



**Testimony of SEIU Secretary-Treasurer Anna Burger  
“Perspectives on the Consumer Financial Protection Agency”  
House Financial Services Committee  
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On behalf of the 2.1 million members of the Service Employees International Union (SEIU), and as a coalition member of Americans for Financial Reform, I want to thank Chairman Frank, Ranking Member Bachus and the Committee members for their continued work to reform our broken financial system.

It’s been a year since the financial world collapsed, showing us that the actions of a few greedy players on Wall Street can take down the entire global economy. As we continue to dig our way out of this crisis, we have an historic opportunity—and a responsibility—to reform the causes of our continued financial instability and protect consumers from harmful and often predatory practices employed by banks to rake in billions and drive consumers into debt.

The nurses, child care providers, janitors, and other members of SEIU continue to experience the devastating effects of our financial crisis firsthand. Our members and their families are losing their jobs, their homes, their healthcare coverage, and their retirement savings. As states and local governments face record budget crises, public employees are losing their jobs and communities are losing vital public services. And we see companies forced to shut their doors as banks refuse to expand lending and call in lines of credit. At the same time banks and credit card companies continue to raise fees and interest rates and refuse to modify mortgages and other loans.

We know the cause of our current economic crisis. Wall Street, big banks and corporate CEOs created exotic financial deals, took on too much risk and debt in search of outrageous bonuses, fees and unsustainable returns. The deals collapsed and taxpayers stepped in to bail them out. According to a recent report released by SEIU, once all crisis-related programs are factored in, taxpayers could be on the hook for up to \$17.8 trillion.

The proliferation of inappropriate and unsustainable lending practices that sent our economy into a tailspin could have and should have been prevented. The regulators’ failure to act, despite abundant evidence of the need, highlights the inadequacies of our current regulatory system, in which none of the many financial regulators regard consumer protection as a priority.

We strongly support the creation of a single Consumer Financial Protection Agency to consolidate authority in one place with the sole mission of watching out for consumers across all financial services.

I want to thank Chairman Frank for his work to strengthen proposed Consumer Financial Protection Agency language—particularly the strong whistleblower protections. We believe to be successful, CFPA legislation must include: a scope that includes all consumer financial products and services; sole rulemaking and primary enforcement authority; independent examination authority; federal rules that function as a floor, not a ceiling; the Community Reinvestment Act; funding that is stable, and does not undermine the agency's independence from industry; and strong whistleblower and compensation protections.

We believe independence, consolidated authority and adequate power to stop unfair, deceptive and abusive practices are key features to enable the CFPA to serve as the building block of comprehensive financial reform.

Over the past year, we've also heard directly from several frontline financial services employees about their working conditions and industry practices. We know from our conversations that existing industry practices incentivize frontline financial workers to push unneeded and often harmful financial products on consumers. We need to ban the use of commissions and quotas that incentivize rank-and-file personnel to act against the interests of consumers in order to make ends meet, or simply to keep their job. The CFPA is the agency that can create this industry change.

Imagine if these workers were able to speak out about practices they thought were deceptive and hurting consumers? The mortgage broker forced to meet a certain quota of subprime mortgages. The credit card call center worker forced to encourage Americans to take on debt they cannot afford and then threaten and harass customers when they can no longer make their payments. The personal banker forced to open up accounts for people without their knowledge.

Including protections and a voice for bank workers will help rebuild our economy today and ensure our financial system remains stable in the future.

Thank you for the opportunity to speak this morning. The American people are counting on this Committee to hold financial firms accountable and put in place regulations that prevent future crises.