

Amendment to Views and Estimates of the Committee on Financial Services on Matters Set Forth in the Concurrent Resolution on the Budget for Fiscal Year 2016

Offered by [Rep. Clay]

Strike the section beginning on line 1 of page 13 through line 8 of page 14 and insert:

CONSUMER FINANCIAL PROTECTION BUREAU

The Consumer Financial Protection Bureau (CFPB or the Bureau) was created by the Dodd-Frank Act to protect consumers from predatory practices and promote fair and transparent markets for the provision of consumer financial products and services. The CFPB Director has a broad mandate that includes consumer protection functions transferred from seven different federal agencies, and the authority to write rules, supervise compliance, and enforce consumer financial protection laws. Since the Bureau was established, it has implemented new rules for mortgage markets and prepaid cards, and also successfully recovered \$5.3 billion on behalf of more than fifteen million consumers and servicemembers.

The CFPB is housed within the Federal Reserve System (Federal Reserve) but the Dodd-Frank Act makes clear that the CFPB is to be autonomous of the Federal Reserve in carrying out its mission. As is the case with all other banking regulators, the CFPB's funding is independent of the congressional appropriations process. The CFPB receives its funding from transfers from the Federal Reserve. The CFPB's annual budget authority is capped at a percentage of the operating budget of the Federal Reserve Board—its budget for FY 2016 is estimated to be \$631.7 million.

The CFPB's budgetary process allows the Bureau to maintain its political independence. The Bureau is, however, accountable to congressional oversight - as evidenced by the Bureau's testifying before the relevant Committees of jurisdiction 52 times since its inception. The Bureau is also required by statute to submit to Congress a semi-annual report and to make the Director available for a hearing on that report before the House Financial Service Committee and Senate Banking, Housing and Urban Affairs Committee.

In its FY 2016 budget document, CFPB expects to incur \$582 million in total new obligations for FY 2015 and \$606 million in total new obligations for FY 2016. Given the important mission of the CFPB to protect consumers, including minorities, students, seniors, and servicemembers, and the expertise required to monitor and regulate complex financial markets, the Democrats view these funding levels as adequate.