ConsumersUnion®
POLICY & ACTION FROM CONSUMER REPORTS

September 13, 2017

U.S. House of Representatives
Washington, D.C. 20515

Dear Representative:

Consumers Union, the policy and mobilization division of Consumer Reports, writes regarding the financial services and general government division of H.R. 3354, a broad spending bill for fiscal year 2018. We oppose harmful policy riders in this legislation that would undermine essential protections for consumers.

First, we urge you to **vote no** on Sensenbrenner and Duffy Amendment #208, which would prevent the Consumer Product Safety Commission (CPSC) from implementing its proposed performance standard to limit carbon monoxide emissions from portable generators in order to protect consumers from carbon monoxide poisoning. As incident data make tragically clear, education and warning labels alone, and the provisions of the current voluntary safety standard, are not enough to protect consumers. With an average of about 70 deaths and several thousand non-fatal injuries annually—and with four generator-related carbon monoxide poisoning deaths having recently occurred that are associated with Hurricane Irma's impact on Florida—a mandatory performance standard is needed without any further delay. The CPSC should be able to keep moving forward on its development of such a standard, including consideration of the potential role of a shut-off mechanism as a failsafe.

Second, **we urge you to remove** from the bill the following provisions in Division D of H.R. 3354:

- **Section 501,** which would prevent the CPSC from setting minimum mandatory safety standards for recreational off-highway vehicles (ROVs). The CPSC's proposed rule for ROVs seeks to strengthen the voluntary standard by effectively addressing key issues that pose potential hazards to consumers, including lateral stability, vehicle handling, and occupant protection. The rule would address these issues to better protect the safety of all ROV riders, and should be permitted to move forward—instead of drawing out a process of technical study that has already been going on for more than seven years.

- **Section 502,** which would prevent the CPSC from implementing its proposed mandatory standard for table saws. At present, the use of table saws can lead to serious injury if even the slightest mistake is made. There were an estimated 33,400 table saw, emergency department-treated injuries in 2015, with an average of more than 12 amputations occurring every day. These injuries cost society more than $4 billion annually. Since an existing industry voluntary safety standard has been inadequate in preventing injuries, the CPSC should be permitted to move forward quickly on an effective mandatory standard.

- **Section 926,** which would subject the budget of the Consumer Financial Protection Bureau (CFPB) to the annual congressional appropriations process. Congress established the CFPB—like other financial regulators including the Federal Reserve Board, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Securities and Exchange Commission—with a funding mechanism that would be insulated from industry influence and political pressure. Changing the CFPB's funding would severely impair its ability to monitor the marketplace and bring enforcement actions for violation of consumer laws. To remove this provision, we urge you to support Ellison Amendment #199.

- **Section 927,** which would eliminate the CFPB's supervisory and examination authority. The CFPB is charged with enforcing consumer financial laws for the purpose of ensuring that all consumers have access to safe financial products and services and that the financial marketplace is fair, transparent, and competitive. Congress determined that the most effective way for the CFPB to carry out this mission is through supervision and examinations. The CFPB uses its supervisory authority to detect, assess, and prevent risks that harm consumers. Its examination authority is used to help identify and correct violations of consumer financial protection laws, often without necessitating enforcement.

- **Section 928**, which would stop the CFPB from exercising its rulemaking, enforcement, or other authority with respect to payday loans, vehicle title loans and other similar loans. Payday loans are small-dollar, yet expensive, loans secured by direct access to the borrower's bank account. These triple-digit rate loans are first-in-line to be repaid, ahead of food, rent, or other necessities. This can be a serious problem for families that are struggling financially and can often lead to overdrafts, closed bank accounts and bankruptcies. To remove this provision, we urge you to support Ellison Amendment #201.

- **Section 929,** which would rescind the CFPB's authority to enforce against unfair, deceptive, or abusive acts and practices (UDAAP) and to write rules to define its UDAAP authority. Congress directed the CFPB to protect consumers from unfair deceptive or abusive acts and practices as a core part of its mission. The CFPB has used its UDAAP authority to: (1) stop Wells Fargo from continuing to open unauthorized accounts in its customers' names as it did with over 2 million unauthorized deposit accounts and 565,000 unauthorized credit card accounts; (2) stop MoneyTree from making deceptive online advertisements and engaging in unfair collection practices; (3) stop banks from engaging in deceptive marketing, billing, and administration of debt protection and unwanted credit monitoring add-ons; (4) stop abusive credit card terms; and (5) stop abusive scams and exploitation of older consumers.

- **Section 930**, which would repeal the CFPB's authority to issue rules to limit or stop the use of forced arbitration in consumer financial service contracts. Repealing this authority would leave consumers with no effective legal recourse to hold lenders accountable for widespread fraud and abuse. For example, forced arbitration clauses prevented victims of the Wells Fargo scandal involving unauthorized accounts from bringing legal action against the company. Wells Fargo hurt millions of consumers by secretly opening bogus additional accounts in their names, in order to pad quotas and profits. Wells Fargo then used a forced arbitration clause buried in its consumer account paperwork to block defrauded consumers from seeking relief. The CFPB has spent several years developing an effective and balanced rule to rein in the worst excesses of forced arbitration.

Thank you for your consideration. We look forward to continuing to work with you on legislation that provides adequate funding for federal agencies, particularly those that serve as critical watchdogs of the marketplace and work to ensure that it is fair and safe for all consumers.

Sincerely,

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