AN ACT

To amend the Consumer Financial Protection Act of 2010 to strengthen the review authority of the Financial Stability Oversight Council of regulations issued by the Bureau of Consumer Financial Protection, and for other purposes.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE.

This Act may be cited as the “Consumer Financial Freedom and Washington Accountability Act”.

SEC. 2. FINANCIAL PRODUCT SAFETY COMMISSION.

(a) E STABLISHMENT.—Section 1011 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5491) is amended to read as follows:

“SEC. 1011. ESTABLISHMENT OF THE FINANCIAL PRODUCT SAFETY COMMISSION.

“(a) Establishment.—There is established an independent commission to be known as the ‘Financial Product Safety Commission’ (hereinafter referred to in this section as the ‘Commission’), which shall regulate the offering and provision of consumer financial products or services under the Federal consumer financial laws. The Commission shall be considered an Executive agency, as defined in section 105 of title 5, United States Code. Except as otherwise provided expressly by law, all Federal laws dealing with public or Federal contracts, property, works, officers, employees, budgets, or funds, including the provisions of chapters 5 and 7 of title 5, shall apply to the exercise of the powers of the Commission.

“(b) Authority To Prescribe Regulations.—The Commission may prescribe such regulations and issue such orders in accordance with this title as the Commission may determine to be necessary for carrying out this
title and all other laws within the Commission’s jurisdiction and shall exercise any authorities granted under this title and all other laws within the Commission’s jurisdiction.

“(c) COMPOSITION OF THE COMMISSION.—

“(1) IN GENERAL.—The Commission shall be composed of the Vice Chairman for Supervision of the Federal Reserve System and 4 additional members who shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals who—

“(A) are citizens of the United States; and

“(B) have strong competencies and experiences related to consumer financial protection.

“(2) STAGGERING.—The members of the Commission appointed under paragraph (1) shall serve staggered terms, which initially shall be established by the President for terms of 1, 2, 4, and 5 years, respectively.

“(3) TERMS.—

“(A) IN GENERAL.—Each member of the Commission appointed under paragraph (1), including the Chair, shall serve for a term of 5 years.
“(B) REMOVAL.—The President may remove any member of the Commission appointed under paragraph (1).

“(C) VACANCIES.—Any member of the Commission appointed under paragraph (1) appointed to fill a vacancy occurring before the expiration of the term to which that member’s predecessor was appointed (including the Chair) shall be appointed only for the remainder of the term.

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

“(E) OTHER EMPLOYMENT PROHIBITED.—No member of the Commission appointed under paragraph (1) shall engage in any other business, vocation, or employment.
“(d) AFFILIATION.—With respect to members appointed pursuant to subsection (c)(1), not more than 2 shall be members of any one political party.

“(e) CHAIR OF THE COMMISSION.—

“(1) APPOINTMENT.—The Chair of the Commission shall be appointed by the President from among the members of the Commission appointed under subsection (c)(1).

“(2) AUTHORITY.—The Chair shall be the principal executive officer of the Commission, and shall exercise all of the executive and administrative functions of the Commission, including with respect to—

“(A) the appointment and supervision of personnel employed under the Commission (other than personnel employed regularly and full time in the immediate offices of members of the Commission other than the Chair);

“(B) the distribution of business among personnel appointed and supervised by the Chair and among administrative units of the Commission; and

“(C) the use and expenditure of funds.

“(3) LIMITATION.—In carrying out any of the Chair’s functions under the provisions of this subsection the Chair shall be governed by general poli-
cies of the Commission and by such regulatory deci-
sions, findings, and determinations as the Commis-
sion may by law be authorized to make.

“(4) REQUESTS OR ESTIMATES RELATED TO
APPROPRIATIONS.—Requests or estimates for reg-
ular, supplemental, or deficiency appropriations on
behalf of the Commission may not be submitted by
the Chair without the prior approval of the Commiss-
ion.

“(f) NO IMPAIRMENT BY REASON OF VACANCIES.—
No vacancy in the members of the Commission shall im-
pair the right of the remaining members of the Commis-
sion to exercise all the powers of the Commission. Three
members of the Commission shall constitute a quorum for
the transaction of business, except that if there are only
3 members serving on the Commission because of vacan-
cies in the Commission, 2 members of the Commission
shall constitute a quorum for the transaction of business.
If there are only 2 members serving on the Commission
because of vacancies in the Commission, 2 members shall
constitute a quorum for the 6-month period beginning on
the date of the vacancy which caused the number of Com-
mision members to decline to 2.

“(g) SEAL.—The Commission shall have an official
seal.
“(h) Compensation.—

“(1) Chair.—The Chair shall receive compensation at the rate prescribed for level I of the Executive Schedule under section 5313 of title 5, United States Code.

“(2) Other Members of the Commission.—

The 3 other members of the Commission appointed under subsection (c)(1) shall each receive compensation at the rate prescribed for level II of the Executive Schedule under section 5314 of title 5, United States Code.

“(i) Initial Quorum Established.—During any time period prior to the confirmation of at least two members of the Commission, one member of the Commission shall constitute a quorum for the transaction of business. Following the confirmation of at least 2 additional commissioners, the quorum requirements of subsection (f) shall apply.

“(j) Offices.—The principal office of the Commission shall be in the District of Columbia. The Commission may establish regional offices of the Commission in order to carry out the responsibilities assigned to the Commission under the Federal consumer financial laws.”.

(b) Bringing the Commission Into the Regular Appropriations Process.—Section 1017 of the Con-
sumer Financial Protection Act of 2010 (12 U.S.C. 5497) is amended—

(1) in subsection (a)—

(A) by amending the heading of such sub-
section to read as follows: “BUDGET, FINAN-
CIAL MANAGEMENT, AND AUDIT.—”;

(B) by striking paragraphs (1), (2), and
(3);

(C) by redesignating paragraphs (4) and
(5) as paragraphs (1) and (2), respectively; and

(D) by striking subparagraphs (E) and (F)
of paragraph (1), as so redesignated;

(2) by striking subsections (b) and (e);

(3) by redesignating subsections (d) and (e) as
subsections (b) and (e), respectively; and

(4) in subsection (e), as so redesignated—

(A) by striking paragraphs (1), (2), and
(3) and inserting the following:

“(1) AUTHORIZATION OF APPROPRIATIONS.—

There is authorized to be appropriated to carry out
this title $300,000,000 for each of fiscal years 2014
and 2015.”; and

(B) by redesignating paragraph (4) as
paragraph (2).
(c) Ensuring the Independence of the Commission.—The Consumer Financial Protection Act of 2010 is amended—

(1) in section 1012(c) (12 U.S.C. 5492(c)), by striking paragraphs (2), (3), (4), and (5); and

(2) in section 1014(b) (12 U.S.C. 5494(b)), by striking “Not fewer than 6 members shall be appointed upon the recommendation of the regional Federal Reserve Bank Presidents, on a rotating basis.”.

(d) Conforming Amendments.—

(1) Consumer Financial Protection Act of 2010.—

(A) In general.—Except as provided under subparagraph (B), the Consumer Financial Protection Act of 2010 (12 U.S.C. 5481 et seq.) is amended—

(i) by striking “Director of the” each place such term appears, other than where such term is used to refer to a Director other than the Director of the Bureau of Consumer Financial Protection;

(ii) by striking “Director” each place such term appears and inserting “Financial Product Safety Commission”, other
than where such term is used to refer to a Director other than the Director of the Bureau of Consumer Financial Protection; and

(iii) in section 1002 (12 U.S.C. 5481), by striking paragraph (10).

(B) EXCEPTIONS.—The Consumer Financial Protection Act of 2010 is amended—

(i) in section 1012(c)(4) (12 U.S.C. 5492(c)(4)), by striking “Director” each place such term appears and inserting “Financial Product Safety Commission”;

(ii) in section 1013(c)(3) (12 U.S.C. 5493(c)(3))—

(I) by striking “Assistant Director of the Bureau for” and inserting “Head of the Office of”; and

(II) in subparagraph (B), by striking “Assistant Director” and inserting “Head of the Office”;

(iii) in section 1013(g)(2) (12 U.S.C. 5493(g)(2))—

(I) by striking “ASSISTANT DIRECTOR” and inserting “HEAD OF THE OFFICE”; and
(II) by striking “an assistant director” and inserting “a Head of the Office of Financial Protection for Older Americans”;

(iv) in section 1016(a) (12 U.S.C. 5496(a)), by striking “Director of the Bureau” and inserting “Chair of the Commission”; and

(v) in section 1066(a) (12 U.S.C. 5586(a)), by striking “Director of the Bureau is” and inserting “first member of the Commission is”.

(2) DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT.—The Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5301 et seq.) is amended—

(A) in the table of contents for such Act by amending the item relating to section 1011 to read as follows:

“Sec. 1011. Establishment of the Financial Product Safety Commission.”;

(B) in section 111(b)(1)(D) (12 U.S.C. 5321(b)(1)(D)), by striking “Director” and inserting “Chair of the Financial Product Safety Commission”; and

(C) in section 1447 (12 U.S.C. 1701p–2), by striking “Director of the Bureau” each place
such term appears and inserting “Financial Product Safety Commission”.


(4) **Expeditied Funds Availability Act.**—The Expedited Funds Availability Act (12 U.S.C. 4001 et seq.), as amended by section 1086 of the Consumer Financial Protection Act of 2010, is amended by striking “Director of the Bureau” each place such term appears and inserting “Financial Product Safety Commission”.

(5) **Federal Deposit Insurance Act.**—Section 2 of the Federal Deposit Insurance Act (12 U.S.C. 1812), as amended by section 336(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, is amended by striking “Director of the Consumer Financial Protection Bureau” each place such term appears and inserting “Chair of the Financial Product Safety Commission”.

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(7) Financial literacy and education improvement act.—Section 513 of the Financial Literacy and Education Improvement Act (20 U.S.C. 9702), as amended by section 1013(d)(5) of the Consumer Financial Protection Act of 2010, is amended by striking “Director” each place such term appears and inserting “Chair of the Commission”.


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(A) by amending section 1402(1) (15 U.S.C. 1701(1)) to read as follows:

“(1) ‘Chair’ means the Chair of the Financial Product Safety Commission;”; and

(B) in section 1416(a) (15 U.S.C. 1715(a)), by striking “Director of the Bureau of Consumer Financial Protection” and inserting “Chair”.


(A) by striking “The Director of the Bureau of Consumer Financial Protection (here-after in this section referred to as the ‘Director’)” and inserting “The Financial Product Safety Commission”; and
(B) by striking “Director” each place such term appears and inserting “Financial Product Safety Commission”.


(A) by striking “Director” each place such term appears in headings and text, other than where such term is used in the context of the Director of the Office of Thrift Supervision, and inserting “Financial Product Safety Commission”; and

(B) in section 1503 (12 U.S.C. 5102), by striking paragraph (10).

(12) TITLE 44, UNITED STATES CODE.—Section 3513(e) of title 44, United States Code, as amended by section 1100D(b) of the Consumer Financial Protection Act of 2010, is amended by striking “Director of the Bureau” and inserting “Financial Product Safety Commission”.

(e) DEEMING OF NAMES.—

(1) BUREAU OF CONSUMER FINANCIAL PROTECTION.—Any reference in a law, regulation, docu-
ment, paper, or other record of the United States to
the Bureau of Consumer Financial Protection shall
be deemed a reference to the Financial Product
Safety Commission.

(2) DIRECTOR.—Any reference in a law, regula-
tion, document, paper, or other record of the United
States to the Director of the Bureau of Consumer
Financial Protection shall be deemed a reference to
the Chair of the Financial Product Safety Commiss-
ion.

SEC. 3. RATE OF PAY FOR EMPLOYEES OF THE FINANCIAL
PRODUCT SAFETY COMMISSION.

(a) IN GENERAL.—Section 1013(a)(2) of the Dodd-
Frank Wall Street Reform and Consumer Protection Act
(12 U.S.C. 5493(a)(2)) is amended to read as follows:

“(2) COMPENSATION.—The rates of basic pay
for all employees of the Financial Product Safety
Commission shall be set and adjusted in accordance
with the General Schedule set forth in section 5332
of title 5, United States Code.”.

(b) EFFECTIVE DATE.—The amendment made by
subsection (a) shall apply to service by an employee of the
Financial Product Safety Commission following the 90-
day period beginning on the date of enactment of this Act.
SEC. 4. CONSUMER RIGHT TO FINANCIAL PRIVACY.

(a) Requirement of the Financial Product Safety Commission To Obtain Permission Before Collecting Nonpublic Personal Information.—

(1) Required notification and permission.—Section 1022(c)(9)(A) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5512(e)(9)(A)) is amended—

(A) by striking “may not obtain from a covered person or service provider” and inserting “may not request, obtain, access, collect, use, retain, or disclose”; 

(B) by striking “personally identifiable financial” and inserting “nonpublic personal”; and 

(C) by striking “from the financial records” and all that follows through the period at the end and inserting “unless—

“(i) the Financial Product Safety Commission clearly and conspicuously discloses to the consumer, in writing or in an electronic form, what information will be requested, obtained, accessed, collected, used, retained, or disclosed; and 

“(ii) before such information is requested, obtained, accessed, collected, used,
retained, or disclosed, the consumer in-
forms the Financial Product Safety Com-
mission that such information may be re-
quested, obtained, accessed, collected, used,
retained, or disclosed.”.

(2) Application of Requirement to Con-
tractors of the Financial Product Safety
Commission.—Section 1022(c)(9)(B) of such Act
(12 U.S.C. 5512(c)(9)(B)) is amended to read as
follows:

“(B) Application of Requirement to
Contractors of the Financial Product
Safety Commission.—Subparagraph (A) shall
apply to any person directed or engaged by the
Financial Product Safety Commission to collect
information to the extent such information is
being collected on behalf of the Financial Prod-
uct Safety Commission.”.

(3) Definition of Nonpublic Personal In-
formation.—Section 1022(c)(9) of such Act (12
U.S.C. 5512(c)(9)) is amended by adding at the end
the following:

“(C) Definition of Nonpublic Per-
sonal Information.—In this paragraph, the
term ‘nonpublic personal information’ has the
meaning given the term in section 509 of the
Gramm-Leach-Bliley Act (15 U.S.C. 6809).”.

(b) **Removal of Exemption for the Financial**

**Product Safety Commission From the Right to Fi-

nancial Privacy Act.**—Section 1113 of the Right to Fi-

nancial Privacy Act of 1978 (12 U.S.C. 3413) is amended

by striking subsection (r).

**SEC. 5.** **CONSUMER FINANCIAL PROTECTION SAFETY AND

SOUNDNESS IMPROVEMENTS.**

(a) **Council Voting Procedure.**—Section

1023(c)(3)(A) of the Consumer Financial Protection Act

of 2010 (12 U.S.C. 5513(c)(3)(A)) is amended—

(1) by striking “2⁄3” and inserting “a major-

ity”; and

(2) by inserting before the period the following:

“, excluding the Chair of the Financial Product

Safety Commission”.

(b) **Review Authority of the Council.**—Section

1023 of the Consumer Financial Protection Act of 2010

(12 U.S.C. 5513) is amended—

(1) in subsection (a)—

(A) by striking “may” and inserting

“shall”; and

(B) by striking “regulation or provision

would put the safety and soundness of the
United States banking system or the stability of
the financial system of the United States at
risk” and inserting “regulation which is the
subject of the petition is inconsistent with the
safe and sound operations of United States fi-
nancial institutions”; and

(2) in subsection (e)—

(A) in paragraph (3)(B)(ii), by striking
“would put the safety and soundness of the
United States banking system or the stability of
the financial system of the United States at
risk” and inserting “is inconsistent with the
safe and sound operations of United States fi-
nancial institutions”;

(B) in paragraph (4)—

(i) by striking subparagraph (B); and

(ii) by redesignating subparagraph

(C) as subparagraph (B);

(C) by striking paragraph (5); and

(D) by redesignating paragraphs (6), (7),
and (8) as paragraphs (5), (6), and (7), respec-
tively.

(e) SAFETY AND SOUNDNESS CHECK.—Section
1022(b)(2)(A) of the Consumer Financial Protection Act
of 2010 (12 U.S.C. 5512(b)(2)(A)) is amended—
(1) in clause (i), by striking “and” at the end;
(2) in clause (ii), by adding “and” at the end;
and
(3) by adding at the end the following:
“(iii) the impact of such rule on the
financial safety or soundness of an insured
depository institution;”.

SEC. 6. ANALYSIS OF REGULATIONS.
Section 1022 of the Consumer Financial Protection
Act of 2010 (12 U.S.C. 5512) is amended by adding at
the end the following new subsection:
“(e) ANALYSIS OF REGULATIONS.—
“(1) IN GENERAL.—Each time the Commission
proposes a new rule or regulation, the Commission
shall—
“(A) carry out an initial regulatory flexi-
bility analysis for such proposed rule or regula-
tion, which shall be carried out as closely as
possible to those initial regulatory flexibility
analyses required under section 603 of title 5,
United States Code, but which shall analyze the
financial impact of the proposed rule or regula-
tion on covered persons, regardless of size; and
“(B) carry out an analysis of whether the
proposed rule or regulation will impair the abil-
ity of individuals and small businesses to have access to credit.

“(2) REPORT.—The Commission shall issue a report to the Council on each analysis carried out under paragraph (1), and make such analysis available to the public.

“(3) USE OF EXISTING RESOURCES.—The Commission shall use existing resources to carry out the requirements of this subsection.”.

SEC. 7. REPEAL OF EXCLUSIVE RULEMAKING AUTHORITY.

Section 1022(b) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5512(b)) is amended by striking paragraph (4).

Passed the House of Representatives February 27, 2014.

Attest:

Clerk.
113TH CONGRESS
2D SESSION
H. R. 3193
AN ACT
To amend the Consumer Financial Protection Act of 2010 to strengthen the review authority of the Financial Stability Oversight Council of regulations issued by the Bureau of Consumer Financial Protection, and for other purposes.