

# What is the CFPA?

The House has passed legislation (H.R. 4173) that will create a massive new government agency, the Consumer Financial Protection Agency (CFPA), to regulate consumer financial products. The Senate Banking Committee also has passed legislation to create a similar new regulator, the Bureau of Consumer Financial Protection (BFCP). Regardless of what it is called, this new regulator would have unprecedented powers and authority to determine the types of financial products consumers can choose from. In fact, the bill extends far beyond traditional financial services products to a vast segment of the economy – in short creating a new regulator for much of the business community.

The U. S. Chamber supports more effective consumer protection that is centered on ensuring consumers have access to clear and concise disclosures about risks posed by financial products, and on weeding out the fraudulent and predatory actors. The Chamber in fact supports the creation of a coordinating council of regulators to review the rules governing consumer protection to make sure they are adequate, make certain regulators are coordinated and accountable so that no practices or products slip through the cracks, and to enhance the effectiveness of enforcement against illegal or predatory practices.

However, these proposals simply grow the government through an agency with more authority than any other federal regulator, putting new restrictions on consumer access to products, reducing choices among products, and driving up the costs of these products by making it more expensive to develop and offer them. It even goes so far as to give regulators the authority to dictate and require “plain vanilla” products, assuming federal bureaucrats know what is best for consumers.

