and penalties. It found that minority borrowers paid \$200 more over the life of a car loan than White borrowers, even when controlling for borrowers' creditworthiness.

The CFPB's findings are consistent with decades of litigation and research that confirm that discretionary mark-ups in indirect auto lending cause millions of dollars in overpayments from minority borrowers. To further their work in this area, the CFPB issued specific guidance regarding auto lending practices.

Unfortunately, H.R. 1737 will repeal this guidance and place absurd restrictions on the reissuance of any new guidance. These new restrictions would be unique to the CFPB and would place an unprecedented burden on the agency's issuance of guidance designed to help lenders comply with Federal fair lending laws. This undermines the basic role of the CFPB and will create uncertainty regarding the application of Federal lending laws in the auto finance sector.

The Acting CHAIR (Mr. SMITH of Nebraska). The time of the gentlewoman has expired.

Ms. MAXINE WATERS of California. Mr. Chairman, I yield the gentlewoman from New York an additional 30 seconds.

Ms. VELÁZQUEZ. Doing so is a raw deal for car buyers, especially minorities, who continue to fall victim to deceptive and unfair practices.

Let's let the CFPB do what it is supposed to do—protect the millions of consumers that will buy cars this year—and reject H.R. 1737. I urge a “no” vote on this misguided legislation.

Mr. HENSARLING. Mr. Chairman, might I inquire how much time is remaining on each side.

The Acting CHAIR. The gentleman from Texas has 15 minutes remaining. The gentlewoman from California has 13½ minutes remaining.

Mr. HENSARLING. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. HINOJOSA), my Democratic colleague.

Mr. HINOJOSA. Mr. Chairman, I rise today in support of H.R. 1737, the Reforming CFPB Indirect Auto Financing Guidance Act.

I am proud to say that in my 19 years in Congress, I have been a champion of the consumer and have fought for their protection. As a member of the Financial Services Committee, I strongly supported the creation of the Consumer Financial Protection Bureau and continue to be a strident defender and proponent of CFPB.

I support this bill to correct the CFPB's guidance with respect to indirect auto lending, which would increase the cost of consumer financing. In our effort to find discrimination in the marketplace, we must be careful not to push for policy solutions that hurt the very consumers we are trying to protect.

This bill does not prevent nor hinder the CFPB or any agency from enforcing fair lending laws. Rather, it provides an opportunity to reissue the guidance in a more inclusive and transparent manner.

As part of our mission to protect consumers, I urge the CFPB to work closely with stakeholders to improve the guidance in this important area. I also encourage the Bureau to develop and implement a financial literacy program aimed at teaching consumers the skills necessary to make informed financial decisions regarding the purchase of an auto through the use of financing. We need to do everything we can to ensure Americans have the basic financial literacy skills to enable them to navigate our increasingly complex financial system and make good, informed decisions.

Mr. GUINTA. Will the gentleman from Texas yield?

Mr. HINOJOSA. I yield to the gentleman from New Hampshire so that he may express support for financial literacy and offer to work with us to encourage the Bureau to develop a financial literacy program aimed at auto financing.

Mr. GUINTA. I would like to reiterate that the CFPB has the authority and the tools to increase financial literacy skills to consumers. I would be more than happy to work with the gentleman personally to make sure that they better educate consumers when they are purchasing a car. That is something that is important and critical. I value the interest that the gentleman has on this component of the bill, and I plan to work with the gentleman.

Mr. HINOJOSA. I thank the gentleman. I gladly accept his offer, and I look forward to working together to promote financial literacy, especially with respect to auto financing.

Mr. Chairman, I urge my colleagues to support H.R. 1737.

Ms. MAXINE WATERS of California. Mr. Chairman and Members, this is not about financial literacy. This is about raw discrimination.

I yield 2 minutes to the gentleman from Maryland (Mr. CUMMINGS), the ranking member of the Oversight and Government Reform Committee. He is a real fighter for freedom and justice.

Mr. CUMMINGS. Mr. Chairman, I thank the gentlewoman for yielding, and I thank the gentlewoman for her strong leadership.

Mr. Chairman, I rise today to oppose H.R. 1737. If this bill is enacted, it will cost minority auto purchasers millions of dollars.

Car purchases are extremely complicated transactions. Most Americans make only a few in a lifetime, and they are not familiar with the many detailed terms and procedures of these transactions. One thing that is not complicated is that charging a markup just because a buyer is a minority is simply illegal.

The Consumer Financial Protection Bureau protects minority purchasers against auto dealers that seek to charge abusive and predatory markups. The purpose of the bill before us today is to eliminate this protection—that is exactly what it is—leaving minority consumers at risk of being charged abusive and predatory interest rates.

In 2013, the CFPB ordered Ally Bank to pay \$80 million in damages and \$18 million in penalties for imposing higher interest rates on 235,000 minority borrowers. Just this year, the Bureau ordered Fifth Third Bank to pay \$18 million in damages for permitting markups of as much as 2.5 percent for minorities.

Because this bill would prevent the CFPB from carrying out its duty to protect minority borrowers, the administration has announced they would veto this bill.

This House should reject H.R. 1737 and every repeated effort to undermine—and that is exactly what it is, to undermine—the CFPB.

Mr. HENSARLING. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia (Mr. DAVID SCOTT), my Democratic colleague.

Mr. DAVID SCOTT of Georgia. Mr. Chairman, ladies and gentlemen, I

want to take a moment to point out why I am supporting this and am a cosponsor of this bill.

First of all, to our leader, the ranking member who does an excellent job, she is absolutely right. We must go at discrimination with lenders. But, Mr. Chairman, the unintended consequence of this is not punishing the lenders who may or may not be doing discrimination. If we show it, they should. Unfortunately, this guidance goes directly at dealers and low- and moderate-income customers, African Americans and other minorities who will be denied, because it takes away the dealers' ability to discount interest rates and be flexible.

