



July 6, 2020

The Honorable Deb Fischer  
454 Russell Senate Office Building  
Washington, DC 20510

Dear Senator Fischer:

On behalf of National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, I write to express our strong support for S. 3990, the Financial Product Safety Commission Act of 2020. Your well-reasoned legislation would overhaul the structure of the Consumer Financial Protection Bureau's (CFPB) to bring accountability and transparency to this opaque agency without hamstringing its ability to aid victims of financial fraud. NTU is proud to endorse S. 3990 and urge all Senators to work towards its passage.

Created by the enactment of Dodd-Frank in 2010, the CFPB is charged with regulating financial products and services companies to ensure these businesses follow federal consumer financial laws. While there is merit to centralizing consumer protection into one agency, unfortunately, the current framework permits the single Director of the CFPB to yield virtually unrestricted authority to administer consumer protection statutes and bring enforcement actions against providers of consumer financial products. This structure is unique among independent enforcement agencies within our federal government, as the SEC, FTC, CFTC, FCC, and others, are all governed by multi-member, bi-partisan commissions. Only in the case of the CFPB does federal law provide unilateral authority to a single individual to direct agency policy.

Following Senate confirmation, a Director can unilaterally decide that any business offering a financial product could be regulated out of existence simply for being "politically unsavory" or "abusive." This approach was employed by the former CFPB Director, who launched numerous crusades against legally operating businesses, such as auto dealers and short-term lenders. Though created as an independent agency, simply allowing a single individual to essentially make the law leaves the CFPB vulnerable to the political influence whims of whichever party controls White House.

Thankfully, your proposal reins in the power of the CFPB Director through the creation of a five-person, bipartisan commission as was envisioned in the original drafts of the Dodd-Frank Act. Enacting this structural overhaul will ensure its long-term viability, reaffirm its mission on consumer protection, and promote greater deliberation among those with ideological diverse viewpoints. Perhaps most importantly, the bipartisan commission would be isolated from the political pendulum that occurs at agencies every time a president is elected.

Thank you for introducing the Financial Product Safety Commission Act. We stand ready to work with you on ways to further government accountability and consumer protection.

Sincerely,

Thomas Aiello  
Policy and Government Affairs Manager