

March 13, 2018

Representative
U.S. House of Representatives
Washington, DC 20515

Re: Oppose HR 3072 (Clay), the Bureau of Consumer Financial Protection Examination and Reporting Threshold Act of 2017.

Dear Representative:

The undersigned consumer, civil rights, community and faith organizations urge you to oppose HR 3072 (Clay), the Bureau of Consumer Financial Protection Examination and Reporting Threshold Act of 2017. This bill would end the CFPB's supervision of and enforcement authority over banks and credit unions with \$10 billion to \$50 billion in assets, reducing the number of depository institutions examined by the CFPB from 119 to 42. Over \$1 trillion in assets would be removed from CFPB supervision.

The bills would fragment and disperse key consumer protection authority for these institutions to the other agencies that failed to use it effectively in the past, and undo the advances in consumer protection that focused effort by the CFPB has made possible. It would also restore opportunities for firms to play one regulator off against another.

Some of the largest bank failures in the financial crisis were caused by poor consumer protection supervision of banks in the size range affected by this bill. IndyMac failed with \$30.6 billion in assets as a result of risky mortgage lending, costing the Deposit Insurance Fund more than \$12 billion -- the largest loss in history. Poorly underwritten mortgage loans were also a principal cause in the failure of other institutions with \$10 billion to \$50 billion in assets, including BankUnited (\$13.1 billion in assets), Downey (\$12.7 billion), and AmTrust (\$11.4 billion).

Ninety-eight percent of banks are already exempt from the CFPB's supervision authority. Banks over \$10 billion are among the largest 2 percent of banks in the country and do not need special carve-outs. HR 3072 should be rejected and the CFPB should maintain supervisory and enforcement authority over all banks with \$10 billion or more in assets.

This bill would undo a key piece of precisely what the CFPB was put in place to do, and has done successfully: create an enforcement regime for large institutions that prioritizes consumer protection, and focuses on making sure big banks follow the law and do not abuse their customers. Please oppose HR 3072.

Yours very truly,

Allied Progress
Americans for Financial Reform
Arkansans Against Abusive Payday Lending
Center for Economic Integrity
Center for Justice & Democracy
Center for Responsible Lending
Connecticut Association for Human Services

Consumer Action
Consumer Federation of America
Consumers for Auto Reliability and Safety
Consumers Union
Demos
Florida Alliance for Consumer Protection
Indivisible
Interfaith Center on Corporate Responsibility
Jacksonville Area Legal Aid, Inc.
Kentucky Equal Justice Center
NAACP
National Association of Consumer Advocates
National Association of Consumer Bankruptcy Attorneys
National Center for Law and Economic Justice
National Coalition for the Homeless
National Consumers League
National Fair Housing Alliance
People's Action Institute
Progressive Congress Action Fund
Prosperity Now
Public Citizen
Public Good
Public Justice Center
Reinvestment Partners
Texas Appleseed
U.S. PIRG
UnidosUS
West Virginia Center on Budget and Policy
Woodstock Institute
World Privacy Forum