

National Hispanic Leadership Agenda

March 6, 2017

Dear Senator/Representative:

On behalf of the National Hispanic Leadership Agenda (NHLA), the coalition of the nation's 40 preeminent Latino advocacy organizations, we are writing to urge your strong opposition to any efforts to weaken or dismantle the leadership or structure of the Consumer Financial Protection Bureau (CFPB).

Collectively, NHLA leads the advocacy behind the most pressing civil rights and policy issues impacting our nation's 56 million Latinos. Among the top of these priorities is strengthening the economic conditions of Latino households, who have historically been excluded from and underserved by the financial mainstream. Leading up to the Great Recession, unscrupulous lenders lured Latino borrowers into unsafe and unaffordable products; as a result, Hispanic families were disproportionately impacted by the economic crisis and are still struggling to recover financially.

The devastating effects of the crisis ushered in the creation of the CFPB, which we view to be one of the most important accomplishments of the Dodd-Frank Wall Street Reform and Consumer Protection Act. We made the argument then – and still do today – that consumer protection is a civil rights issue. In less than six years since opening its doors, the CFPB has already curbed several unfair and deceptive practices in the financial marketplace, bringing transparency to the remittance industry, stopping credit companies from adding on products that consumers never agreed to, and requiring mortgage lenders to ask applicants for proof of their income before making home loans. These actions have helped put Latino families, and all Americans, on a path to greater financial security.

Despite the gains consumers have experienced thanks to the CFPB's actions, efforts are underway to destroy the CFPB, one of the very safeguards put in place to protect us from another crisis. Among these efforts are the following five proposals that have been offered even though the CFPB is already among the most effective, responsive, and transparent government agencies. To ensure Latinos, and all Americans, do not lose the only federal agency entrusted to protect the interests of consumers, we urge you to:

Defend Director Richard Cordray and avoid attempts to remove him before his term expires: A challenge to Director Cordray's authority is a challenge to the consumer agency itself. Since its inception, it has become clear that the Director's leadership is exactly what consumers need, and voters overwhelming support the agency's work. A 2016 poll found that three-in-four voters support tougher rules to address the unscrupulous practices that caused the financial crisis.

MEMBER ORGANIZATIONS

Alianza Americas
American G.I. Forum
ASPIRA Association
Avance Inc.
Casa de Esperanza: National Latin@ Network
Congressional Hispanic Caucus Institute
Farmworker Justice
Hispanic Association of Colleges & Universities
Hispanic Federation
Hispanic National Bar Association
Inter-University Program for Latino Research
Labor Council for Latin American Advancement
Latino Justice PRLDEF
League of United Latin American Citizens
MANA, A National Latina Organization
Mexican American Legal Defense and Educational Fund
National Association of Hispanic Federal Executives
National Association of Hispanic Publications
NALEO Educational Fund
National Association of Latino Independent Producers
National Conference of Puerto Rican Women, Inc.
National Council of La Raza
National Hispana Leadership Institute
National Hispanic Caucus of State Legislators
National Hispanic Council on Aging
National Hispanic Environmental Council
National Hispanic Foundation for the Arts
National Hispanic Media Coalition
National Hispanic Medical Association
National Institute for Latino Policy
National Latina Institute for Reproductive Health
National Puerto Rican Coalition
Presente.org
SER Jobs for Progress National
Southwest Voter Registration Education Project
United States Hispanic Chamber of Commerce
United States Hispanic Leadership Institute
United States-Mexico Chamber of Commerce
U.S.- Mexico Foundation
Voto Latino

Protect the single-director structure of the agency and oppose efforts to replace it with an ineffective bipartisan commission: If the single director structure were replaced with a commission, the consumer agency would fall into a pattern of gridlock and a chronic unwillingness to challenge the industries they are charged with overseeing. The Comptroller of the Currency, a much larger federal bank regulator, has been led by a single director since it was established in 1863. The Federal Housing Finance Agency and Social Security Administration are also headed by single directors.

Allow the agency to continue growing or maintain its workforce and resist attacks to shrink its size: If the CFPB were denied the ability to continue growing or maintain its workforce, the Bureau's functions would be severely limited. Reducing the consumer agency's workforce would have a direct impact on Latinos' fair access to financial products.

Preserve the consumer agency's independent funding and prevent the agency from relying on annual congressional appropriations: If Congress were to fund the consumer agency each year, bank lobby interests would encourage the use of the appropriations process to starve the CFPB of the basic funds it needs to do its job. The other prudential regulators—the Department of the Treasury (the Office of the Comptroller of the Currency), the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation—are all funded independently of the appropriations process to insulate themselves from political pressure by the very entities they are designed to regulate, the banking industry.

Maintain the consumer complaint database: Eliminating the consumer complaint database would cripple the agency's ability to protect consumers by collecting, monitoring, and responding to complaints. The CFPB sends thousands of consumers' complaints each week to companies for response, handling more than 1 million total complaints as of January 2017.

The mission of the CFPB is straightforward: rein in unfair, deceptive, and abusive practices in the financial marketplace. Undeterred by Wall Street titans, Director Cordray and the CFPB have delivered on this promise. We urge members of Congress to allow Director Cordray and the CFPB to continue their important work on behalf of consumers, preserving opportunities for Latino families, and all Americans, to build and maintain wealth for this generation and the next.

Sincerely,



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