

Union Calendar No. 35

116TH CONGRESS
1ST SESSION

H. R. 1500

[Report No. 116–57, Part I]

To require the Consumer Financial Protection Bureau to meet its statutory purpose, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 5, 2019

Ms. WATERS (for herself, Mrs. CAROLYN B. MALONEY of New York, Ms. VELÁZQUEZ, Mr. SHERMAN, Mr. MEEKS, Mr. CLAY, Mr. DAVID SCOTT of Georgia, Mr. GREEN of Texas, Mr. CLEAVER, Mr. PERLMUTTER, Mr. HIMES, Mr. FOSTER, Mrs. BEATTY, Mr. HECK, Mr. VARGAS, Mr. GONZALEZ of Texas, Mr. LAWSON of Florida, Mr. SAN NICOLAS, Ms. TLAIB, Ms. PORTER, Mrs. AXNE, Ms. PRESSLEY, Ms. OCASIO-CORTEZ, Ms. WEXTON, Mr. LYNCH, Ms. GABBARD, Ms. ADAMS, Ms. DEAN, Mr. GARCÍA of Illinois, and Ms. GARCIA of Texas) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Education and Labor, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

MAY 10, 2019

Reported from the Committee on Financial Services with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

MAY 10, 2019

Committee on Education and Labor discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on March 5, 2019]

A BILL

To require the Consumer Financial Protection Bureau to
meet its statutory purpose, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the*
 5 *“Consumers First Act”.*

6 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 7 *this Act is as follows:*

Sec. 1. Short title; table of contents.

Sec. 2. Findings; sense of Congress.

Sec. 3. Consumer Financial Protection Bureau.

Sec. 4. Conforming amendments.

Sec. 5. Executive and administration powers.

Sec. 6. Offices of the Consumer Financial Protection Bureau.

Sec. 7. Consumer Advisory Board reforms.

Sec. 8. Effective date.

8 **SEC. 2. FINDINGS; SENSE OF CONGRESS.**

9 (a) *FINDINGS.*—*The Congress finds the following:*

10 (1) *The Dodd-Frank Wall Street Reform and*
 11 *Consumer Protection Act (Public Law 111–203)*
 12 *(“Dodd-Frank”), was signed into law on July 21,*
 13 *2010, in order to, among other things, advance the*
 14 *goals of protecting consumers from predatory finan-*
 15 *cial services practices and products that led to the*
 16 *2007–2009 financial crisis.*

17 (2) *Title X of Dodd-Frank established a new*
 18 *Federal independent watchdog, known as the Con-*
 19 *sumer Financial Protection Bureau (“Consumer Bu-*
 20 *reau”), with broad authority to ensure that all hard-*
 21 *working consumers are given clear, accurate informa-*

1 *tion that they need to shop for mortgages, credit*
2 *cards, and other consumer financial products or serv-*
3 *ices and to protect consumers from hidden fees, abu-*
4 *sive terms, and other unfair, deceptive, or abusive*
5 *acts or practices through strong implementation and*
6 *enforcement of Federal consumer financial laws.*

7 *(3) Before the Consumer Bureau was established,*
8 *Federal financial regulators were tasked with the dual*
9 *responsibilities of supervising institutions for safety*
10 *and soundness and compliance with consumer protec-*
11 *tions under Federal consumer financial laws. These*
12 *agencies often prioritized the profitability of their reg-*
13 *ulated entities over the protection of consumers, even*
14 *when institutions were found to have engaged in*
15 *practices detrimental to their own customers' finan-*
16 *cial well-being.*

17 *(4) Congress purposefully created the inde-*
18 *pendent Consumer Bureau within the Federal Reserve*
19 *System to address past regulatory gaps in our coun-*
20 *try's financial regulatory regime—gaps that resulted*
21 *in the most severe global financial crisis since the*
22 *Great Depression. Among other things, Federal finan-*
23 *cial regulators were too reluctant to exercise their*
24 *rulemaking, supervisory, and enforcement authorities*
25 *to protect consumers from the misdeeds of the Con-*

1 sumer Bureau’s regulated entities. In creating the
2 Consumer Bureau, Congress explicitly laid out in
3 statute the Consumer Bureau’s purpose, five objec-
4 tives, and six primary functions. Specifically:

5 (A) Section 1021(a) of Dodd-Frank states
6 that the Consumer Bureau, “shall seek to imple-
7 ment and, where applicable, enforce Federal con-
8 sumer financial law consistently for the purpose
9 of ensuring that all consumers have access to
10 markets for consumer financial products and
11 services and that markets for consumer financial
12 products and services are fair, transparent, and
13 competitive”.

14 (B) Section 1021(b) of Dodd-Frank author-
15 izes the Consumer Bureau, “to exercise its au-
16 thorities under Federal consumer financial law
17 for the purposes of ensuring that, with respect to
18 consumer financial products and services—(1)
19 consumers are provided with timely and under-
20 standable information to make responsible deci-
21 sions about financial transactions; (2) consumers
22 are protected from unfair, deceptive, or abusive
23 acts and practices and from discrimination; (3)
24 outdated, unnecessary, or unduly burdensome
25 regulations are regularly identified and ad-

1 *dressed in order to reduce unwarranted regu-*
2 *latory burdens; (4) Federal consumer financial*
3 *law is enforced consistently, without regard to*
4 *the status of a person as a depository institution,*
5 *in order to promote fair competition; and (5)*
6 *markets for consumer financial products and*
7 *services operate transparently and efficiently to*
8 *facilitate access and innovation.”.*

9 *(C) Section 1021(c) of Dodd-Frank estab-*
10 *lishes the primary functions of the Consumer*
11 *Bureau to be, “(1) conducting financial edu-*
12 *cation programs; (2) collecting, investigating,*
13 *and responding to consumer complaints; (3) col-*
14 *lecting, researching, monitoring, and publishing*
15 *information relevant to the functioning of mar-*
16 *kets for consumer financial products and services*
17 *to identify risks to consumers and the proper*
18 *functioning of such markets; (4) subject to sec-*
19 *tions 1024 through 1026, supervising covered*
20 *persons for compliance with Federal consumer fi-*
21 *nancial law, and taking appropriate enforcement*
22 *action to address violations of Federal consumer*
23 *financial law; (5) issuing rules, orders, and*
24 *guidance implementing Federal consumer finan-*
25 *cial law; and (6) performing such support ac-*

