

Congress of the United States
Washington, DC 20515

March 4, 2010

The Honorable Christopher Dodd
Chairman
Committee on Banking, Housing and Urban Affairs
U.S. Senate
448 Russell Building
Washington, D.C. 20510

The Honorable Richard Shelby
Ranking Member
Committee on Banking, Housing and Urban Affairs
U.S. Senate
304 Russell Building
Washington, D.C. 20510

The Honorable Bob Corker
U.S. Senate
185 Dirksen Building
Washington, D.C. 20510

Chairman Dodd, Ranking Member Shelby, Senator Corker:

We write you to express our support for the enactment of appropriate legislation to provide further oversight of the financial industry. Without a doubt, the federal government did not conduct proper supervision in the last few years, in part causing the recent economic crisis. To ensure we do not repeat these mistakes, we must enact and enforce responsible oversight and control mechanisms. We applaud your efforts to work in a bipartisan manner to reach a consensus which Members of both the House and Senate can support.

As you know, on December 11, 2009, the Wall Street Reform and Consumer Protection Act, H.R. 4173, passed the U.S. House of Representatives by a close margin of 223-202. While this legislation garnered no bipartisan support on final passage, together we offered an amendment on the House Floor to change the controversial Consumer Financial Protection Agency (CFPA) contained within H.R. 4173, to a powerful council of regulators called the Consumer Financial Protection Council (CFPC) charged with establishing tough, new consumer regulations for all financial firms. This amendment levied the support of every Republican and 33 Democrats with a final vote of 208-223.

At this time, it is important that Congress strikes the right balance between consumer protection and not further damage an already fragile economy. Our hope is that you will embrace the bipartisan approach we offered in the House, by creating the Consumer Financial Protection Council. If we want to create jobs, we must encourage more lending. In rural communities, community banks are the life blood of capital to small businesses. A powerful "Council of Regulators" would standardize consumer regulations and ensure that all state and federal regulators give consumer protection the same priority as is given to maintaining the safety and soundness of the institutions themselves.

By empowering existing state and federal regulators to take on the critical task of protecting consumers from fraud and abuse, the CFPC would provide true protection for consumers while not curbing economic growth. The CFPC would reduce the regulatory burden on small community banks and other financial businesses that are now struggling to lend to businesses and consumers across the country. Consumers don't need a massive new agency to pick and choose the products and services available to them.

The CFPC proposal would put everyone in the room including the Treasury Secretary, Chairman of the Federal Reserve, and state and federal regulators of community banks, credit unions, and consumer protection groups. The CFPC would operate under a simple majority vote with rule-writing authority on consumer protection and

safety and soundness issues. All perspectives are at the table and weighted equally without creating a new bureaucracy.

More specifically, our proposal will:

- Take the power to regulate trillions of dollars of financial transactions out of the hands of one politically appointed administrator and instead create a Consumer Financial Protection Council, charged with promoting consumer protection for users of financial products and services from financial institutions.
- Implement uniform standards, coordinate enforcement and rulemaking, promote financial literacy, and develop research on financial products and trends and consumers' use of those services.
- Include members who lead the Treasury Department, HUD, the Federal Reserve, FDIC, OCC, OTS, NCUA, FTC, as well as representatives from the Conference of State Bank Supervisors, the American Council of State Savings Supervisors, the National Association of State Credit Union Supervisors, and the National Association of Attorneys General.
- Locate the CFPC in the Department of Treasury; this provides an institutional home and removes the need for an entire new federal bureaucracy.
- Create a consumer advisory council consisting of representatives of consumers, depository institutions and non-bank providers of financial products and services.

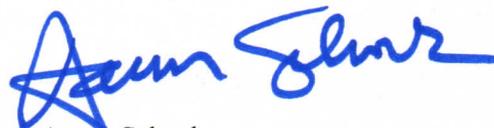
We all agree that Congress should consider an overhaul of our financial regulatory system, but not at the risk of stifling the free market and hurting small businesses. We provide you with the aforementioned alternative at your disposal, an alternative that garnered bipartisan support in the House and will truly protect consumers without adversely affecting our economy.

We have attached our CFPC proposal as voted in the House of Representatives. We would appreciate your consideration of this proposal and look forward to the opportunity of discussing it with you in person.

Sincerely,



Walt Minnick
Member of Congress



Aaron Schock
Member of Congress