

# Union Calendar No. 61

112<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1121

[Report No. 112-107]

To replace the Director of the Bureau of Consumer Financial Protection  
with a five person Commission.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 16, 2011

Mr. BACHUS (for himself, Mrs. CAPITO, Mrs. BIGGERT, Mr. GARRETT, Mr. HENSARLING, Mr. GARY G. MILLER of California, Mr. NEUGEBAUER, Mr. GRIMM, Mrs. BACHMANN, Mr. ROYCE, Mr. DOLD, Mr. YODER, Mr. MANZULLO, Mr. SCHWEIKERT, Mr. LUETKEMEYER, Mr. PEARCE, Mr. STIVERS, Mr. MCHENRY, Mr. CANSECO, Mr. SESSIONS, Mr. POSEY, Mr. DUFFY, Mr. HUIZENGA of Michigan, Mr. LUCAS, Mr. CAMPBELL, Mr. KING of New York, and Mr. HULTGREN) introduced the following bill; which was referred to the Committee on Financial Services

JUNE 16, 2011

Additional sponsors: Mr. HURT, Mr. MCCOTTER, Mr. WILSON of South Carolina, Ms. JENKINS, Mr. MCKINLEY, Mr. LATHAM, Mr. CARTER, Mr. KLINE, and Mr. ROSS of Florida

JUNE 16, 2011

Reported with an amendment, committed to the Committee of the Whole  
House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on March 16, 2011]

# **A BILL**

To replace the Director of the Bureau of Consumer Financial  
Protection with a five person Commission.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Responsible Consumer*  
5 *Financial Protection Regulations Act of 2011”.*

6 **SEC. 2. ESTABLISHMENT OF THE COMMISSION.**

7 *Section 1011 of the Consumer Financial Protection*  
8 *Act of 2010 is amended—*

9 *(1) by striking subsections (b), (c), and (d);*

10 *(2) by redesignating subsection (e) as subsection*  
11 *(j); and*

12 *(3) by inserting after subsection (a) the following*  
13 *new subsections:*

14 *“(b) ESTABLISHMENT OF THE COMMISSION.—*

15 *“(1) IN GENERAL.—There is hereby established a*  
16 *commission (hereinafter referred to in this section as*  
17 *the ‘Commission’) that shall serve as the head of the*  
18 *Bureau.*

19 *“(2) AUTHORITY TO PRESCRIBE REGULATIONS.—*

20 *The Commission may prescribe such regulations and*  
21 *issue such orders in accordance with this title as the*  
22 *Commission may determine to be necessary for car-*  
23 *rying out this title and all other laws within the*  
24 *Commission’s jurisdiction and shall exercise any au-*

1 *thorities granted under this title and all other laws*  
2 *within the Commission’s jurisdiction.*

3 “(c) *COMPOSITION OF THE COMMISSION.*—

4 “(1) *IN GENERAL.*—*The Commission shall be*  
5 *composed of the Vice Chairman for Supervision of the*  
6 *Federal Reserve System and 4 additional members*  
7 *who shall be appointed by the President, by and with*  
8 *the advice and consent of the Senate, from among in-*  
9 *dividuals who—*

10 “(A) *are citizens of the United States;*

11 “(B) *have strong competencies and experi-*  
12 *ences related to consumer financial protection;*  
13 *and*

14 “(C) *should want to protect service members*  
15 *and their families who are sacrificing their lives*  
16 *for this country from abusive financial practices.*

17 “(2) *STAGGERING.*—*The members of the Com-*  
18 *mission appointed under paragraph (1) shall serve*  
19 *staggered terms, which initially shall be established by*  
20 *the President for terms of 1, 2, 4, and 5 years, respec-*  
21 *tively.*

22 “(3) *TERMS.*—

23 “(A) *IN GENERAL.*—*Each member of the*  
24 *Commission appointed under paragraph (1), in-*

1           *cluding the Chair, shall serve for a term of 5*  
2           *years.*

3           “(B) *REMOVAL FOR CAUSE.*—*The President*  
4           *may remove any member of the Commission ap-*  
5           *pointed under paragraph (1) only for ineffi-*  
6           *ciency, neglect of duty, or malfeasance in office.*

7           “(C) *VACANCIES.*—*Any member of the Com-*  
8           *mission appointed under paragraph (1) ap-*  
9           *pointed to fill a vacancy occurring before the ex-*  
10          *piration of the term to which that member’s*  
11          *predecessor was appointed (including the Chair)*  
12          *shall be appointed only for the remainder of the*  
13          *term.*

14          “(D) *CONTINUATION OF SERVICE.*—*Each*  
15          *member of the Commission appointed under*  
16          *paragraph (1) may continue to serve after the*  
17          *expiration of the term of office to which that*  
18          *member was appointed until a successor has been*  
19          *appointed by the President and confirmed by the*  
20          *Senate, except that a member may not continue*  
21          *to serve more than 1 year after the date on which*  
22          *that member’s term would otherwise expire.*

23          “(E) *OTHER EMPLOYMENT PROHIBITED.*—  
24          *No member of the Commission appointed under*

1           *paragraph (1) shall engage in any other busi-*  
2           *ness, vocation, or employment.*

3           “(4) *ROLES AND RESPONSIBILITIES OF COMMIS-*  
4           *SIONERS.—One member of the Commission shall have*  
5           *as their primary responsibility the oversight of the*  
6           *Bureau’s activities pertaining to protecting con-*  
7           *sumers, with a focus on consumers who are older, mi-*  
8           *norities, youth, or veterans, from unfair, deceptive,*  
9           *and abusive lending practices. The designated com-*  
10          *missioner shall be responsible for—*

11                   “(A) *ensuring the Bureau conducts regular*  
12                   *outreach to consumers regarding industry lend-*  
13                   *ing activities;*

14                   “(B) *researching and reporting to the full*  
15                   *Commission, on a regular basis, the impact of*  
16                   *new loan and credit products and services on*  
17                   *consumers; and*

18                   “(C) *ensuring the Bureau coordinates with*  
19                   *State-level consumer protection agencies on en-*  
20                   *forcement measures that protect consumers from*  
21                   *unfair, deceptive, and abusive lending practices.*

22           “(d) *AFFILIATION.—With respect to members ap-*  
23           *pointed pursuant to subsection (c)(1), not more than 2 shall*  
24           *be members of any one political party.*

25           “(e) *CHAIR OF THE COMMISSION.—*

1           “(1) *APPOINTMENT.*—*The Chair of the Commis-*  
2           *sion shall be appointed by the President from among*  
3           *the members of the Commission appointed under*  
4           *paragraph (1).*

5           “(2) *AUTHORITY.*—*The Chair shall be the prin-*  
6           *cipal executive officer of the Bureau, and shall exer-*  
7           *cise all of the executive and administrative functions*  
8           *of the Bureau, including with respect to—*

9                   “(A) *the appointment and supervision of*  
10                  *personnel employed under the Bureau (other*  
11                  *than personnel employed regularly and full time*  
12                  *in the immediate offices of members of the Com-*  
13                  *mission other than the Chair);*

14                   “(B) *the distribution of business among per-*  
15                  *sonnel appointed and supervised by the Chair*  
16                  *and among administrative units of the Bureau;*  
17                  *and*

18                   “(C) *the use and expenditure of funds.*

19           “(3) *LIMITATION.*—*In carrying out any of the*  
20           *Chair’s functions under the provisions of this sub-*  
21           *section the Chair shall be governed by general policies*  
22           *of the Commission and by such regulatory decisions,*  
23           *findings, and determinations as the Commission may*  
24           *by law be authorized to make.*

1           “(4) *REQUESTS OR ESTIMATES RELATED TO AP-*  
2           *PROPRIATIONS.—Requests or estimates for regular,*  
3           *supplemental, or deficiency appropriations on behalf*  
4           *of the Commission may not be submitted by the Chair*  
5           *without the prior approval of the Commission.*

6           “(f) *NO IMPAIRMENT BY REASON OF VACANCIES.—No*  
7           *vacancy in the members of the Commission shall impair*  
8           *the right of the remaining members of the Commission to*  
9           *exercise all the powers of the Commission. Three members*  
10          *of the Commission shall constitute a quorum for the trans-*  
11          *action of business, except that if there are only 3 members*  
12          *serving on the Commission because of vacancies in the Com-*  
13          *mission, 2 members of the Commission shall constitute a*  
14          *quorum for the transaction of business. If there are only*  
15          *2 members serving on the Commission because of vacancies*  
16          *in the Commission, 2 members shall constitute a quorum*  
17          *for the 6-month period beginning on the date of the vacancy*  
18          *which caused the number of Commission members to decline*  
19          *to 2.*

20          “(g) *SEAL.—The Commission shall have an official*  
21          *seal.*

22          “(h) *COMPENSATION.—*

23                  “(1) *CHAIR.—The Chair shall receive compensa-*  
24          *tion at the rate prescribed for level I of the Executive*



1       *Schedule under section 5313 of title 5, United States*  
 2       *Code.*

3               “(2) *OTHER MEMBERS OF THE COMMISSION.*—  
 4       *The 3 other members of the Commission appointed*  
 5       *under subsection (c)(1) shall each receive compensa-*  
 6       *tion at the rate prescribed for level II of the Executive*  
 7       *Schedule under section 5314 of title 5, United States*  
 8       *Code.*

9               “(i) *INITIAL QUORUM ESTABLISHED.*—*During any*  
 10       *time period prior to the confirmation of at least two mem-*  
 11       *bers of the Commission, one member of the Commission*  
 12       *shall constitute a quorum for the transaction of business.*  
 13       *Following the confirmation of at least 2 additional commis-*  
 14       *sioners, the quorum requirements of subsection (f) shall*  
 15       *apply.”.*

16       **SEC. 3. CONFORMING AMENDMENTS.**

17       (a) *CONSUMER FINANCIAL PROTECTION ACT OF*  
 18       *2010.*—

19               (1) *IN GENERAL.*—*The Consumer Financial Pro-*  
 20       *tection Act of 2010 is amended—*

21                       (A) *in section 1002, by striking paragraph*  
 22                       *(10);*

23                       (B) *in section 1012(c)(4), by striking “Di-*  
 24                       *rector” each place such term appears and insert-*  
 25                       *ing “Commission of the Bureau”;*

1                   (C) in section 1013(c)(3)—

2                   (i) by striking “Assistant Director of  
3                   the Bureau for” and inserting “Head of the  
4                   Office of”; and

5                   (ii) in subparagraph (B), by striking  
6                   “Assistant Director” and inserting “Head  
7                   of the Office”;

8                   (D) in section 1013(g)(2)—

9                   (i) by striking “ASSISTANT DIRECTOR”  
10                  and inserting “HEAD OF THE OFFICE”; and

11                  (ii) by striking “an assistant director”  
12                  and inserting “a Head of the Office of Fi-  
13                  nancial Protection for Older Americans”;

14                  (E) in section 1016(a), by striking “Direc-  
15                  tor of the Bureau” and inserting “Chair of the  
16                  Commission”;

17                  (F) in section 1017(c)(1), by striking “Di-  
18                  rector and other employees” and inserting  
19                  “members of the Commission and other employ-  
20                  ees”;

21                  (G) in section 1027(l)(1), by striking “Di-  
22                  rector and the”; and

23                  (H) in section 1066(a), by striking “Direc-  
24                  tor of the Bureau is” and inserting “first mem-  
25                  ber of the Commission is”.

1           (2) *GLOBAL AMENDMENTS.—The Consumer Fi-*  
2           *nancial Protection Act of 2010 is amended—*

3                   (A) *by striking “Director of the” each place*  
4           *such term appears, other than in—*

5                           (i) *subparagraphs (A) and (E) of sec-*  
6           *tion 1017(4);*

7                           (ii) *section 1043;*

8                           (iii) *section 1061(b)(3);*

9                           (iv) *section 1062;*

10                          (v) *section 1063(f);*

11                          (vi) *subparagraphs (E) and (G) of sec-*  
12           *tion 1064(i)(2); and*

13                          (vii) *section 1065(a); and*

14                   (B) *by striking “Director” each place such*  
15           *term appears and inserting “Bureau”, other*  
16           *than in—*

17                           (i) *section 1063(f)(2); and*

18                           (ii) *section 1065(a).*

19           (b) *DODD-FRANK WALL STREET REFORM AND CON-*  
20           *SUMER PROTECTION ACT.—The Dodd-Frank Wall Street*  
21           *Reform and Consumer Protection Act is amended—*

22                   (1) *in section 111(b)(1)(D), by striking “Direc-*  
23           *tor” and inserting “Chair of the Commission”; and*

1           (2) *in section 1447, by striking “Director of the*  
2           *Bureau” each place such term appears and inserting*  
3           *“Bureau”.*

4           (c) *ELECTRONIC FUND TRANSFER ACT.—Section*  
5           *921(a)(4)(C) of the Electronic Fund Transfer Act, as added*  
6           *by section 1075(a)(2) of the Consumer Financial Protection*  
7           *Act of 2010, is amended by striking “Director of the Bureau*  
8           *of Consumer Financial Protection” and inserting “Bureau*  
9           *of Consumer Financial Protection”.*

10          (d) *EXPEDITED FUNDS AVAILABILITY ACT.—The Ex-*  
11          *pedited Funds Availability Act, as amended by section 1086*  
12          *of the Consumer Financial Protection Act of 2010, is*  
13          *amended by striking “Director of the Bureau” each place*  
14          *such term appears and inserting “Bureau”.*

15          (e) *FEDERAL DEPOSIT INSURANCE ACT.—Section 2 of*  
16          *the Federal Deposit Insurance Act, as amended by section*  
17          *336(a) of the Dodd-Frank Wall Street Reform and Con-*  
18          *sumer Protection Act, is amended by striking “Director of*  
19          *the Consumer Financial Protection Bureau” each place*  
20          *such term appears and inserting “Chair of the Commission*  
21          *of the Bureau of Consumer Financial Protection”.*

22          (f) *FEDERAL FINANCIAL INSTITUTIONS EXAMINATION*  
23          *COUNCIL ACT OF 1978.—Section 1004(a)(4) of the Federal*  
24          *Financial Institutions Examination Council Act of 1978*  
25          *(12 U.S.C. 3303(a)(4)), as amended by section 1091 of the*

1 *Consumer Financial Protection Act of 2010, is amended by*  
2 *striking “Director of the Consumer Financial Protection*  
3 *Bureau” and inserting “Chair of the Commission of the Bu-*  
4 *reau of Consumer Financial Protection”.*

5 (g) *FINANCIAL LITERACY AND EDUCATION IMPROVE-*  
6 *MENT ACT.—Section 513 of the Financial Literacy and*  
7 *Education Improvement Act, as amended by section*  
8 *1013(d) of the Consumer Financial Protection Act of 2010,*  
9 *is amended by striking “Director” each place such term ap-*  
10 *pears and inserting “Chair of the Commission”.*

11 (h) *HOME MORTGAGE DISCLOSURE ACT OF 1975.—*  
12 *Section 307 of the Home Mortgage Disclosure Act of 1975,*  
13 *as amended by section 1094(6) of the Consumer Financial*  
14 *Protection Act of 2010, is amended by striking “Director*  
15 *of the Bureau of Consumer Financial Protection” each*  
16 *place such term appears and inserting “Bureau of Con-*  
17 *sumer Financial Protection”.*

18 (i) *INTERSTATE LAND SALES FULL DISCLOSURE*  
19 *ACT.—The Interstate Land Sales Full Disclosure Act, as*  
20 *amended by section 1098A of the Consumer Financial Pro-*  
21 *tection Act of 2010, is amended—*

22 (1) *by amending section 1402(1) to read as fol-*  
23 *lows:*

24 “(1) ‘Chair’ means the Chair of the Commission of the  
25 Bureau of Consumer Financial Protection;”;

1           (2) in section 1416(a), by striking “Director of  
2           the Bureau of Consumer Financial Protection” and  
3           inserting “Chair”; and

4           (3) by striking “Director” each place such term  
5           appears and inserting “Bureau”.

6           (j) *REAL ESTATE SETTLEMENT PROCEDURES ACT OF*  
7           1974.—Section 5 of the Real Estate Settlement Procedures  
8           Act of 1974, as amended by section 1450 of the Dodd-Frank  
9           Wall Street Reform and Consumer Protection Act, is  
10          amended—

11           (1) by striking “The Director of the Bureau of  
12           Consumer Financial Protection (hereafter in this sec-  
13           tion referred to as the ‘Director’)” and inserting “The  
14           Bureau of Consumer Financial Protection”; and

15           (2) by striking “Director” each place such term  
16           appears and inserting “Bureau”.

17           (k) *S.A.F.E. MORTGAGE LICENSING ACT OF 2008.*—  
18           The S.A.F.E. Mortgage Licensing Act of 2008, as amended  
19           by section 1100 of the Consumer Financial Protection Act  
20           of 2010, is amended—

21           (1) by striking “Director” each place such term  
22           appears in headings and text and inserting “Bu-  
23           reau”; and

24           (2) in section 1503, by striking paragraph (10).

1        *(l) TITLE 44, UNITED STATES CODE.—Section 3513(c)*  
2 *of title 44, United States Code, as amended by section*  
3 *1100D(b) of the Consumer Financial Protection Act of*  
4 *2010, is amended by striking “Director of the Bureau” and*  
5 *inserting “Bureau”.*

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