



Consumer Financial Protection Agency Frequently Asked Questions

What is ICBA's position on CFPA?

ICBA does not support the creation of a new regulatory agency to oversee already over-regulated and overburdened community banks. A CFPA is a bad idea for the regulated banking industry, but some means of bringing unregulated financial firms and non-bank subsidiaries of the Wall Street firms under a bank-like regulatory regime is a good idea.

What was ICBA's strategy in the House?

ICBA expected the House to pass some version of CFPA, so it was critical to begin amending the CFPA language there as much as possible. While the changes made to CFPA are good, the proposal remains far from acceptable.

What changes to CFPA did ICBA achieve in the House?

While not a panacea, these House made these critical changes:

- The bill to exempts most community banks from primary enforcement by a CFPA.
- Community banks will be exempt from any CFPA fees.
- CFPA will include a special ombudsman to advocate for community banks.

These changes set the stage for additional improvements, including further removing CFPA from having any backup authority to regulate community banks, as well as amending the CFPA's ability to unilaterally write new rules for community banks.

What about Rep. Minnick's proposal to kill the CFPA and set up a consumer protection "council"?

ICBA worked with Rep. Minnick (D-Idaho) on his proposal. Unfortunately, his amendment included extraneous provisions that would have vastly increased community banks' burden, so we didn't endorse it in the House.

What is ICBA's Senate strategy?

The Senate will not be simply taking up the House-passed measure. Given the Minnick amendment's strong showing in the House, it makes sense to advance its core ideas in the Senate. ICBA has developed a streamlined version of the Minnick amendment that will set up a rulewriting interagency council, require bank-like exams for non banks, and impose no additional burden for community banks. We believe this can be the basis of a bi-partisan approach in the Senate that would strengthen regulation of non-banks, while sparing community banks any additional burden.