



Protecting Consumers from the "Consumer Protectors"

#### AFFECTED INDUSTRIES:

- |                           |                    |
|---------------------------|--------------------|
| Auto Finance              | Mortgages          |
| Banking                   | Prepaid Cards      |
| Credit Cards              | Short-term Loans   |
| Debt Collection           | Student Loans      |
| Debit Cards               | Trade Schools      |
| Mobile Financial Services | Virtual Currencies |

## WHY IT MATTERS

- The **Consumer Financial Protection Bureau (CFPB)** is the most unaccountable and out of control agency in the federal government. In its position under the leadership of the Federal Reserve (Fed), it is not accountable to, nor is it subject to regular oversight from Congress.
- Set up by Elizabeth Warren, and now run by Director Richard Cordray, the "Bureau" has become the vehicle that the Administration is using to implement aggressive anti-consumer policy action.
- Scandal has plagued the new agency from before it was formed – internal racial and gender discrimination complaints, fiscal impropriety, privacy violations, and unprecedented rule making threats.

## THE IMPACT OF THE CFPB

- The CFPB's rogue actions widely and significantly impact our nation's economic systems, and by extension, the global economy.
- Instead of focusing on their core mission to educate consumers and protect them from fraud, the Bureau has become a central point of command from which the Administration is working to control large sectors of the financial services industry.

## THE DANGERS OF THE CFPB

- The CFPB is led by a single, unaccountable, presidentially-appointed Director. There is no commission or board to oversee the Bureau's actions.
- Since the Dodd-Frank Act required the CFPB receive its funding directly from the Fed, instead of from Congress, the Bureau is not subject to the budgetary limitations or oversight that provide accountability at other federal agencies.
- The CFPB acts as a rogue agency, issuing rules and obtaining consumer data without permission, outside consultation, or public input. Though the Fed funds the CFPB, they have no authority over, and are unable to approve or reject, the Bureau's rules or orders. Much of the Bureau's operations are carried out in secret.
- The Bureau has refused to effectively manage and protect the massive amounts of personally identifiable data it collects from both consumers and companies. As such, the CFPB has received recommendations from Congress, the Government Accountability Office, and the Office of Inspector General, to address immediate information security vulnerabilities.

## OUR FIGHT TO REFORM THE CFPB

- While the mission of the CFPB is a laudable one, substantive reform is necessary to ensure the principles of consumer choice and freedom are also protected in the course of the agency's pursuit of consumer protection.
- Since the CFPB has shown time and again that they are resistant to the reforms that are needed to make them the accountable and credible agency that American consumers deserve, the US Consumer Coalition launched the "*Consumer Protection Initiative*."
- The "*Consumer Protection Initiative*" seeks to advance key reforms, including:
  - Replacing the CFPB's single-Director leadership structure with a bipartisan commission.
  - Subjecting the CFPB to the same Congressional oversight under the annual appropriations process that virtually every other federal agency receives.