1 *tivities as may be necessary or useful to facili-*
2 *tate the other functions of the Bureau.”.*

3 *(5) In doing so, Congress explicitly laid out these*
4 *consumer-focused purpose, objectives, and primary*
5 *functions for the Consumer Bureau to ensure that all*
6 *consumers and all communities are protected. This is*
7 *of extreme importance to communities of color who*
8 *have been disproportionately impacted by the inequi-*
9 *ties of the financial system, resulting in an extreme*
10 *racial wealth divide. Decades of segregation and dis-*
11 *crimination have prevented consumers of colors from*
12 *amassing wealth equal to their white counterparts,*
13 *while predatory financial practices of have stripped*
14 *consumers of color of their nominal existing wealth.*
15 *For example, over the past 30 years, the average*
16 *wealth of White families has grown by 84 percent—*
17 *1.2 times the rate of growth for the Latino population*
18 *and three times the rate of growth for the Black popu-*
19 *lation. In light of historical practices and current-day*
20 *disparities in banking and lending practices, the Con-*
21 *sumer Bureau plays a key role in protecting commu-*
22 *nities of color from wealth-stripping financial prod-*
23 *ucts and ensuring their right to wealth building op-*
24 *portunities. The agency’s enforcement actions in auto*
25 *lending, mortgages, and credit cards, and its rule-*

1 *making efforts have sought to address the predatory*
2 *financial products such as payday loans and prepaid*
3 *cards that are prolific in communities of color. The*
4 *Consumer Bureau is essential in protecting vulnerable*
5 *communities from discriminatory financial practices*
6 *that has both perpetuated and exacerbated the racial*
7 *wealth gap.*

8 *(6) Under Dodd-Frank, the Deputy Director of*
9 *the Consumer Bureau shall serve as the Acting Direc-*
10 *tor in the absence or unavailability of the Director,*
11 *until the President appoints and the Senate confirms*
12 *a new Director. Despite the plain letter of the law es-*
13 *tablishing a succession order to fill a vacancy in the*
14 *Director's position and the clear legislative history*
15 *underscoring the importance of having an inde-*
16 *pendent Federal consumer-focused agency, when the*
17 *Consumer Bureau Director Richard Cordray resigned*
18 *in November 2017, President Trump refused to recog-*
19 *nize the Deputy Director as the rightful head of the*
20 *agency and instead installed Mr. Mick Mulvaney, the*
21 *Director of the White House Office of Management*
22 *and Budget, to serve as the Consumer Bureau's Act-*
23 *ing Director. This appointment of a White House*
24 *cabinet official to run the Consumer Bureau raises*

1 *profound conflict of interest questions and under-*
2 *mines the vital independent nature of the agency.*

3 *(7) Additionally, the position of Acting Director*
4 *is, by its nature, intended to be a temporary assign-*
5 *ment to maintain the status quo at an agency and to*
6 *ensure the agency is fulfilling its statutory purpose*
7 *and mandates, until the President appoints, and the*
8 *Senate confirms a permanent Director. Nevertheless,*
9 *during his tenure, Mr. Mulvaney instituted drastic*
10 *and severe changes to the Consumer Bureau’s daily*
11 *operations and priorities contrary to the agency’s*
12 *statutory purpose and mandates.*

13 *(8) The daily operations of a Federal agency are*
14 *guided by its official mission contained in its long-*
15 *term strategic plan. The Consumer Bureau’s mission*
16 *should embrace both the spirit and plain letter of the*
17 *law by fully recognizing the agency’s statutory pur-*
18 *pose, objectives, and functions. It is troubling that the*
19 *Consumer Bureau, under Mr. Mulvaney, issued a*
20 *Strategic Plan for Fiscal Year (“FY”) 2018–FY 2022*
21 *that appears to deemphasize the Consumer Bureau’s*
22 *core mandate under section 1021(a) of Dodd-Frank*
23 *to, “enforce Federal consumer financial law consist-*
24 *ently for the purpose of ensuring that all consumers*
25 *have access to markets for consumer financial prod-*

1 ucts and services”, by not referencing the importance
2 of enforcement in its mission. Instead, it emphasizes
3 financial education by stating that the agency’s new
4 mission is, “[t]o regulate the offering and provision
5 of consumer financial products or services under the
6 Federal consumer financial laws and to educate and
7 empower consumers to make better informed financial
8 decisions”. This is in stark contrast from the Con-
9 sumer Bureau’s Strategic Plan for FY 2013–FY 2017,
10 which stated that the agency’s mission is helping,
11 “consumer finance markets work by making rules
12 more effective, by consistently and fairly enforcing
13 those rules, and by empowering consumers to take
14 more control over their economic lives” (emphasis
15 added).

16 (9) Mr. Mulvaney has been praised by the White
17 House for his efforts to undermine the Consumer Bu-
18 reau, with one anonymous advisor acknowledging in
19 a July 24, 2018, Politico article that, “His mission
20 was to blow that up, which he has. He is very well-
21 suited to the chaos.”. Mr. Mulvaney’s misguided ac-
22 tions have included, among other things—

23 (A) stopping payments from the Civil Pen-
24 alty Fund to harmed consumers;

1 (B) trying to reduce the Consumer Bureau's
2 funding and staffing by initially requesting \$0
3 be transferred from the Federal Reserve Board of
4 Governors to carry out the agency's work, impos-
5 ing a freeze on hiring professional career staff,
6 and by arbitrarily directing staff to cut the
7 agency's budget by $\frac{1}{5}$;

8 (C) politicizing the work of the Consumer
9 Bureau by making unusual efforts to fill the
10 independent agency with political appointees;

11 (D) reducing the Consumer Bureau's en-
12 forcement work, including taking only six en-
13 forcement actions in the first three quarters of
14 2018 (compared with 54 enforcement actions
15 taken by the agency in 2015, 42 enforcement ac-
16 tions in 2016 and 36 enforcement actions in
17 2017), and dropping existing lawsuits and inves-
18 tigations into predatory payday lenders;

