

## M E M O R A N D U M

**To:** Members, Subcommittee on Financial Institutions and Consumer Credit

**From:** Committee Majority Staff

**Date:** May 16, 2014

**Subject:** May 21, 2014, Financial Institutions and Consumer Credit Subcommittee Hearing entitled “Legislative Proposals to Improve Transparency and Accountability at the CFPB”

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The Subcommittee on Financial Institutions and Consumer Credit will hold a hearing entitled “Legislative Proposals to Improve Transparency and Accountability at the CFPB” at 2:00 p.m. on Wednesday, May 21, 2014, in room 2128 of the Rayburn House Office Building. This will be a one-panel hearing and will include the following witnesses:

- Andrew Pincus, Partner, Mayer Brown LLP
- Hester Peirce, Senior Research Fellow, Mercatus Center, George Mason University
- Rob Chapman, President, American Land Title Association

This hearing will examine bills and discussion drafts that are designed to promote greater transparency and accountability at the Consumer Financial Protection Bureau (“CFPB”).

***H.R. 3389, the CFPB Slush Fund Elimination Act of 2013***

Introduced by Chairman Capito, the CFPB Slush Fund Elimination Act eliminates the Bureau’s Civil Penalty Fund and requires the CFPB to remit fines it collects to the U.S. Treasury.

***H.R. 3770, the CFPB-IG Act of 2013***

Introduced by Representative Stivers, the CFPB-IG Act would create a separate, independent inspector general for the CFPB. The CFPB currently shares an inspector general with the Federal Reserve System.

***H.R. 4262, the Bureau Advisory Commission Transparency Act***

Introduced by Representative Duffy, the CFPB Advisory Commission Transparency Act clarifies that the Federal Advisory Committee Act (Pub. L. No. 92-463) applies to the CFPB.

***H.R. 4383, the Bureau of Consumer Financial Protection Small Business Advisory Board Act***

Introduced by Representative Pittenger, the Bureau of Consumer Financial Protection Small Business Advisory Board Act creates a small business advisory board at the CFPB.

***H.R. 4539, the Bureau Research Transparency Act***

Introduced by Representative Fitzpatrick, the Bureau Research Transparency Act requires that CFPB research papers made available to the public be accompanied by all studies, data, and analyses on which the paper was based.

***H.R. 4604, the CFPB Data Collection Security Act***

Introduced by Representative Westmoreland, the CFPB Data Collection Security Act requires the CFPB to create an opt-out list for consumers who do not want the CFPB to collect personally identifiable information about them and to delete or destroy information about a particular consumer within a specified period of time following collection. It further requires CFPB employees accessing personally identifiable information about consumers to hold a 'confidential' security clearance.

***H.R. 4662, the Bureau Advisory Opinion Act***

Introduced by Representative Posey, the Bureau Advisory Opinion Act establishes a process by which covered persons can submit inquiries concerning the conformance of prospective products and services with Federal consumer financial law and receive a confidential opinion from the Director.

***Discussion Draft of the "Bureau Arbitration Fairness Act"***

Representative McHenry's discussion draft of the Bureau Arbitration Fairness Act would repeal the CFPB's authority to prohibit, condition, or limit the use of arbitration provisions in contracts for consumer financial products or services.

***Discussion Draft of the “Bureau Guidance Transparency Act”***

Representative Stutzman’s discussion draft of the Bureau Guidance Transparency Act would require that the CFPB, in issuing any guidance, provide a public notice and comment period before issuing the guidance in final form, and must make public any studies, data, and other analysis it relied on in preparing and issuing its guidance.

***Discussion Draft of the “Preventing Regulatory Abuse Act of 2014”***

Representative Barr’s discussion draft of the Preventing Regulatory Abuse Act of 2014 would require the CFPB to go through a formal rulemaking with public notice and comment in order to publish a final rule that gives clear guidance on the CFPB’s definition of an “abusive” act or practice; would enact a moratorium on any enforcement action using the CFPB’s “abusive” authority until the final rule is published; and would repeal the CFPB’s authority to prohibit “abusive” acts or practices if it fails to conform to specified rulemaking timelines.

***Discussion Draft of the “Bureau Examination Fairness Act”***

Representative Mulvaney’s discussion draft of the Bureau Examination Fairness Act would prohibit the CFPB from including enforcement attorneys in examinations, regulate CFPB data requests during the course of examination, place time limitations on the completion of examination field work and the issuance of exam reports and supervisory letters, and prohibit concurrent limited-scope exams at the same institution.

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