

July 20, 2009

The Honorable Barney Frank
Chairman
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Spencer Bachus
Ranking Member
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Frank and Ranking Member Bachus:

We write today as a broad group of trade associations representing millions of businesses of all sizes across the country from diverse sectors of the economy, in regard to H.R. 3126, the “Consumer Financial Protection Agency Act of 2009.”

While we commend your commitment to passing comprehensive financial regulatory reform legislation, including enhanced and effective consumer protection, we are very concerned that this legislation could advance without sufficient time to fully assess the cost to consumers and impact on businesses from all sectors of the economy. The scope of the legislation is very broad, granting unprecedented power and authority to a new agency with very few checks on that agency’s power.

For example, there are numerous questions that have not been sufficiently answered regarding which entities and types of business activities are covered by H.R. 3126. In addition, the intended benefits to consumers of many of the bill’s provisions are unclear. Both of these shortcomings raise a very real probability that there will be significant dangerous, unintended consequences if the legislation is enacted in its current form. In fact, it appears that many of the most critical decisions about the full scope of and manner in which this agency will define and exercise its expansive authority are delegated by Congress and left up to the new agency without significant oversight.

While we understand the importance of moving forward in response to the current economic and financial crisis, we urge you to pursue a thorough deliberative process on this legislation. There needs to be adequate time for all stakeholders, including Congress, the business community and consumers, to fully understand this bill’s implications, how it will impact consumers and their access to credit, the true costs of creating such an agency, and whether a new stand-alone consumer protection agency is necessary or whether enhancing the regulatory power of existing regulators can accomplish the same goal. The precarious state of the economy makes it a particularly dangerous time to enact legislation without a clear understanding of its full impact on the business community at large.

On behalf of our members, we strongly urge you to delay your Committee’s consideration of H.R. 3126 until after the August recess in order to provide due time for all stakeholders and decision-makers to fully understand the legislation’s scope and its potential economic and legal impacts. Thank you for your consideration of this request.

Sincerely,

American Association of Advertising Agencies
American Financial Services Association
American Institute of Certified Public Accountants
American Land Title Association
American Resort Development Association
Association of National Advertisers
Building Owners and Managers Association International
Business Roundtable
Consumer Bankers Association
Consumer Data Industry Association
Consumer Electronics Association
Direct Marketing Association
Financial Services Institute
Financial Services Roundtable
Interactive Advertising Bureau
National Automobile Dealers Association
National Association of Home Builders
National Association of Mutual Insurance Companies
Property Casualty Insurers Association of America
Real Estate Roundtable
The National Business Coalition on E-Commerce and Privacy
U.S. Chamber of Commerce's Institute for Legal Reform
U.S. Chamber of Commerce

Cc: The Members of the U.S. House of Representatives