19 (E) taking steps that would undermine ef-
20 forts to promote fair lending and combat dis-
21 criminatory practices, including by hiring, and
22 later refusing to remove, a political appointee
23 with a history of racist written commentary to
24 oversee the Office of Supervision, Enforcement,
25 and Fair Lending, stripping away the enforce-

1 *ment powers of the Office of Fair Lending and*
2 *Equal Opportunity, seeking to curb the Con-*
3 *sumer Bureau’s data collection under the Home*
4 *Mortgage Disclosure Act, and indicating the*
5 *Consumer Bureau would reconsider its approach*
6 *toward enforcing the Equal Credit Opportunity*
7 *Act;*

8 *(F) changing the role of the Office of Stu-*
9 *dents and Young Consumers and, according to*
10 *an August 27, 2018, resignation letter from Seth*
11 *Frotman, the Consumer Bureau’s former Assist-*
12 *ant Director and Student Loan Ombudsman,*
13 *“when new evidence came to light showing that*
14 *the nation’s largest banks were ripping off stu-*
15 *dents on campuses across the country by sad-*
16 *dling them with legally dubious account fees, Bu-*
17 *reau leadership suppressed the publication of a*
18 *report prepared by Bureau staff”;*

19 *(G) abandoning the accepted and efficient*
20 *practice of having its examiners review, as part*
21 *of their routine examinations, creditors’ compli-*
22 *ance with the Military Lending Act in order to*
23 *ensure the detection and assessment of risky ac-*
24 *tivities that could jeopardize vital protections*

1 *provided to active-duty servicemembers and their*
2 *families;*

3 *(H) creating an Office of Cost Benefit Anal-*
4 *ysis that prioritizes businesses' expenses over*
5 *harm caused to consumers, and unduly con-*
6 *strains oversight of the Consumer Bureau's regu-*
7 *lated entities;*

8 *(I) freezing data collection to the detriment*
9 *of supervision and enforcement;*

10 *(J) seeking to block the publication of the*
11 *nature of consumers' complaints and how enti-*
12 *ties resolved them in the publicly available and*
13 *transparent Consumer Complaint Database;*

14 *(K) restricting key input and feedback from*
15 *a wide range of external stakeholders by effec-*
16 *tively terminating members' positions on three*
17 *advisory boards, including the statutorily man-*
18 *dated Consumer Advisory Board;*

19 *(L) proposing policies, including those re-*
20 *garding no-action letters, model disclosure pilot*
21 *projects, and product sandboxes, that could put*
22 *many kinds of financial institutions in an en-*
23 *forcement-free zone, letting bad actors that harm*
24 *consumers off the hook entirely from enforcement,*
25 *and allowing them to ignore the law; and*

1 (M) neglecting to impose promptly any civil
2 money penalty on a bank when it was found to
3 be, among other things, improperly obtaining
4 consumer reports and furnishing to consumer re-
5 porting agencies inaccurate information about
6 consumers' credit.

7 (10) The repeated efforts under Mr. Mulvaney's
8 leadership to hamstring the good work, passion, com-
9 mitment, and the capacity of dedicated professional,
10 career Consumer Bureau staff to fulfill the agency's
11 statutory mission has likely contributed to low em-
12 ployee morale. According to a government-wide an-
13 nual survey published in December 2018 that was
14 conducted by the nonprofit, nonpartisan Partnership
15 for Public Service, the Consumer Bureau experienced
16 the largest decline in employee morale for a govern-
17 ment agency of its size. A workplace with low morale
18 undermines, among other things, the agency's ability
19 to hold bad actors accountable when they harm con-
20 sumers, and if unaddressed, will distort the func-
21 tioning of fair and competitive consumer market-
22 places.

23 (11) Despite the fact that the agency has been re-
24 ferred to as the Consumer Financial Protection Bu-
25 reau since it was created in 2010, Mr. Mulvaney

1 *opted to change the agency's well-known name. Al-*
2 *though this decision is supposedly intended to ensure*
3 *that the agency is in compliance with Dodd-Frank,*
4 *when this change is viewed in conjunction with the*
5 *other detrimental actions to undermine the effective-*
6 *ness of the agency, it can only be interpreted as an*
7 *attempt to reduce the public's awareness of, and sig-*
8 *nificant support for, the agency's role as the top Fed-*
9 *eral consumer cop as well as to obscure the public's*
10 *ability to easily identify the appropriate Federal*
11 *agency to contact when faced with predatory behavior*
12 *by financial actors. As such, while some may view*
13 *this particular decision as minor, the action served as*
14 *an important symbolic and literal maneuver by the*
15 *Trump Administration, through its appointment of*
16 *Mr. Mulvaney, to diminish and undermine the con-*
17 *sumer-focused mission of the Consumer Bureau. Di-*
18 *rector Kathy Kraninger, who was duly nominated by*
19 *the President and confirmed by the Senate, an-*
20 *nounced plans in an email to staff on December 19,*
21 *2018, to reverse course and return to utilizing the*
22 *agency's well-known name. However, questions re-*
23 *main regarding how this change will be implemented*
24 *and to what extent the agency may continue to utilize*

1 *Mr. Mulvaney's preferred name in certain cir-*
2 *cumstances.*

3 *(12) During Mr. Mulvaney's more than 12-*
4 *month tenure running the agency, he only appeared*
5 *once before the House Financial Services Committee*
6 *to discuss his activities at the Consumer Bureau. This*
7 *is despite the fact that the law requires, at a min-*
8 *imum, the Director's testimony before the Committee*
9 *semi-annually. This weak congressional oversight*
10 *under the direction of the previous Republican Major-*
11 *ity pales in comparison to their oversight of the Con-*
12 *sumer Bureau during former Director Richard*
13 *Cordray's tenure. During Director Cordray's tenure,*
14 *he and other senior Consumer Bureau officials testi-*
15 *fied before Congress more than 60 times; the agency*
16 *was compelled to produce more than 200,000 pages of*
17 *documents in response to over 90 letters of inquiry;*
18 *more than 20 subpoenas were sent to the Consumer*
19 *Bureau; and several of the Consumer Bureau's former*
20 *and current employees were compelled to sit for depo-*
21 *sitions over 21 days, that lasted 136 hours, and pro-*
22 *duced 3,194 pages of transcripts.*

23 *(13) Dodd-Frank gives the Director of the Con-*
24 *sumer Bureau broad administrative and executive*
25 *powers to, among other things: fix the number of, and*

