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# United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

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June 11, 2015

The Honorable Gene L. Dodaro  
Comptroller General  
U.S. Government Accountability Office  
441 G Street, N.W.  
Washington, DC 20548

Dear Comptroller General Dodaro:

My duties as Chairman of the Senate Small Business and Entrepreneurship Committee include ensuring that federal agencies diligently follow the laws enacted to protect and enable small businesses. Section 1100G of the Dodd-Frank Act amends the Regulatory Flexibility Act (RFA) (5 U.S.C. §601 *et. seq.*) to require that the Consumer Financial Protection Bureau (CFPB) convene Small Business Regulatory Enforcement Fairness Act (SBREFA) panels, which seek direct input from small entities during the agency rulemaking process. The CFPB completed four SBREFA panels and is currently conducting a panel addressing the proposed payday lending rule.

Serious questions have come to my attention regarding the adequacy and thoroughness of the CFPB's analysis of small entity impacts during the rulemaking process, and its adherence to the RFA. Drawing from these issues, I request that the Government Accountability Office (GAO) examine the following aspects of the CFPB's conduct during the rulemaking process:

1. Are the selection of Small Entity Representatives (SERs) conducted in a way that guarantees adequate input from a reasonable distribution and representation of small entities that would likely be impacted by the CFPB's proposed regulation under consideration?
2. Are the materials distributed to SERs adequate enough for them to provide constructive input for the rulemaking?
3. Are the timelines for the CFPB's rulemakings sufficiently planned to allow for the input of small entities prior to the drafting of a proposed rule?
4. Does the SBREFA panel process allow for the CFPB to adequately consider the views, concerns, and data from SERS prior to the issuance of a proposed rule?
5. Were the CFPB's analyses of how its proposed rules would impact the cost of credit for small businesses adequate in the materials distributed to SERs?
6. Did the CFPB's SBREFA panel processes adequately include the participation of SBA's Office of Advocacy and OMB's Office of Information and Regulatory Affairs?

7. What steps has the CFPB taken to minimize the impact on the cost of credit for small businesses based on information gained through the SBREFA panel process?

Additionally, I request that GAO interview SERs who participated in the CFPB's SBREFA panels to gauge their views on the panel process. Specifically, I ask that you address:

1. Did the SERs believe their respective industry was adequately represented in the selection of individuals to participate?
2. Did the SERs believe that materials distributed to them adequately prepared them to provide constructive input?
3. Did the SERs believe that their views, concerns, and suggestions were accurately characterized by the CFPB in the panel report (see 5 U.S.C. § 609(b)(5))?
4. Did the SERs believe their views, concerns, and suggestions were adequately considered by the CFPB?

Finally, we request that GAO report on any other issues of concern that it may uncover during its examination of these important issues.

Thank you for your attention to my request. If you have any questions, please direct them to my Committee staff at (202) 224-5175.

Sincerely,



David Vitter  
Chairman  
Senate Committee on Small Business and Entrepreneurship