Now, Mr. Chairman, there are 55 million unbanked and underbanked people in the United States. They don't have the bank. They are not going to Ally Bank.

□ 1430

But when they want, they have to buy a car. Some of them don't even have a credit card, but they have that dealer that can walk through the door. And if that dealer has the flexibility to be able to discount the interest rate, bringing a lower price to the car, they shouldn't be denied from having that opportunity to do it.

Now, let me go to the racial issue. When you play the race card, you have got to make sure you play it right. That is all I am saying.

When we looked at the CFPB and we looked at the methodology that they used to determine who the Black people were, they said: Hey, the best way of doing this is to go by the last names: Jackson, Williams, Johnson, Robinson.

Yeah. A lot of Black people are named that, but there are an awful lot of White people that are named that, too.

So is there any wonder, when the checks went out, that there were some happy White people, looking: Where did I get this money? Where did I get this \$200 or \$300 from?

Now, ladies and gentlemen, I take a backseat to nobody when it comes to standing up and fighting for racial equality. My life's story is that. I integrated the school systems in Scarsdale, New York, where not only was I just the only Black kid in the school or in my class, but I was the only Black kid in the whole city of Scarsdale.

My office mate in the Senate was Julian Bond. We went all across this country speaking for 40 years as a State representative, as a State senator, and now as a Congressman. My whole life has been for fighting this.

But when you deal with racial discrimination, it has got to be right. The methodology that the CFPB used is flawed. It is absolutely flawed. In the process, the CFPB itself is being charged with racial discrimination.

Now, all I am saying is what is fair is fair.

The Acting CHAIR. The time of the gentleman has expired.

Mr. HENSARLING. I yield the gentleman from Georgia an additional 1 minute.

Mr. DAVID SCOTT of Georgia. We are not asking to discontinue this. We are asking to go after where the discrimination is. But don't hurt the lower middle-income people who don't have the credit or don't have a credit card.

They have to go in there and work with that dealer. If you take that out of the way of the dealer, you are hurting the very people that some of the people who are opposing our bill want to help.

So, Mr. Chairman, let's get clarity here. Let's get truth here. All we are doing is asking the CFPB to come back, start over, get the right methodology, so you are getting the right people that you are sending the checks to, and also call in the Justice Department, the Federal Trade Commission, and the Federal Reserve, who are the ones under Dodd-Frank that regulate the auto dealers and not auto lenders.

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

Mr. Chairman and Members, all of the arguments that are used by the other side simply are not true.

They claim that the CFPB does not have the authority. They do have the authority under the Equal Credit Opportunity Act.

They claim that they didn't use the right methodologies, the same that is used by the Justice Department.

They claim that the dealers can't give discounts. That is absolutely not true. They can.

I yield as much time as he may consume to the gentleman from New York (Mr. JEFFRIES), a young man that has been leading an effort on the floor of Congress for justice for minorities and women consistently.

Mr. JEFFRIES. Mr. Chairman, I thank the distinguished gentlewoman from California for yielding and for her leadership.

Let's be clear. The opponents of this legislation are not playing the race card. America for centuries has played the race card—slavery, Jim Crow, lynchings, the Black Codes, institutional racism, unconscious bias—that continues to this day.

Yes. Of course we have come a long way in the United States of America, but we still have a long way to go. Everyone should have recognized the fact a few months ago when those souls were killed in Charleston, South Carolina, that racism in many corridors in this country is still functional, in existence, and poisoning our society.

So when we take a situation where African American consumers are paying higher interest rates for the same financial product when controlling for creditworthiness put in the context of history in this country, we are concerned.

All we are simply saying is that, if we really believe in a country where

everyone, regardless of color, has the opportunity to robustly pursue the American Dream, we need a level playing field. We need rules of engagement that apply to everyone, regardless of the color of their skin. We need equal opportunity.

That doesn't exist right now in the automobile lending context. That is why I urge a "no" vote against this legislation. Let the CFPB do its work.

Mr. HENSARLING. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. WILLIAMS), one of the outstanding workers for H.R. 1737.

Mr. WILLIAMS. Mr. Chairman, in full disclosure, my name is WILLIAMS, as Mr. DAVID SCOTT had said. I am also an auto dealer, but my colleagues here in the House already know that. It is not something I am ashamed of. In fact, it is something I am very proud of.

But Mr. GUINTA's bill isn't just about auto dealers. It is about an agency that continues to act not in the best interest of the consumer, but bigger government.

Well, Mr. Chairman, I am here this afternoon to give you a little perspective on that. As many small-business owners can tell you, the financial crisis of 2008 was the worst they had ever seen. Millions of Americans and thousands of small-business owners never recovered.

In response, Congress passed the Dodd-Frank Act, which, in turn, created the CFPB. The CFPB was given broad jurisdiction over the financial services sector: banks, insurance companies, mortgage lenders, credit card companies, payday lenders. The list goes on and on and on.

Dodd-Frank consisted of 2,300 pages of new laws and regulations. Mr. Chairman, I want to take a second and read from one of the sections of Dodd-Frank that has particular importance to us today. Section 1029 says:

The Bureau may not exercise any rulemaking, supervisory enforcement or any authority, including any authority to order assessment, over a motor vehicle dealer that is predominantly engaged in the sale and servicing of motor vehicles, the leasing and servicing of motor vehicles, or both.

So how did we get here today? In 2013, the CFPB didn't propose a new rule or a new regulation. In fact, they didn't seek comments from industry, consumers, or even Congress. But, instead, they offered guidance.

Since releasing this guidance in 2013, the CFPB has acknowledged that they did not analyze or estimate the economic impact it would have on customers. In addition, an independent study commissioned by the American Financial Services Association found several significant flaws in the Bureau's methodology, which led to inaccurate, incomplete, and unreliable conclusions about pricing disparities in the auto finance market.