1 *appoint and direct, all employees of the agency; direct*
2 *the establishment and maintenance of divisions or*
3 *other offices within the agency; determine the char-*
4 *acter of, and the necessity for, the obligations and ex-*
5 *penditure of funds; and the use and expenditure of*
6 *funds. These powers, however, are required to be exer-*
7 *cised in a manner consistent with carrying out the*
8 *responsibilities under Title X of Dodd-Frank, which*
9 *includes complying with the enumerated Federal con-*
10 *sumer financial laws under the Title, and satisfying*
11 *the obligations in other applicable laws. Mr.*
12 *Mulvaney's destructive actions have demonstrated the*
13 *need for legislation to reorient the Director's discre-*
14 *tionary authority to ensure the maintenance of all*
15 *statutorily mandated policies, functions, and offices of*
16 *the Consumer Bureau regardless of who is leading the*
17 *agency.*

18 **(b) SENSE OF CONGRESS.**—*The following is the sense*
19 *of Congress:*

20 *(1) The Consumer Financial Protection Bureau*
21 *should meet its statutory purpose in a transparent*
22 *and accountable manner by operating in a way that*
23 *is consistent with both the spirit and plain letter of*
24 *the law. This includes the agency fully carrying out*
25 *the agency's statutory purpose, objectives, and func-*

1 *tions, and the agency being transparent, timely, and*
2 *responsive to all requests from Congress.*

3 *(2) Dodd-Frank underscores that the agency is*
4 *designed to serve as an independent Federal agency*
5 *that is primarily focused on the protection of all con-*
6 *sumers, without any undue influence of partisan*
7 *whims and special industry interests, in carrying out*
8 *its responsibilities and duties.*

9 *(3) The official name of the agency should be*
10 *consistent with this mandate, and the agency should,*
11 *figuratively and literally, put “Consumers” first by*
12 *using its better-known name as the “Consumer Fi-*
13 *nancial Protection Bureau”. Thus, any remaining*
14 *utilization by the agency of the name, “Bureau of*
15 *Consumer Financial Protection”, or the acronym*
16 *“BCFP”, should cease in all forms.*

17 *(4) The statute establishing the Consumer Bu-*
18 *reau has been grossly misinterpreted under Mr.*
19 *Mulvaney’s leadership, in a manner that is incon-*
20 *sistent with the agency’s statutory purpose, objectives,*
21 *and functions. One example of this was Mr.*
22 *Mulvaney’s inane suggestion that the statutory re-*
23 *quirement for the Director to appear before relevant*
24 *Congressional Committees to discuss its semi-annual*
25 *reports could be interpreted as requiring the Director*

1 *merely to attend a hearing and not answer questions,*
2 *despite the well-established interpretation of a similar*
3 *statutory requirement for the Chair of the Federal Re-*
4 *serve Board of Governors to appear before the House*
5 *Financial Services Committee and the Senate Bank-*
6 *ing, Housing, and Urban Affairs Committee on a*
7 *semi-annual basis about the monetary policy report,*
8 *as required by the Humphrey-Hawkins Full Employ-*
9 *ment Act. In the face of such blatant and disrespectful*
10 *attempts to warp the authorizing and oversight role*
11 *of the first branch of the Federal Government—the*
12 *United States Congress—by the Trump Administra-*
13 *tion, Congress must, in this instance, now refine the*
14 *Consumer Bureau’s authority to ensure that the vital*
15 *role that the Consumer Bureau should be playing*
16 *within the country’s financial regulatory regime is*
17 *not effectively destroyed by the agency’s current lead-*
18 *ership.*

19 *(5) The Consumer Bureau, now under a new Di-*
20 *rector, should promptly reverse all anti-consumer ac-*
21 *tions taken during Mr. Mulvaney’s tenure, including*
22 *the actions identified by this legislation, to ensure*
23 *that the agency is fully complying with its statutory*
24 *purpose, objectives, and functions to protect all con-*
25 *sumers, including communities of color and vulner-*

1 *able populations. One important action is for the*
2 *Consumer Bureau to resume robust fair lending en-*
3 *forcement to ensure that every consumer has fair and*
4 *equal access to affordable financial products and serv-*
5 *ices. Another demonstration of this would be for the*
6 *Consumer Bureau to immediately resume supervision*
7 *of its regulated entities for compliance with the Mili-*
8 *tary Lending Act to ensure for the most robust and*
9 *efficient protection of active-duty servicemembers and*
10 *their families. Other examples include the Consumer*
11 *Bureau significantly revising its strategic plan to*
12 *align it with its statutory purpose, objectives and*
13 *functions, and for the agency to immediately resume*
14 *coordinating closely with other Federal agencies, such*
15 *as the Department of Education and the Department*
16 *of Defense, and State regulators, as is required by sec-*
17 *tion 1015 of Dodd-Frank to, “promote consistent reg-*
18 *ulatory treatment of consumer financial and invest-*
19 *ment products and services.”*

20 *(6) While the legislation is a direct response to*
21 *address many of the misguided decisions that have*
22 *been orchestrated under Mr. Mulvaney’s leadership at*
23 *the Consumer Bureau that have been exposed to the*
24 *public, as of the date of the bill’s introduction, and*
25 *sharply criticized by numerous Federal and State of-*

1 *officials, including law enforcement, as well as organi-*
2 *zations representing servicemembers, senior citizens,*
3 *and other vulnerable consumer populations, this legis-*
4 *lation should not be viewed as an exhaustive list to*
5 *fix all the damaging actions that may have occurred*
6 *at this agency since the departure of former Director*
7 *Cordray in November 2017, particularly since de-*
8 *tailed information revealing the full scope, nature,*
9 *and extent of the current flawed operation of the*
10 *agency, and the adverse impact resulting from these*
11 *actions, may not yet be publicly available. Rather,*
12 *this legislation should be interpreted as an attempt to*
13 *highlight and resolve a small sample of the publicly*
14 *known egregious statements, decisions, and actions*
15 *that have occurred since November 2017.*

16 **SEC. 3. CONSUMER FINANCIAL PROTECTION BUREAU.**

17 *(a) IN GENERAL.—Section 1011(a) of the Consumer*
18 *Financial Protection Act of 2010 (12 U.S.C. 5491(a)) is*
19 *amended by striking “Bureau of Consumer Financial Pro-*
20 *tection” and inserting “Consumer Financial Protection Bu-*
21 *reau”.*

22 *(b) DEEMING OF NAME.—Any reference in any law,*
23 *regulation, document, record, or other paper of the United*
24 *States to the “Bureau of Consumer Financial Protection”*

1 *shall be deemed a reference to the “Consumer Financial*
 2 *Protection Bureau”.*

3 *(c) NAME USE REQUIREMENT.—Section 1011 of the*
 4 *Consumer Financial Protection Act of 2010 (12 U.S.C.*
 5 *5491) is amended by adding at the end the following:*

6 *“(f) NAME USE REQUIREMENT.—The Consumer Fi-*
 7 *ancial Protection Bureau shall refer to itself in any public*
 8 *communication, including on any website, as the ‘Con-*
 9 *sumer Financial Protection Bureau’ or the ‘CFPB’.”.*

10 **SEC. 4. CONFORMING AMENDMENTS.**

11 *(a) IN GENERAL.—The Acts and provisions described*
 12 *under subsection (b) are amended by striking “Bureau of*
 13 *Consumer Financial Protection” each place such term ap-*
 14 *pears (including in headings and items in table of contents)*
 15 *and inserting “Consumer Financial Protection Bureau”.*

16 *(b) ACTS TO CONFORM.—The Acts and provisions de-*
 17 *scribed in this subsection are as follows:*

18 *(1) The Alternative Mortgage Transaction Parity*
 19 *Act of 1982 (12 U.S.C. 3801 et seq.).*

20 *(2) The Consumer Credit Protection Act (15*
 21 *U.S.C. 1601 et seq.).*

22 *(3) The Dodd-Frank Wall Street Reform and*
 23 *Consumer Protection Act (12 U.S.C. 5301 et seq.).*

24 *(4) The Expedited Funds Availability Act (12*
 25 *U.S.C. 4001 et seq.).*

1 (5) *The Federal Deposit Insurance Act* (12
2 *U.S.C. 1811 et seq.*).

3 (6) *The Federal Financial Institutions Exam-*
4 *ination Council Act of 1978* (12 *U.S.C. 3201 et seq.*).

5 (7) *The Financial Institutions Reform, Recovery,*
6 *and Enforcement Act of 1989* (12 *U.S.C. 1811 note*
7 *et seq.*).

8 (8) *The Financial Literacy and Education Im-*
9 *provement Act* (20 *U.S.C. 9701 et seq.*).

10 (9) *Section 626 of the Financial Services and*
11 *General Government Appropriations Act, 2009* (*Divi-*
12 *sion D of Public Law 111–8; 12 U.S.C. 5538*).

13 (10) *The Gramm-Leach-Bliley Act* (12 *U.S.C.*
14 *1811 note et seq.*).

15 (11) *The Home Mortgage Disclosure Act of 1975*
16 *(12 U.S.C. 2801 et seq.)*.

17 (12) *Section 10(a)(4) of the Homeowners Protec-*
18 *tion Act of 1998* (12 *U.S.C. 4901 et seq.*).

19 (13) *The Inspector General Act of 1978* (5 *U.S.C.*
20 *App 2*).

21 (14) *The Interstate Land Sales Full Disclosure*
22 *Act* (15 *U.S.C. 1701 et seq.*).

23 (15) *The Real Estate Settlement Procedures Act*
24 *of 1974* (12 *U.S.C. 2601 et seq.*).

1 (16) *Title LXII of the Revised Statutes of the*
 2 *United States (12 U.S.C. 21 et seq.).*

3 (17) *The Right to Financial Privacy Act of 1978*
 4 *(12 U.S.C. 3401 et seq.).*

5 (18) *The S.A.F.E. Mortgage Licensing Act of*
 6 *2008 (12 U.S.C. 5101 et seq.).*

7 (19) *The Telemarketing and Consumer Fraud*
 8 *and Abuse Prevention Act (15 U.S.C. 6101 et seq.).*

9 (20) *Sections 552a(w) and 3132(a)(1)(D) of title*
 10 *5, United States Code.*

11 (21) *Section 987(g)(3)(E) of title 10, United*
 12 *States Code.*

13 (22) *Sections 3502(5) and 3513(c) of title 44,*
 14 *United States Code.*

15 **SEC. 5. EXECUTIVE AND ADMINISTRATION POWERS.**

16 (a) *OFFICE RESPONSIBILITIES.*—*Section 1012 of the*
 17 *Consumer Financial Protection Act of 2010 (12 U.S.C.*
 18 *5492) is amended—*

19 (1) *by redesignating subsection (c) as subsection*
 20 *(d); and*

21 (2) *by inserting after subsection (b) the fol-*
 22 *lowing:*

23 “(c) *OFFICE RESPONSIBILITIES.*—*Notwithstanding*
 24 *subsections (a) and (b), section 1013(a), and any other pro-*
 25 *vision of law, with respect to the specific functional units*

1 *and offices described under subsections (b), (c), (d), (e), (g),*
2 *and (h) of section 1013 and the advisory boards described*
3 *under section 1014, the Director—*

4 “(1) *shall ensure that such functional units, of-*
5 *fices, and boards perform the functions, duties, and*
6 *coordination assigned to them under the applicable*
7 *provision of section 1013 or 1014; and*

8 “(2) *may not reorganize or rename such units,*
9 *offices, and boards in a manner not provided for*
10 *under the applicable provision of section 1013 or*
11 *1014.”.*

12 *(b) DUTY TO PROVIDE ADEQUATE STAFFING.—Sec-*
13 *tion 1013(a)(1) of the Consumer Financial Protection Act*
14 *of 2010 (12 U.S.C. 5493(a)(1)) is amended by adding at*
15 *the end the following:*

16 “(D) *DUTY TO PROVIDE ADEQUATE STAFF-*
17 *ING.—The Director shall ensure that the specific*
18 *functional units and offices described under sub-*
19 *sections (b), (c), (d), (e), (g), and (h) of section*
20 *1013, as well as other units and offices with su-*
21 *pervisory and enforcement duties, are provided*
22 *with sufficient staff to carry out the functions,*
23 *duties, and coordination of those units and of-*
24 *fices.”.*

1 (c) *LIMITATION ON POLITICAL APPOINTEES.*—Section
 2 1013(a)(1) of the Consumer Financial Protection Act of
 3 2010 (12 U.S.C. 5493(a)(1)) is amended by adding at the
 4 end the following:

5 “(E) *LIMITATION ON POLITICAL AP-*
 6 *POINTEES.*—

7 “(i) *IN GENERAL.*—In appointing em-
 8 ployees of the Bureau who are political ap-
 9 pointees, the Director shall ensure that the
 10 number and duties of such political ap-
 11 pointees are as similar as possible to those
 12 of the other Federal primary financial regu-
 13 latory agencies.

14 “(ii) *POLITICAL APPOINTEES DE-*
 15 *FINED.*—For purposes of this subparagraph,
 16 the term ‘political appointee’ means an em-
 17 ployee who holds—

18 “(I) a position which has been ex-
 19 cepted from the competitive service by
 20 reason of its confidential, policy-deter-
 21 mining, policy-making, or policy-advo-
 22 cating character;

23 “(II) a position in the Senior Ex-
 24 ecutive Service as a noncareer ap-
 25 pointee (as such term is defined in sec-

1 *tion 3132(a) of title 5, United States*
 2 *Code); or*

3 *“(III) a position under the Execu-*
 4 *tive Schedule (subchapter II of chapter*
 5 *53 of title 5, United States Code).”.*

6 *(d) PUBLIC AVAILABILITY OF COMPLAINT INFORMA-*
 7 *TION.—*

8 *(1) IN GENERAL.—Section 1013(b)(3) of the Con-*
 9 *sumer Financial Protection Act of 2010 (12 U.S.C.*
 10 *5493(b)(3)) is amended—*

11 *(A) in subparagraph (A)—*

12 *(i) by inserting “publicly available”*
 13 *before “website”;*

14 *(ii) by inserting “publicly available”*
 15 *before “database”, each place such term ap-*
 16 *pears; and*

17 *(iii) by adding at the end the fol-*
 18 *lowing: “The Director shall ensure that the*
 19 *landing page of the main website of the Bu-*
 20 *reau contains a clear and conspicuous*
 21 *hyperlink to the consumer complaint data-*
 22 *base described in this subparagraph and*
 23 *shall ensure that such database is user-*
 24 *friendly and in plain writing (as such term*
 25 *is defined in the Plain Writing Act of*

2010). *The Director shall ensure that all information on the website or the database that explains how to file a complaint with the Bureau, as well as all reports of the Bureau with respect to information contained in the database, shall be provided in each of the 5 most commonly spoken languages, other than English, in the United States, as determined by the Bureau of the Census on an ongoing basis, and in formats accessible to individuals with hearing or vision impairments.*”; and

(B) by adding at the end the following:

“(E) PUBLIC AVAILABILITY OF INFORMATION.—

“(i) IN GENERAL.—The Director shall—

“(I) make all consumer complaints available to the public on a website of the Bureau;

“(II) place a clear and conspicuous hyperlink on the landing page of the main website of the Bureau to the website described under subclause (I); and

1 “(III) ensure that such website—

2 “(aa) is searchable and sort-
3 able by both consumer financial
4 product or service and by covered
5 person; and

6 “(bb) is user-friendly and
7 written in plain language.

8 “(ii) *INCLUSION OF COMPLAINTS SUB-*
9 *MITTED WITH INQUIRIES.*—For purposes of
10 clause (i), in addition to all complaints de-
11 scribed under subparagraph (A), consumer
12 complaints shall include any complaints
13 submitted with, or as part of, an inquiry
14 described under section 1034.

15 “(iii) *REMOVAL OF PERSONALLY IDEN-*
16 *TIFIABLE INFORMATION.*—In making the in-
17 formation described under clause (i) avail-
18 able to the public, the Director shall remove
19 all personally identifiable information.”.

20 (2) *RULE OF CONSTRUCTION.*—

21 (A) *IN GENERAL.*—The Director of the Con-
22 sumer Financial Protection Bureau shall en-
23 sure—

24 (i) that the database and website de-
25 scribed under section 1013(b)(3) of the Con-

sumer Financial Protection Act of 2010
 have, at a minimum, the same availability,
 transparency, and functionality that such
 database and website had prior to November
 24, 2017; and

(ii) that consumers are able, at a min-
 imum, to submit complaints to the Bureau
 with respect to—

(I) any covered person or service
 provider; and

(II) any financial product or
 service.

(B) *DEFINITIONS.*—For purposes of this
 paragraph, the terms “covered person”, “finan-
 cial product or service”, and “service provider”
 have the meaning given those terms, respectively,
 under section 1002 of the Consumer Financial
 Protection Act of 2010.

(e) *MEMORANDA OF UNDERSTANDING.*—

(1) *REPORT ON CURRENT MOUS.*—Not later than
 the end of the 30-day period beginning on the date of
 enactment of this Act, the Director of the Consumer
 Financial Protection Bureau shall issue a report to
 the Committee on Financial Services of the House of

1 *Representatives and the Committee on Banking,*
 2 *Housing, and Urban Affairs of the Senate listing—*

3 *(A) each memorandum of understanding in*
 4 *effect with the Bureau on November 24, 2017;*

5 *(B) any changes made to such a memo-*
 6 *randum of understanding since such date, in-*
 7 *cluding any memorandum of understanding re-*
 8 *scinded since such date; and*

9 *(C) a justification for each such change or*
 10 *rescission.*

11 *(2) SEMI-ANNUAL REPORT ON MOUS.—Section*
 12 *1016(c) of the Consumer Financial Protection Act of*
 13 *2010 (12 U.S.C. 5496(c)) is amended—*

14 *(A) in paragraph (8), by striking “and” at*
 15 *the end;*

16 *(B) in paragraph (9), by striking the period*
 17 *and inserting a semicolon; and*

18 *(C) by adding at the end the following:*

19 *“(10) a list of each memorandum of under-*
 20 *standing in effect with the Bureau, any changes made*
 21 *to a memorandum of understanding since the last re-*
 22 *port was made under subsection (b), and a justifica-*
 23 *tion for each such change;”.*

24 *(f) ADDITIONAL REPORT INFORMATION ON CONSUMER*
 25 *SAVINGS.—Section 1013 of the Consumer Financial Protec-*

tion Act of 2010 (12 U.S.C. 5493) is amended by adding
at the end the following:

“(i) *ADDITIONAL REPORT INFORMATION ON CONSUMER SAVINGS.*—In issuing each report required under section 502(d) of the Credit CARD Act of 2009, the Bureau shall include a numerical estimate of the amount that such Act has saved consumers in fees impacted by such Act, relative to the level of such fees prior to the enactment of such Act.”.

SEC. 6. OFFICES OF THE CONSUMER FINANCIAL PROTECTION BUREAU.

(a) *CLARIFICATION OF THE DUTIES OF THE OFFICE OF FAIR LENDING AND EQUAL OPPORTUNITY.*—Section 1013(c)(2) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5493(c)(2)) is amended—

(1) by striking “Office of Fair Lending and Equal Opportunity shall have such powers and duties as the Director may delegate to the Office, including” and inserting “powers and duties of the Office of Fair Lending and Equal Opportunity shall include”;

(2) in subparagraph (C), by striking “and” at the end;

(3) in subparagraph (D), by striking the period and inserting a semicolon; and

(4) by adding at the end the following:

1 “(E) implementing the Bureau’s enforce-
 2 ment and supervisory authority with respect to
 3 fair lending laws; and

4 “(F) such additional powers and duties as
 5 the Director may determine appropriate.”.

6 (b) OFFICE OF STUDENTS AND YOUNG CONSUMERS.—

7 (1) IN GENERAL.—Section 1013 of the Consumer
 8 Financial Protection Act of 2010 (12 U.S.C. 5493), as
 9 amended by section 5(f), is further amended by add-
 10 ing at the end the following:

11 “(j) OFFICE OF STUDENTS AND YOUNG CONSUMERS.—

12 “(1) IN GENERAL.—The Director shall, not later
 13 than the end of the 60-day period beginning on the
 14 date of enactment of this section, establish an Office
 15 of Students and Young Consumers, which shall work
 16 to empower students, young people, and their families
 17 to make more informed financial decisions about sav-
 18 ing and paying for college, accessing safer and more
 19 affordable financial products and services, all matters
 20 related to private education loans (as defined under
 21 section 1035(e)), and repaying student loan debt, in-
 22 cluding private education loans.

23 “(2) HEAD OF THE OFFICE.—The head of the Of-
 24 fice of Students and Young Consumers shall be the
 25 Assistant Director and Student Loan Ombudsman,

1 *and the Assistant Director and Student Loan Om-*
 2 *budsman shall carry out all functions established*
 3 *under section 1035 through the Office of Students and*
 4 *Young Consumers.*

5 “(3) *SUPERVISORY, ENFORCEMENT, AND REGU-*
 6 *LATORY MATTERS.—The Office of Students and Young*
 7 *Consumers shall assist in all supervisory, enforce-*
 8 *ment, and regulatory matters of the Bureau related to*
 9 *the functions of the Office.*

10 “(4) *COORDINATION.—The Director shall enter*
 11 *into memoranda of understanding and similar agree-*
 12 *ments with the Department of Education and other*
 13 *Federal and State agencies, as appropriate, in order*
 14 *to carry out the business of the Office of Students and*
 15 *Young Consumers.”.*

16 (2) *RENAMING AND APPOINTMENT CLARIFICA-*
 17 *TION OF THE PRIVATE EDUCATION LOAN OMBUDS-*
 18 *MAN.—*

19 (A) *IN GENERAL.—Section 1035 of the Con-*
 20 *sumer Financial Protection Act of 2010 (12*
 21 *U.S.C. 5535) is amended—*

22 (i) *in the heading of the section by*
 23 *striking “**PRIVATE EDUCATION**” and in-*
 24 *serting “**ASSISTANT DIRECTOR AND***
 25 ***STUDENT**”;*

1 (ii) in subsection (a), by striking “The
2 Secretary, in consultation with the Director,
3 shall designate a Private Education Loan
4 Ombudsman” and inserting “The Director
5 shall designate an individual as the Assist-
6 ant Director and Student Loan Ombuds-
7 man”;

8 (iii) in subsection (b), by striking “The
9 Secretary and the Director” and inserting
10 “The Director”; and

11 (iv) in subsection (d)(2), by inserting
12 “the Director,” before “the Secretary,”.

13 (B) *CLERICAL AMENDMENT.*—The table of
14 contents under section 1(b) of the Dodd-Frank
15 Wall Street Reform and Consumer Protection
16 Act is amended, in the item relating to section
17 1035, by striking “Private education” and in-
18 serting “Assistant director and student”.

19 (C) *DEEMING OF NAME.*—Any reference in
20 any law, regulation, document, record, or other
21 paper of the United States to the “Private Edu-
22 cation Loan Ombudsman” shall be deemed a ref-
23 erence to the “Assistant Director and Student
24 Loan Ombudsman”.

1 (c) *SEMI-ANNUAL REPORT TO CONGRESS ON CERTAIN*
 2 *OFFICES OF THE BUREAU.*—Section 1016(c) of the Con-
 3 *sumer Financial Protection Act of 2010* (12 U.S.C.
 4 5496(c)), as amended by section 5(e)(2), is further amended
 5 by adding at the end the following:

6 “(11) with respect to each of the specific func-
 7 tional units and offices established under section
 8 1013—

9 “(A) a detailed description of the activities
 10 of the unit or office since the last report was
 11 made under subsection (b); and

12 “(B) an analysis of the efforts of the Bureau
 13 to achieve the duties of the unit or office; and

14 “(12) with respect to each specific functional
 15 units and offices established under section 1013, as
 16 well as each other unit and office with supervisory
 17 and enforcement duties, a break down of the number
 18 of political and professional career staff assigned to
 19 and employed by each unit or office at the end of the
 20 reporting period.”.

21 (d) *FUNCTION OF ANY UNIT OR OFFICE ESTABLISHED*
 22 *TO CONDUCT COST BENEFIT ANALYSIS.*—Any unit or office
 23 established to conduct cost benefit analysis within the Con-
 24 *sumer Financial Protection Bureau* shall, as its sole func-
 25 tion, carry out the considerations required by section

1 1022(b)(2)(A) of the Consumer Financial Protection Act of
 2 2010 (12 U.S.C. 5512(b)(2)(A)).

3 **SEC. 7. CONSUMER ADVISORY BOARD REFORMS.**

4 (a) *IN GENERAL.*—Section 1014 of the Consumer Fi-
 5 nancial Protection Act of 2010 (12 U.S.C. 5494) is amend-
 6 ed—

7 (1) by amending subsection (b) to read as fol-
 8 lows:

9 “(b) *MEMBERSHIP.*—

10 “(1) *QUALIFICATIONS.*—In appointing the mem-
 11 bers of the Consumer Advisory Board, the Director
 12 shall—

13 “(A) seek to assemble a diverse and inclu-
 14 sive group of experts in consumer protection, fi-
 15 nancial services, community development, fair
 16 lending and civil rights, and consumer financial
 17 products or services and representatives of depos-
 18 itory institutions that primarily serve under-
 19 served communities, and representatives of com-
 20 munities that have been significantly impacted
 21 by higher-priced mortgage loans, and seek rep-
 22 resentation of the interests of covered persons and
 23 consumers, without regard to party affiliation;
 24 and

1 “(B) ensure that at least $\frac{2}{3}$ of the members
 2 represent the interests of consumers, including
 3 experts in consumer protection, fair lending,
 4 civil rights, and representatives of communities
 5 that have been significantly impacted by higher-
 6 priced mortgage loans and other products that
 7 resulted in consumer harm.

8 “(2) NUMBER OF MEMBERS.—The Director shall
 9 appoint not fewer than 25 members to the Consumer
 10 Advisory Board, and not fewer than 6 members shall
 11 be appointed upon the recommendation of the re-
 12 gional Federal Reserve Bank Presidents, on a rotat-
 13 ing basis.

14 “(3) MEMBERSHIP RIGHTS AFTER CHARTER
 15 CHANGE.—Any change to the charter for the Con-
 16 sumer Advisory Board affecting the membership shall
 17 not preclude prior or current members from applying
 18 for consideration to serve on a reconstituted Con-
 19 sumer Advisory Board.”; and

20 (2) in subsection (c)—

21 (A) by striking “meet from” and inserting
 22 “meet in person from”; and

23 (B) by adding at the end the following:
 24 “The Bureau shall provide adequate notice to the
 25 members of the Consumer Advisory Board of the

1 *time and date of each meeting, and of any meet-*
 2 *ing cancellations.”*

3 ***(b) INCLUSION OF THE DIRECTOR IN MEETINGS AND***
 4 ***ACCESS TO BUREAU STAFF.***—*Section 1014 of the Consumer*
 5 *Financial Protection Act of 2010 (12 U.S.C. 5494) is*
 6 *amended by adding at the end the following:*

7 ***“(e) INCLUSION OF THE DIRECTOR IN MEETINGS AND***
 8 ***ACCESS TO BUREAU STAFF.***—*With respect to each in per-*
 9 *son meeting of the Consumer Advisory Board—*

10 *“(1) the Director shall attend such meeting in*
 11 *person; and*

12 *“(2) the Director shall ensure that the members*
 13 *of the Consumer Advisory Board have an opportunity*
 14 *to meet and engage in person with all appropriate*
 15 *staff and office of the Bureau.”.*

16 ***(c) TREATMENT OF MEMBERS OF THE CONSUMER AD-***
 17 ***VISORY BOARD.***—*Notwithstanding any other law—*

18 *(1) any member of the Consumer Advisory*
 19 *Board of the Consumer Financial Protection Bureau*
 20 *on November 1, 2017, may continue to serve as a*
 21 *member of such advisory board until March 27, 2020,*
 22 *and may not be removed from such position without*
 23 *cause by the Director of the Bureau until such date;*
 24 *and*

1 (2) *any member of the Consumer Advisory*
 2 *Board of the Consumer Financial Protection Bureau*
 3 *on the date of enactment of this Act, may continue to*
 4 *serve as a member of such advisory board until March*
 5 *27, 2020, and may not be removed from such position*
 6 *without cause by the Director of the Bureau until*
 7 *such date.*

8 (d) *ADDITIONAL REQUIREMENTS FOR ADVISORY COM-*
 9 *MITTEES.*—*Section 1013 of the Consumer Financial Protec-*
 10 *tion Act of 2010 (12 U.S.C. 5493), as amended by section*
 11 *6(b)(1), is further amended by adding at the end the fol-*
 12 *lowing:*

13 “(k) *ADVISORY COMMITTEE REQUIREMENTS.*—

14 “(1) *QUALIFICATIONS.*—*In appointing members*
 15 *of any advisory committee, other than the Consumer*
 16 *Advisory Board, the Director shall ensure that at*
 17 *least $\frac{1}{3}$ of the members represent the interests of con-*
 18 *sumers, including experts in consumer protection, fair*
 19 *lending, civil rights, and representatives of commu-*
 20 *nities that have been significantly impacted by high-*
 21 *er-priced mortgage loans and other products that re-*
 22 *sulted in consumer harm.*

23 “(2) *SELECTION OF MEMBERS REPRESENTING*
 24 *MINORITY-OWNED AND WOMEN-OWNED BUSINESSES.*—
 25 *In appointing members of any advisory committee,*

1 *the Director shall seek to promote diversity and inclu-*
2 *sion in making appointments, including by appoint-*
3 *ing individuals who represent minority-owned and*
4 *women-owned businesses.”.*

5 **SEC. 8. EFFECTIVE DATE.**

6 *This Act and the amendments made by this Act shall*
7 *take effect on the date of the enactment of this Act, except*
8 *that the Director of the Consumer Financial Protection Bu-*
9 *reau shall have 30 days to complete any operational*
10 *changes to the Bureau required by this Act or an amend-*
11 *ment made by this Act.*

Union Calendar No. 35

116TH CONGRESS
1ST Session

H. R. 1500

[Report No. 116-57, Part I]

A BILL

To require the Consumer Financial Protection Bureau to meet its statutory purpose, and for other purposes.

MAY 10, 2019

Reported from the Committee on Financial Services with
an amendment

MAY 10, 2019

Committee on Education and Labor discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed