

# **National Hispanic Leadership Agenda**

May 2, 2017

U.S. House of Representatives  
Washington, DC 20515

## **Re: Opposition to the Financial CHOICE Act of 2017**

Dear Representative:

On behalf of the National Hispanic Leadership Agenda (NHLA), a coalition of 45 of the nation's preeminent Latino civil rights and public policy organizations, we are writing to express our concerns about H.R. 10, the Financial CHOICE Act of 2017 and urge your strong opposition to this bill.

The Financial CHOICE Act would undermine crucial enforcement and compliance actions provided by the Dodd-Frank Wall Street Reform and Consumer Protection Act. This legislation would de-regulate financial institutions, exposing average American consumers to the greatly heightened risk of abuse within the financial system, and our economy to heightened risk of instability.

The reckless behavior of financial institutions, including banks, credit card companies, and mortgage lenders, caused the 2008 financial crisis that cost Americans millions of lost jobs, billions in tax-payer funded bailouts, and trillions of lost retirement savings. The lack of consumer protections allowed unscrupulous lenders to target communities of color with unfair and abusive financial products. During the Great Recession, median household wealth among Hispanics fell from \$15,359 in 2005 to \$6,325 in 2009, a 66% decline.<sup>1</sup> Latinos were disproportionately impacted by the economic crisis and are still struggling to recover.

While the crisis brought financial devastation to the Latino community, it also ushered much needed Wall-Street reform. The financial crisis confirmed the need for an agency that was solely focused on protecting consumers from predatory financial products and services. The creation of the Consumer Financial Protection Bureau (CFPB) is one of the most important accomplishments of Dodd-Frank. In less than six years since opening its doors, the consumer agency has already started to rein in unfair, deceptive, and abusive 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 financial security. Further, for every \$1 of funding, the CFPB has returned approximately \$5 to victims of financial wrongdoing; to date, it has returned a total of nearly \$12 billion to 29 million wronged Americans.<sup>2</sup> Much of this relief to consumers has resulted in a more fair and transparent financial marketplace for Latinos, who have been historically excluded from safe and affordable products.

### **MEMBER ORGANIZATIONS**

Alianza Americas  
American G.I. Forum  
ASPIRA Association  
Avance Inc.  
Casa de Esperanza: National Latin@ Network  
Congressional Hispanic Caucus Institute  
Farmworker Justice  
Green Latinos  
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  
Mi Familia Vota  
National Association of Latino Arts and Cultures  
National Association of Hispanic Federal Executives  
National Association of Hispanic Publications  
National Day Laborer Organizing Network  
NALEO Educational Fund  
National Association of Latino Independent Producers  
National Conference of Puerto Rican Women, Inc.  
National Council of La Raza  
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/o Psychological Association  
National Latina Institute for Reproductive Health  
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

Each pillar of financial reform under Dodd-Frank holds together a stable financial market and helps avoid future economic catastrophe. The Financial CHOICE Act, in a complete disregard to the lessons learned from the financial crisis, aims to breakdown the very protections put in place to protect us from another crisis. It reopens the door to known predatory practices, and returns American families to a regulatory environment similar to the risky conditions that led to the financial crisis. If enacted, the Financial CHOICE Act would:

- Exempt a wide range of mortgages from new “Qualified Mortgage” rules designed to prevent the consumer abuses seen in the subprime mortgages that contributed so greatly to the 2008 financial crisis, and exempt mortgages held on bank portfolios from consumer protections;
- Eliminate the CFPB’s ability to prevent and address financial wrongdoing by ending its supervision authority;
- Remove the CFPB’s authority to stop unfair, deceptive, and abusive acts and practices in consumer finance;
- Rescind the CFPB’s rulemaking, enforcement, or other authority with respect to payday loans, vehicle title loans, or other similar loans;
- Rescind CFPB guidance that prevents discrimination in auto lending;
- Repeal the Department of Labor fiduciary rule to update the definition of “fiduciary” for retirement investment advisers;
- Make the directors of the CFPB (and deputy director) and director of the Federal Housing Finance Agency (FHFA) removable at will by the President; and
- Eliminate the Financial Stability Oversight Council and the Office of Financial Research, which would limit necessary oversight and threaten the stability of the U.S. financial system.

Each of these reforms is the wrong direction for our financial system and for consumers. NHLA strongly urges you to oppose the Financial CHOICE Act and support Dodd-Frank as it ensures families hardest hit by the financial crisis can maintain and build wealth for this generation and the next. Rather than repealing and replacing Dodd-Frank, Congress should build on its successes to ensure that our American economic engine – U.S. workers and consumers – are protected.

Thank you for your consideration.

<sup>1</sup> Rakesh Kochhar, Richard Terry, and Paul Taylor, “Hispanic Household Wealth Fell by 66% from 2005 to 2009” (Washington, DC: Pew Research Center, Hispanic Trends, 2011) <http://www.pewhispanic.org/2011/07/26/the-toll-of-the-great-recession/>.

<sup>2</sup> Consumer Financial Protection Bureau “CFPB By the Numbers” (Washington, DC: CFPB, 2017) [http://files.consumerfinance.gov/f/documents/201701\\_cfpb\\_CFPB-By-the-Numbers-Factsheet.pdf](http://files.consumerfinance.gov/f/documents/201701_cfpb_CFPB-By-the-Numbers-Factsheet.pdf).

Sincerely,



Hector E. Sanchez Barba  
Chair of NHLA  
Executive Director, Labor Council for Latin American Advancement (LCLAA)