In addition, recent settlements from the CFPB and lenders have highlighted

the Bureau's strong-arm tactics and inability to prevent fraudulent claims. At a hearing a few months ago, the Committee on Financial Services heard testimony about the lack of oversight implemented by the CFPB when paying claims to those who were potentially discriminated against.

Mr. Chairman, what most don't understand is that auto dealers—I repeat—auto dealers—are driven by competition. We are driven by protecting our reputation, providing service to our customers, and serving our communities.

When the CFPB issues fines on auto lenders for alleged discriminatory practices, they don't punish the dealers. They punish the consumer, the very people they are trying to supposedly protect, just as most government involvement does.

Mr. GUINTA's bill would finally bring transparency and clarification to a process that has had neither.

Mr. Chairman, I know Director Cordray and all those at the CFPB think they can control my industry by controlling the lenders we do business with. But let's not lose sight on what the law says.

I urge passage of H.R. 1737. Let your conscience be your guide.

Ms. MAXINE WATERS of California. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. GARAMENDI), a former insurance commissioner of California who has dealt with a lot of these issues.

Mr. GARAMENDI. Mr. Chairman, I thank the gentlewoman.

My colleague from California has raised a very significant issue here. It kind of helps to actually read the guidelines.

I have spent 8 years of my life as a regulator trying to protect the consumers from unfair practices in the insurance industry, some of which dealt with the issue of credit.

What we have here is an effort by the CFPB to give guidance—not a law, not a regulation, but guidance—to auto dealers and to indirect lenders on what they should do—not must do, but what they should do—to obey the Equal Credit Opportunity Act, which the CFPB actually does have the power to enforce.

By extension, an indirect lender stands in the place of an auto dealer in developing the terms of credit. That then makes the indirect lender subject to the Equal Credit Opportunity Act.

It is pretty simple here. This is guidance about how you could monitor what you should do as a dealer or as an indirect lender in obeying the Equal Credit Opportunity Act.

It is pretty simple. And when you don't do it, there are outlines about what you should do to deal with any problem that is found.

I am going: What is the problem here? The problem here is obeying the law as an indirect lender where you actually have the power to direct and to determine what the loan is.

Now, my history in regulating the insurance industry is that there is a pernicious and continuing discrimination that takes place, not necessarily Black, not necessarily Hispanic, but it exists in the poorer communities and keeps those communities down because they wind up paying a whole lot more for insurance, for credit, and for other economic policies. Pretty simple.

The Acting CHAIR. The time of the gentleman has expired.

Ms. MAXINE WATERS of California. I yield the gentleman an additional 30 seconds.

Mr. GARAMENDI. Let me wrap up very quickly, then.

This is about being fair in the practices of lending. I understand the auto dealers and the indirect lenders would rather not, but there is a history here, as has been stated in the debate, of where lenders have been found to be out of compliance with the Equal Credit Opportunity Act.

So what we are trying to do here with this opposition to this bill is saying to follow the guidance, follow the guidance and stay out of trouble. Pretty simple.

Mr. HENSARLING. Mr. Speaker, I yield 2 minutes to the gentleman from Arkansas (Mr. HILL).

Mr. HILL. Mr. Chairman, I rise today in support of my colleague from New Hampshire on his bipartisan bill to reform and assist our Nation's auto dealers and consumers and increase the oversight and transparency of the Consumer Financial Protection Bureau.

Dodd-Frank explicitly prohibited the CFPB from regulating auto dealers, but their guidance on indirect auto lending is an end around to indeed do it just that, regulate auto dealer sales.

Not only is the CFPB's guidance inherently flawed, but the agency has not provided the opportunity for public comment or input, nor have they shared any of their analysis or assumptions on which they based their model.

This guidance is another example of emerging government price regulation and fee setting in the financial services industry. We have always, as a part of our financial regulation, tried not to set price by regulatory directive. Instead, we have operated on a consumer disclosure and consumer education model.

But price regulation is clearly what this guidance does. It is softer and more delicate in its language, but it clearly is leading towards price regulation.

Consumer lending in banking is down among community banks. It has been cut in half over the past few years. One reason for that, one key reason for that, is the inability of a consumer bank to price for risk.

Today's legislation is not about discrimination. It is about giving access to credit to people who need it and giving access to credit to them in the right way, particularly those families with limited resources.

This bill in no way ties CFPB's hands. It merely gives the public an opportunity to comment on the Bureau's

attempt to reshape the auto loan market.

Whether it is in a rural area or an urban area, this pernicious expansion of price regulation in financial services by the Federal Government will have a negative effect on credit allocation in our communities.

Mr. Chairman, I include in the RECORD a letter from the Independent Community Bankers of America.

INDEPENDENT COMMUNITY
BANKERS OF AMERICA,
Washington, DC, July 27, 2015.

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

Hon. MAXINE WATERS,
Ranking Member, Committee on Financial Services,
House of Representatives, Washington, DC.

DEAR CHAIRMAN HENSARLING AND RANKING MEMBER WATERS: On behalf of the more than 6,000 community banks represented by ICBA, I write to thank you for scheduling a markup for July 28 on important regulatory reform bills. We are particularly pleased that a number of the bills scheduled for markup reflect community bank regulatory relief advanced in ICBA's Plan for Prosperity. We strongly encourage all committee members to vote YES on the bills noted below:

The Financial Institution Customer Protection Act (H.R. 766). Sponsored by Rep. Blaine Luetkemeyer, H.R. 766 is designed to curtail the abuses of Operation Choke Point. The bill would prohibit the federal banking agencies from suggesting, requesting, or ordering a bank to terminate a customer relationship unless the regulator put the order in writing and specified a material reason for the action, among other provisions.

The Portfolio Lending and Mortgage Access Act (H.R. 1210). Sponsored by Rep. Andy Barr, H.R. 1210 would provide that any residential mortgage held in portfolio by the originator is a "qualified mortgage" for the purposes of the Consumer Financial Protection Bureau's "ability to repay" rule. H.R. 1210 will help preserve access to credit for customers of community banks and other lenders.

The Small Bank Exam Cycle Reform Act of 2015 (H.R. 1553). Sponsored by Rep. Scott Tipton, H.R. 1553 would allow a highly rated community bank with assets of less than \$1 billion to use an 18 month exam cycle. ICBA supports a 24 month exam cycle for highly rated community banks. Because examiners have more than sufficient information to monitor a community bank from offsite, we believe that this change would not compromise supervision, and would actually increase safety and soundness by allowing examiners to focus their limited resources on the true sources of risk.

The Reforming CFPB Indirect Auto Financing Guidance Act (H.R. 1737). Sponsored by Rep. Frank Guinta, H.R. 1737 would effectively nullify the CFPB's guidance on indirect auto lending. In proposing and issuing guidance primarily related to indirect auto financing, the CFPB would be required to provide for a public notice and comment period, make available all studies, data, and other information on which the guidance is based, and meet other requirements intended to ensure the process is open, transparent, and responsive to public input. The CFPB would also be required to consult with the Board of Governors of the Federal Reserve System, the Federal Trade Commission, and the Department of Justice. ICBA suggests strengthening H.R. 1737 by requiring the CFPB to also consult with the Federal banking regulators, the Federal Deposit Insur-

ance Corporation and the Office of the Comptroller of the Currency.

Financial Institutions Examination Fairness and Reform Act (H.R. 1941). Sponsored by Reps. Lynn Westmoreland and Carolyn Maloney, H.R. 1941 would go a long way toward improving the oppressive examination environment that many community banks experience during and following an economic downturn.

Among other other provisions, H.R. 1941 would create an Office of Independent Examination Review within the Federal Financial Institutions Examination Council and give financial institutions a right to an expedited, independent review of an adverse examination determination before the Office's Director or before an independent administrative law judge.

ICBA also supports the provisions of H.R. 1941 that would create more consistent and commonsense criteria for loan classifications and capital determinations. Establishing conservative, bright-line criteria will allow lenders to modify loans, as appropriate, without fear of being penalized. If these standards become law, they will give bankers the flexibility to work with struggling but viable borrowers and help them maintain the capital they need to support their communities.

The Homebuyers Assistance Act (H.R. 3192). Sponsored by Rep. French Hill, H.R. 3192 would provide a critical safe harbor from enforcement actions for compliance errors arising from the implementation of the Consumer Financial Protection Bureau's Truth in Lending Act/Real Estate Settlement Procedures Act Integrated Disclosures, provided the lender has acted in good faith to implement and comply with new regulations. Without this safe harbor, consumer mortgage closings are likely to be delayed due to the enormous complexity of the new rules and fear of excessive enforcement actions for minor errors.

Taken together, the bills noted above would provide significant regulatory relief for community banks to the benefit of the customers and communities they serve. We will continue to press lawmakers to enact these sensible regulatory relief measures into law.

Thank you again for bringing these bills before the committee.

Sincerely,

CAMDEN R. FINE,
President & CEO.

□ 1445

Ms. MAXINE WATERS of California. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. SARBANES), a true champion for consumers.

Mr. SARBANES. I thank the gentleman for yielding.

Mr. Chairman, I oppose H.R. 1737.

The title of this legislation, the Reforming CFPB Indirect Auto Financing Guidance Act, is misleading. The legislation is not about "reforming" the guidance of the CFPB. It is about erasing and undermining CFPB's guidance altogether and suspending the Bureau's good work when it comes to monitoring and identifying discrimination in auto lending. Both the CFPB and the Department of Justice have found repeatedly that dealer discretion in determining the interest rates on auto loans leads to systemic discrimination against minority borrowers.

Supporters have argued that this legislation would bring clarity and transparency to the auto loan market, but

we must ask ourselves: Clarity and transparency for whom? It sure doesn't bring transparency for the American public when it comes to auto dealers who have been found to have been targeting minority communities with discretionary interest rate markups, increasing the carrying costs of car ownership for individuals who too often cannot afford the increased financial burden.

Of course, not all auto dealers engage in such practices, and we must be careful in painting with a broad brush. In fact, I believe the CFPB's guidance is a useful tool to protect the reputation of auto dealers who do the right thing by their customers—many of whom are leaders in their communities—against the predatory practices of a select few who tarnish the industry.

We should have clarity and transparency—clarity and transparency in how interest rates are determined so as to prevent discriminatory lending practices—but let the CFPB do its job, the Consumer Financial Protection Bureau.

Wall Street, the lenders, the mortgage companies, the big banks blew up our economy in 2009. They were exploiting a lot of consumers across the country. We set up the CFPB to protect financial consumers across the country. Let the CFPB do the job that it was given, which it is doing very well.

I urge my colleagues to reject H.R. 1737 and support the CFPB's ongoing work on behalf of American consumers.

Mr. HENSARLING. Mr. Chairman, may I inquire as to how much time is remaining on both sides.

The Acting CHAIR. The gentleman from Texas has 3½ minutes remaining, and the gentlewoman from California has 4½ minutes remaining.

Mr. HENSARLING. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania (Mr. KELLY).

Mr. KELLY of Pennsylvania. I thank the gentleman.

Mr. Chairman, I stand in strong support of H.R. 1737, and I will tell you why. It is because it is what I have done and what my family has done for almost 60 years. We are a third-generation automobile dealer.

I can tell you that it is a people business, not a White person business, not a Black person business, not a Brown person business, not a Red person business, or a Yellow person business. It is a business that is done face-to-face. I have sat across the desk from many people, lower income people, who cannot afford to get a car because they don't have the ability to negotiate the auto loan.

It is our business, and I am stunned by people who have never done what we have done who have somehow decided that we are racist and that we are overcharging people. We are doing exactly the opposite, and you are doing exactly the opposite. You are discriminating against the very people who need our help to buy cars. We negotiate the deal

for them. We negotiate the cost down. So to stand here today and think that somehow this is racist—if I were a person of color, I would be offended that you would even begin to suggest that I do not understand how to negotiate and that I do not understand who to trust and who not to trust.

Three generations of Kellys have sold over 150,000 cars. You don't do that by cheating people. You don't do that by being a racist. You don't do that by discriminating against people. You do that by working with people. It is stunning in this House—America's House—that we would reduce this down to an issue of color and not of cooperation. The ability to get these people transportation—private transportation—falls on the shoulders of those who are the dealers. We negotiate in their best interest.

How stunning to think that somehow we are these predators who are just taking advantage of these poor people who don't have any financial literacy. That, my friends, ultimately, is the biggest insult you could give people of color or people of gender. It is absolutely incredible to me that we would bring it to this issue.

If you don't understand our business, please learn about it. I don't have to have a book of talking points in order to talk about what we have done our whole life.

I stand in strong support of H.R. 1737 and in strong support of common sense and the American way.

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

Ms. MAXINE WATERS of California. Mr. Chairman and Members, no one on this side of the aisle mentioned the word "racist." It is only coming out of the mouths of the people on the opposite side of the aisle.

I yield 2 minutes to the gentleman from Colorado (Mr. PERLMUTTER), a member of the Financial Services Committee.

Mr. PERLMUTTER. I thank the gentlewoman from California, my ranking member. I appreciate the emotionally charged conversation that we are having here on the House floor today.

Mr. Chairman, I rise in support of H.R. 1737.

In the 14th Amendment to the Constitution of the United States, there are two basic principles among the others that are noted. One is that no one shall be deprived of life, liberty, or property without due process of law. The other one is that no one shall be denied equal protection under the laws of the United States of America.

We have kind of a collision of these two principles today. One is that there is the potential for the disparate treatment of people—discrimination—which all of us abhor and that we want to see rooted out by root and branch. The other is that, before you do a major policy in this country, there is always notice and an opportunity to be heard. That is where the collision comes in today.

The Consumer Financial Protection Bureau issued a bulletin without, really, notice and an opportunity to be heard to determine whether or not there was disparate treatment or whether methodologies that indicate there is are accurate. In fact, what we have seen is, 4 out of 10 times, it can be inaccurate based on this bulletin.

So H.R. 1737, with as much emotion as it has raised, asks the CFPB to go back and check what they have done. At no time is there any limitation to CFPB's or to the Department of Justice's rights under the Equal Credit Opportunity Act to go after discriminating individuals, to go after bad actors.

I would suggest to the CFPB that, while they are looking at their bulletin again, if they see evidence of discrimination, they refer it to the Justice Department and that it be condemned loudly and roundly.

Mr. HENSARLING. Mr. Chairman, I reserve the balance of my time.

Ms. MAXINE WATERS of California. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman and Members, this discussion today has been about discrimination. This discussion today is about the very powerful automobile dealers who come to the Congress of the United States and use their considerable influence to get the Members of Congress to get rid of a guidance that was put together by the Consumer Financial Protection Bureau.

They don't want the guidance because they don't want to be guided in how not to discriminate. They have gotten away for years with markups, and they have gotten away for years with targeting certain communities. For those who say that this has not happened, you are absolutely wrong. Minority communities, poor communities are targeted by every scheme and every fraudulent operation that you can think of.

Whether we are talking about this markup that causes minorities to pay more for automobiles or payday loans or whether we are talking about these private, postsecondary rip-off schools, communities of color are not only targeted in these ways, but we discovered in the 2008 subprime meltdown that communities have been targeted and that minorities who have the same credit ratings as others who are given loans—minorities who pay their bills—were charged more in interest rates for their mortgages than others.

This is not something that we are making up. The people on the opposite side of the aisle will have you believe they are working in the best interest of these minorities who continue to be ripped off. I don't have to say much, if anything, to prove that that is not true. Just take a look at who is supporting them. We are supported by the NAACP, the National Council of La Raza, the National Association of Minority Auto Dealers, the Center for Responsible Lending, the National Con-

sumer Law Center, the Center for Working Families, the Consumers Union. There are 67 consumer organizations who are sick and tired of seeing minorities being ripped off.

We are often counseled by those who say we are not pulling ourselves up by our bootstraps, that we are not doing enough. Why do you think a wealth gap exists? It exists because these fraudulent schemes are supported by people like those on the other side of the aisle.

I urge everyone in Congress to vote "no" on this discriminatory legislation.

Mr. Chairman, I yield back the balance of my time.

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

It is fascinating to me how often the ranking member talks about discrimination, but she didn't seem to talk about the discrimination coming out of the CFPB. She knows good and well, Mr. Chairman, that we have had witness after witness not come up with junk science about some disparate impact methodology that is proven wrong, but we have had actual witnesses come and talk about discrimination at the CFPB, which, apparently, the other side is now holding up as a paragon of virtue to enforce our civil rights laws.

We have had the inspector general come and say, at the CFPB, minorities are underrepresented in upper pay bands. The inspector general says minority applicants are not hired in proportion to qualifications. The inspector general says minority employees receive lower performance ratings. We have had one division of the CFPB that employees refer to as the "plantation." This is in the 21st century? Now the ranking member wants to hold up the CFPB as some paragon of virtue because they use junk science—a methodology they admit themselves overrepresents minority populations?

This is about due process, Mr. Chairman, due process for every American. We can't have some rogue agency putting out guidance and not allowing any public comment. We cannot allow this agency, regardless of what its motivations may be, to ultimately take away the credit opportunities of hard-working Americans who are trying to get ahead. We cannot let this rogue agency increase prices.

It is time for us to support the legislation. I encourage all Members to support it.

Mr. Chairman, I yield back the balance of my time.

Ms. NORTON. Mr. Chair, I join many of my Democratic colleagues, as well as the NAACP, the Leadership Conference on Civil and Human Rights, the National Council of La Raza, the National Association of Minority Automobile Dealers, and many other civil rights groups, in opposing H.R. 1737, the Reforming CFPB Indirect Auto Financing Guidance Act, a bill that would significantly diminish the Consumer Financial Protection Bureau's (CFPB) ability to protect consumers

from racial discrimination in the auto lending market and give auto dealers a leg up in charging higher interest rates, and, as studies have shown, in discrimination. In 2013, the CFPB issued guidance that was aimed at combatting these biases in the auto lending industry—because of a practice used by car dealers known as “markups,” people of color were paying more for car loans than their white counterparts with similar or identical credit histories.

As the former chair of the Equal Employment Opportunity Commission, I am dismayed by the practice of “markups,” which allows discriminatory car dealers, who get a cut of the additional charges and fees that markups provide, to profit from their bad behavior. The CFPB has done important work toward eradicating discriminatory lending practices. I oppose this bill, and I urge my colleagues to do the same.

The Acting CHAIR. All time for general debate has expired.

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

The text of the bill is as follows:

H.R. 1737

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 “Reforming CFPB Indirect Auto Financing Guidance Act”.

SEC. 2. NULLIFICATION OF AUTO LENDING GUIDANCE.

Bulletin 2013-02 of the Bureau of Consumer Financial Protection (published March 21, 2013) shall have no force or effect.

SEC. 3. GUIDANCE REQUIREMENTS.

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

“(5) GUIDANCE ON INDIRECT AUTO FINANCING.—In proposing and issuing guidance primarily related to indirect auto financing, the Bureau shall—

“(A) provide for a public notice and comment period before issuing the guidance in final form;

“(B) make available to the public, including on the website of the Bureau, all studies, data, methodologies, analyses, and other information relied on by the Bureau in preparing such guidance;

“(C) redact any information that is exempt from disclosure under paragraph (3), (4), (6), (7), or (8) of section 552(b) of title 5, United States Code;

“(D) consult with the Board of Governors of the Federal Reserve System, the Federal Trade Commission, and the Department of Justice; and

“(E) conduct a study on the costs and impacts of such guidance to consumers and women-owned, minority-owned, and small businesses.”.

The Acting CHAIR. No amendment to the bill shall be in order except those printed in House Report 114-340. Each such amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, 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. GOSAR

The Acting CHAIR. It is now in order to consider amendment No. 1 printed in House Report 114-340.

Mr. GOSAR. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 4, line 11, insert “veteran-owned,” after “minority-owned.”.

The Acting CHAIR. Pursuant to House Resolution 526, the gentleman from Arizona (Mr. GOSAR) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Arizona.

□ 1500

Mr. GOSAR. Mr. Chairman, I rise today to offer a commonsense amendment to H.R. 1737.

This simple amendment ensures that any costs or potential impacts to any and all veteran-owned businesses are considered and included in the study required by this bill for any future auto financing guidance that may be put forth by the Consumer Financial Protection Bureau.

The three main categories that the SBA utilizes for set-aside government contracts are women-owned, minority-owned, and veteran-owned businesses. The base bill requires a report that would include any cost or impacts associated with new guidance for minority-owned businesses and women-owned businesses.

I think we should all agree that it only makes common sense, then, to also consider any costs or implications for our Nation’s heroes and veteran-owned businesses that may arise from any future guidance being considered.

Our servicemen and -women already face tough challenges finding work when they return from service. In recent years, veterans’ unemployment numbers have been some of the highest in the country and, at times, have been in double digits. Earlier this year, post-9/11 veterans faced unemployment numbers north of 7.2 percent. We shouldn’t let any potential future guidance from an already rogue agency created under Dodd-Frank exacerbate employment hurdles for our Nation’s veterans.

One week ago today, we celebrated Veterans Day and the patriotic service that so many men and women have given to this great Nation. We have asked these heroes to risk their lives for this country, and many of our veterans have answered that call time and time again, including multiple tours overseas. Most veterans return from service seeking not only to reintegrate and establish normal lives, but to continue serving their country by contributing to the workforce, finding jobs, and even creating jobs for others by starting small businesses.

My amendment is a simple measure and will help ensure veteran-owned

businesses are not harmed by any future auto financing guidance put forth by CFPB.

Chairman HENSARLING supports this amendment. I thank the chairman for his support and also for bringing forth this commonsense bill that rejects this misguided guidance. I also applaud the chairman and committee for everything they do to advocate for small businesses and job creators throughout the country.

I ask that all my colleagues support our veterans and the businesses they own by voting in favor of my commonsense amendment.

I reserve the balance of my time.

Ms. MAXINE WATERS of California. Mr. Chairman, I claim time in opposition to the amendment.

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

Ms. MAXINE WATERS of California. I yield myself such time as I may consume.

Mr. Chairman, this amendment compounds one of the underlying problems that I have expressed in my opposition to H.R. 1737.

While I have been and continue to be one of Congress’ most vocal supporters of minority-owned businesses, further expanding an already unnecessary cost-benefit study concerning the impacts of nonbinding policy guidance is unproductive and only increases the likelihood that future guidance designed to actually help lenders comply with the law is further delayed or never issued.

Mr. Chairman and Members, I want you to understand what is being said by the opposite side of the aisle. They basically are saying: Help me to look out for our veterans and make sure that they don’t have any guidance that would impede their ability to do business. Well, I mean, that is kind of a made-up problem.

This is not a problem. Simply, what is happening by the attempt to throw veterans into this is to get Members thinking “perhaps I want to support this amendment because I don’t want to be thought of as not supporting veterans.” When you talk about cost-benefit analysis and studies, what you are talking about is: How do I tie up the agency? How do I create impediments to the agency being able to do its job.

This Congress supports veterans in so many ways. We support them in their quest to do business, and we have laws on the books that will help them to successfully get into business. We support them in housing. We support them with better health care.

I don’t want any Members of Congress to think somehow this kind of made-up amendment is something that really they should be supporting if they want to help veterans. This is simply a way by which to get you to do something, making you think you are supporting veterans and thinking you cannot oppose it.

This is an unnecessary amendment, and it gets in the way of good guidance coming out of the Consumer Financial

Protection Bureau, so I would ask you to vote "no" on this amendment.

I reserve the balance of my time.

Mr. GOSAR. I can't believe, Mr. Chairman, what I just heard. I just can't believe it. I hope that veterans who are watching C-SPAN today are listening carefully, listening very carefully about this amendment.

The three divisions which it oversees, the veterans were left out, and we just want to make sure that our veterans are included in any study that CFPB would go forward with.

That is sad. That is sad.

When we talk about the Veterans Administration being so pristine, when we look at their healthcare system, it is 50 percent worse than it was a year ago. Many of the veterans that I have in rural Arizona are struggling to find anybody that will even hear from them.

What a sad shame. What an absolute shame.

So I actually would ask my colleagues to vote for this amendment. It is pretty straightforward. I think America gets it.

I reserve the balance of my time.

Ms. MAXINE WATERS of California. I yield back the balance of my time.

Mr. GOSAR. Mr. Chairman, I yield 30 seconds to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Chairman, I urge all Members to adopt this amendment.

I must admit, if people all over America are wondering why it is so difficult to get something done on a bipartisan basis, traditionally, the least controversial thing we do here is study something. What is even less controversial is coming together on behalf of our veterans, yet we have the ranking member of this committee opposing both. I hope the American people are watching closely.

Again, I think this is a very common-sense, modest amendment by the gentleman from Arizona. I encourage all Members to vote for it.

Mr. GOSAR. Mr. Chairman, once again, I ask all Members to vote for this.

I yield back the balance of my time.

The Acting CHAIR (Mr. BYRNE). The question is on the amendment offered by the gentleman from Arizona (Mr. GOSAR).

The amendment was agreed to.

AMENDMENT NO. 2 OFFERED BY MR. SMITH OF MISSOURI

The Acting CHAIR. It is now in order to consider amendment No. 2 printed in House Report 114-340.

Mr. SMITH of Missouri. Mr. Chairman, I have an amendment at the desk.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 4, line 12, strike the first period and insert "including consumers and small businesses in rural areas."

The Acting CHAIR. Pursuant to House Resolution 526, the gentleman

from Missouri (Mr. SMITH) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Missouri.

Mr. SMITH of Missouri. Mr. Chairman, the American people have been misled. They were incorrectly told that Dodd-Frank was meant to go after big banks and Wall Street. However, in my rural congressional district, the effects of this law and its close to 500 regulations have been devastating.

The total economic cost of Dodd-Frank-based regulations has eclipsed \$35 billion and over 60 million hours of paperwork burdens. That is the equivalent of 30,000 employees a year dedicated solely to regulatory paperwork. A new army of regulators aren't the kind of jobs that Americans were promised.

The biggest and most costly regulation to come out of Dodd-Frank is the deceptively named Consumer Financial Protection Bureau, an unconstitutional, uncontrollable, and unaccountable agency whose total negative impact on our economy won't be known for decades.

The CFPB was supposed to protect consumers from the predatory practices of financial institutions. Instead, it has limited Americans' access to credit, the ability to be financially independent, and impeded the availability of homes and, in this case, cars. The CFPB achieved this by hiring big, spending big, and regulating big.

The CFPB started with a staff of 178 in 2011 but now has close to 2,000 employees. In that same period, its annual spending grew from \$10 million to, now, \$600 million. The safest place to find a job in this government economy is with a Federal financial regulator. In the last 5 years, those regulators have seen a 16 percent increase in job growth.

The CFPB still has more regulations and guidance in its pipeline just ready to roll out and crush rural America. That is why this amendment is so important.

In the endless search for a job in this economy, many Americans are forced to migrate to urban areas. In 2013, over half of all the rural counties in the United States actually shrank in population. In 2014, according to the Department of Labor, rural counties lost 330,000 jobs, while metropolitan counties gained over 3 million jobs. The last thing Washington should be doing is authoring regulations which further enable this trend.

With adoption of H.R. 1737 and this amendment, we are telling the CFPB that, when you issue regulations like this, in addition to analyzing the impact on women-owned, minority-owned, and small businesses, you must also take a look at those regulations' impact on rural businesses and rural consumers.

My amendment is a simple one, but it would go a long way to providing some clarity for the folks of Missouri's

Eighth Congressional District and all of those Americans living in rural communities across the Nation. While 1600 Pennsylvania Avenue might be looking at ways to make their life harder, this body, this Chamber, will continue to fight to make sure the Federal Government stays out of their way.

I thank my friend and colleague from New Hampshire for introducing this legislation. Burdensome regulation is a problem that hits rural America the hardest. I urge adoption of the amendment.

I reserve the balance of my time.

Ms. MAXINE WATERS of California. I claim time in opposition to the amendment.

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

Ms. MAXINE WATERS of California. I yield myself such time as I may consume.

Mr. Chairman and Members, I am in opposition to this bill because it is simply another study, another cost to government, another unnecessary cost. While my friends on the opposite side of the aisle always claim that they are reducing the cost of government, these studies do very little.

As a matter of fact, instead of a study, some of these Members who represent rural areas ought to become real advocates for their constituencies. They charge many of us as being advocates for health care, education, housing, and transportation, all of which they lack in their communities, but you never see them fighting for it. If it were not for some of us who are out there demanding better health care, better transportation systems, better education, and fighting for those who get ripped off by these fraudulent businesses every day, they wouldn't have any protection because they send too many Members to Congress who mislead them on other kinds of issues, but when it comes to their economics, you cannot find them anywhere.

So, instead of a study, another study, another cost to government, why don't they become real advocates for their constituency? Why is it that we don't have transportation systems in rural communities? Why is it they have to travel miles for health care? It is because they have Representatives whom they send to Congress who are really not representing their real interests. They may get their colleagues to vote for yet another study because they don't do anything that is real and substantive for their communities.

I yield back the balance of my time.

Mr. SMITH of Missouri. Mr. Chairman, I urge adoption of the amendment.

I yield back the balance of my time.

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

The amendment was agreed to.

AMENDMENT NO. 3 OFFERED BY MS. SEWELL OF ALABAMA

The Acting CHAIR. It is now in order to consider amendment No. 3 printed in House Report 114-340.

Ms. SEWELL of Alabama. Mr. Chairman, I have an amendment at the desk listed as Sewell Amendment No. 3.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Add at the end of the bill the following:

SEC. 4. RULE OF CONSTRUCTION.

Nothing in this bill shall be construed to apply to guidance issued by the Bureau of Consumer Financial Protection that is not primarily related to indirect auto financing.

The Acting CHAIR. Pursuant to House Resolution 526, the gentlewoman from Alabama (Ms. SEWELL) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Alabama.

Ms. SEWELL of Alabama. Mr. Chairman, I rise today in support of my amendment to H.R. 1737.

My amendment is a commonsense and straightforward amendment. It simply states that nothing in this bill shall be construed to apply to guidance issued by the CFPB that is not primarily related to indirect auto financing.

This amendment is intended to help ensure that the underlying bill in no way prohibits, disrupts, or affects the enforcement of other fair lending laws or guidance that protects millions of Americans from unfair or discriminatory lending practices.

The underlying bill, H.R. 1737, provides the CFPB with criteria to consider when issuing further guidance on indirect auto lending. While I agree that the CFPB should reevaluate its recent guidance, we should also ensure that the scope of this legislation stays narrow and applies only to indirect auto financing.

Mr. Chairman, I applaud the CFPB's efforts to protect consumers from discriminatory lending practices. We can all agree that no one supports or should condone abusive or discriminatory practices in auto lending or in any area of the marketplace. However, it is our job as Members of Congress to offer guidance and constructive critique to our regulatory agencies to enforce and ensure that regulations are pragmatic and workable.

This noncontroversial amendment simply clarifies that the other valuable tools possessed by the CFPB are not infringed upon and ensures that there is no room for ambiguity. The CFPB plays a critical role in protecting consumers and buyers. My amendment helps ensure that laws like the Equal Credit Opportunity Act and other fair lending laws are not inadvertently or directly affected by this bill.

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My amendment helps ensure that the Bureau continues to play this role while hardworking Americans continue to have access to the necessary credit to purchase any central mode of transportation. I urge support of this amendment.

Mr. Chair, I reserve the balance of my time.

Mr. HENSARLING. Mr. Chairman, I ask unanimous consent to claim the time in opposition to the amendment, although I am not opposed.

The Acting CHAIR (Mr. SMITH of Missouri). Is there objection to the request of the gentleman from Texas?

There was no objection.

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

Mr. HENSARLING. Mr. Chairman, the gentlewoman from Alabama is a valued member of the Committee on Financial Services. The absolute worst thing I could say about her amendment is it might be redundant. Hopefully it is. But if it is not, we want to simply clarify, again, that the underlying bill from the gentleman from New Hampshire only deals with this auto finance guidance.

Again, absolutely nothing in the underlying bill to H.R. 1737 in any way, shape, or form affects the CFPB's ability to enforce the Equal Credit Opportunity Act. If this clarification is needed, I am happy that the gentlewoman is offering it, and I would urge its adoption.

Mr. Chairman, I yield back the balance of my time.

Ms. SEWELL of Alabama. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California (Ms. WATERS), the ranking member of the committee.

Ms. MAXINE WATERS of California. Mr. Chairman, I thank the gentlewoman for yielding time.

As Mr. HENSARLING said, it may be redundant, but that is okay. It reinforces basically what we have been talking about in relationship to 1737.

I will just take a moment to say how proud I am of the Consumer Financial Protection Bureau, how proud I am of Mr. Cordray, how pleased I am that this is the centerpiece of the Dodd-Frank reform, how pleased I am that we now have an agency that is looking out for consumers.

Prior to the Consumer Financial Protection Bureau, our regulatory agency said their job was for safety and soundness. They forgot about the consumers; they were dropped off the agenda.

Now we have a Consumer Financial Protection Bureau that is challenging the practices of many who claim they are in legitimate businesses. They are challenging them. They are saying to them: No longer can you rip off our consumers. No longer can you target minorities. No longer can you have discriminatory practices.

Thank God for the Consumer Financial Protection Bureau.

Ms. SEWELL of Alabama. Mr. Chairman, I want to thank the ranking member, Congresswoman WATERS, for her diligence on this committee. She serves as a model for all of us in her vigor and fervor for making sure that we are not discriminating against average Americans. All of us agree that nothing we do should be about dis-

criminating or adding to the effects of discrimination.

I ask for support of this amendment. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIR. The question is on the amendment offered by the gentlewoman from Alabama (Ms. SEWELL).

The amendment was agreed to.

The Acting CHAIR. There being no further amendments, under the rule the committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. BYRNE) having assumed the chair, Mr. SMITH of Missouri, 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. 1737) to nullify certain guidance of the Bureau of Consumer Financial Protection and to provide requirements for guidance issued by the Bureau with respect to indirect auto lending, and, pursuant to House Resolution 526, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment reported from the Committee of the Whole? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. GUINTA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

**PORTFOLIO LENDING AND
MORTGAGE ACCESS ACT**

Mr. HENSARLING. Mr. Speaker, pursuant to House Resolution 529, I call up the bill (H.R. 1210) to amend the Truth in Lending Act to provide a safe harbor from certain requirements related to qualified mortgages for residential mortgage loans held on an originating depository institution's portfolio, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 529, an amendment in the nature of a substitute consisting of the text of Rules Committee Print 114-34 is adopted, and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows: