

Stop the Consumer Financial Protection Agency Act (CFPA)

H.R. 3162

- **NEW GOVERNMENT BUREACRACY:** The bill will create an entirely new federal agency, the CFPA, consolidating the consumer protection mandates of the federal financial regulators. The authority of the agency however, will extend far beyond traditional financial services products to the entire economy. In short, it creates a new regulatory overlay over the entire business community.
- **SWEEPING OVERREACH:** The definitions included in the bill would pull virtually every business that extends credit, broadly defined. This includes any business that allows customers to pay in arrears – either through lay-away programs or simply in more than one installment. Any company that has ongoing relationships with its customers and allows them to run a tab or pay over time would be regulated by the new agency. In addition, any business that provides a “material service” to a financial services company, actually undefined, would be covered as well.
- **EXPANSIVE AUTHORITY:** The bill gives the CFPA authority to write rules, enforce the rules, conduct examinations, require new, review and approve disclosures regarding consumer financial products, impose fees or assessments on all covered persons, and require reports from any covered entities.
- **ADDING DUPLICATION AND CONFLICTS:** The CFPA would set the floor, not the ceiling regarding state consumer protection laws. This will create a new regulatory regime in companies will be subject to, and consumers will be lost in the maze of – federal regulations & disclosures + 51+ state laws & disclosures + State AG’s interpreting and enforcing federal law at the state level. This is directly contrary to goals of streamlining, modernizing and simplifying the regulatory system (and disclosures to consumers).
- **LIMITING CHOICE:** The CFPA will have the authority to mandate that any company offering a consumer financial product has to offer a product with terms and conditions set by the government. Alternative products cannot be offered unless the “plain vanilla” is extended. This gives the largest banks a significant competitive advantage over smaller banks, limits consumer choice, and will significantly increase the cost of any alternative products that are tailored for specific needs.
- **THREAT TO PRIVACY:** The bill gives the CFPA the authority to request and hold reports from any covered entity – including reports from banks about the type of accounts and the balance in each account. This is an affront on the privacy and security of consumers’ financial information.