



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

April 21, 2015
(House)

STATEMENT OF ADMINISTRATION POLICY
H.R. 1195 — Bureau of Consumer Financial Protection Advisory Boards Act
(Reps. Pittenger, R-North Carolina, and 19 cosponsors)

H.R. 1195 as reported by the House Financial Services Committee would direct the Director of the Consumer Financial Protection Bureau (CFPB) to establish a Community Bank Advisory Council, a Credit Union Advisory Council, and a Small Business Advisory Board to advise and consult with the CFPB in the exercise of its authority under Federal law regarding consumer financial protections. While the Administration does not oppose House passage of H.R. 1195 as reported, the Administration strongly opposes H.R. 1195 as amended by House passage last week of the rule for consideration of the bill, which would reduce the cap on the total amount of funding that could be requested by the Director for the CFPB for FYs 2020 and 2025.

The mandatory creation of additional advisory committees is not necessary because the CFPB already conducts significant stakeholder outreach. A core component of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Wall Street Reform) was the creation of the CFPB, the first ever regulator solely dedicated to protecting financial consumers. The CFPB's mission includes establishing and enforcing clear rules of the road for financial institutions, developing consumer protections and disclosure regimes, and preventing the kind of predatory behavior that was a significant contributor to the 2008 financial crisis. The CFPB, using existing authority, already convenes a Community Bank Advisory Council and a Credit Union Advisory Council, each of which shares with the CFPB its perspectives, experiences, analyses, and recommendations regarding CFPB policy development and rulemaking. These councils already include a range of stakeholders. Moreover, the CFPB is the only financial regulator required to convene a panel prior to proposing a rule to obtain extensive feedback from small businesses on any rule that would significantly impact them.

Much more problematic, however, is the reduction in CFPB's funding required by the amendment adopted as a result of House passage of the rule for consideration of H.R. 1195, which would reduce the CFPB's available funding in each of FYs 2020 and 2025. As the CFPB's funding is already capped under law and only increased in line with increases in the Federal Government's employment cost index, this lower cap is solely intended to impede the CFPB's ability to carry out its mission of protecting consumers in the financial markets. These reductions to the caps could result in, among other things, undermining critical protections for families from abusive and predatory financial products.

If the President were presented with H.R. 1195 as currently amended, his senior advisors would recommend that he veto the bill.

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