



Legislation Text

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Urging Congress to oppose H.R. 10, the *Financial CHOICE Act of 2017*, which would undermine crucial enforcement and compliance actions provided by the Dodd-Frank Wall Street and Consumer Protection Act, deregulate financial institutions and destroy the Consumer Financial Protection Bureau, therefore exposing Americans to potential threats of abuse within the financial system.

WHEREAS, Dodd-Frank was enacted following the financial crisis to put in place needed financial reforms that were essential to ensuring a stable economic recovery for all Americans and prevent future economic meltdowns. It imposes important rules to rein in the kind of Wall Street speculation that brought the global economy to the brink of collapse and caused millions of people to lose their jobs, homes, and savings; and

WHEREAS, Dodd-Frank also created the Consumer Financial Protection Bureau (CFPB), an agency dedicated solely to advocating for consumers within the federal government. Since its creation, the CFPB has successfully enacted strong rules protecting Americans from predatory practices that will lead to another financial crisis. For every \$1 of funding, the CFPB has returned approximately \$5 to victims of financial wrongdoing. To date, it has returned nearly \$12 billion to 29 million wronged Americans; and

WHEREAS, The CFPB has taken steps to crack down on predatory schemes, such as payday lending, by emulating Pennsylvania's existing law. Its efforts have sent a strong message to the entire industry that financial incentive programs, if not monitored carefully, carry serious risks that can have serious legal consequences; and

WHEREAS, Under current rules, the Bureau's director is appointed for a five-year term and can be ousted only "for cause," which is defined as "inefficiency, neglect of duty or malfeasance in office." The proposed H.R. 10 calls instead for a director "removable at will" by the president. It would also allow for the CFPB deputy director to be "appointed and removed by the president," a job that is currently filled by the director. Both these changes would ensure that the president has full control over the agency, stripping it of its independence; and

WHEREAS, According to the United States Public Interest Research Group, H.R. 10, if enacted, would have a devastating effect on the capacity of regulators to protect the public interest and defend consumers and investors from future Wall Street wrongdoing and the economy from financial risks created by too-big-to-fail financial institutions; and

WHEREAS, The Bill also rejects over 150 years of national policy that bank regulators and the financial system should be insulated from the highly-politicized appropriations process by not only eliminating CFPB's independent funding, but also that of other bank regulators, including the FDIC, OCC and FRB; and

WHEREAS, H.R. 10 makes the Bureau's highly successful statutory Offices of Financial Empowerment, Older Americans, Service Member Affairs and its Office of the Student Loan Ombudsman all "optional," meaning that a future director could simply eliminate them. The Bill also eliminates the CFPB's Public Consumer Complaint Database, which would only benefit companies that don't want to improve their customer service and don't want to be transparent about their business; and

WHEREAS, The Bill eliminates the CFPB's Congressionally-granted authority to ban or regulate arbitration in consumer contracts, which only serves corporate wrongdoers who use arbitration as a shield to defend itself against its deceptive and predatory practices. Additionally, despite the fact that abusive high-cost small dollar lending is one of the largest financial problems consumers - especially working class families - face, the Bill simply removes any authority of the CFPB to regulate or issue enforcement actions against small-dollar lenders; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That it urges Congress to oppose H.R. 10, the *Financial CHOICE Act of 2017*, which would undermine crucial enforcement and compliance actions provided by the Dodd-Frank Wall Street and Consumer Protection Act, de-regulate financial institutions and destroy the Consumer Financial Protection Bureau, therefore exposing Americans to potential threats of abuse within the financial system.