

May 16, 2016

Dear Senator:

We, the undersigned organizations, ask you to oppose harmful riders to the Financial Services and General Government (FSGG) fiscal year 2017 appropriations that would obstruct the Consumer Financial Protection Bureau's (CFPB) ability to protect consumers. In particular, we urge you to oppose language mirroring S. 2663, the so-called "Reforming CFPB Indirect Auto Financing Guidance Act."

The language in S. 2663 would make it harder for the CFPB to enforce existing laws and would actually create more uncertainty in the market. The bill forces the CFPB to rescind its' guidance on how lenders can avoid violating the law, and would put unnecessary restrictions on how the CFPB can provide guidance on auto lending in the future. The immediate impact of the bill would be to make the CFPB less likely to provide guidance to lenders in the future, which reduces transparency.

This rider would also interfere with the CFPB and the Department of Justice's work to promote a fair auto lending market for all consumers. This bill is part of an overall effort to undercut the authority of the CFPB. Instead of encouraging the CFPB to continue down this path, S. 2663, like other attacks against the CFPB, interferes with the CFPB's important work to enforce laws against discrimination and unfair dealing. Further, passing S.2663 could disrupt ongoing enforcement and supervisory actions and would set a dangerous precedent for other attempts to undercut the CFPB.

More troubling, the bill is part of an overall effort to attack the CFPB's enforcement work in auto lending. The CFPB's actions, conducted jointly with the Department of Justice, follow procedures used previously in numerous enforcement cases. These recent settlements have produced hundreds of millions of dollars of relief for consumers and include agreements that will create fairer outcomes for consumers going forward. In fact, the CEO of the largest dealer group in the country called the CFPB's settlement terms a 'workable template' that other retailers and lenders should follow. 'I think this is a very enlightened solution,' Jackson told Automotive News. 'This is a win-win-win.'<sup>1</sup>

For the above reasons, we urge you to protect the integrity of the CFPB and reject efforts to roll back the hard-fought consumer protections the CFPB has already achieved. The CFPB is an incredibly effective agency working for fairer markets and protecting consumers – work that should be supported, not undermined. We urge you to oppose any appropriations riders that would undermine the CFPB, specifically riders that mirror S.2663.

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<sup>1</sup> [http://www.autonews.com/article/20150720/FINANCE\\_AND\\_INSURANCE/307209963/autonation-ceo-endorses-cfpb-honda-finance-pact](http://www.autonews.com/article/20150720/FINANCE_AND_INSURANCE/307209963/autonation-ceo-endorses-cfpb-honda-finance-pact).

Sincerely,

Americans for Financial Reform

Baltimore Neighborhoods, Inc.

Center for Digital Democracy

Center for Global Policy Solutions

Center for Popular Democracy

Center for Responsible Lending

Connecticut African-American Affairs Commission

Consumer Action

Consumer Federation of America

Consumers for Auto Reliability and Safety

Consumers Union

Leadership Conference on Civil and Human Rights

League of United Latin American Citizens

NAACP

National Association of Consumer Advocates

National Consumer Law Center (on behalf of its low-income clients)

National Council of La Raza

National Fair Housing Alliance

National Urban League

New Jersey Citizen Action

New Jersey NAACP

People's Action Institute

Public Citizen

U.S. PIRG

WISDOM

WISPIRG

Woodstock Institute