

114TH CONGRESS
1ST SESSION

H. R. 1266

To amend the Consumer Financial Protection Act of 2010 to make the Bureau of Consumer Financial Protection an independent Financial Product Safety Commission, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 4, 2015

Mr. NEUGEBAUER (for himself, Mr. GUINTA, Mr. HUIZENGA of Michigan, Mr. GARRETT, Mr. SCHWEIKERT, Mr. ROTHFUS, Mr. LUETKEMEYER, Mr. PEARCE, Mr. TIPTON, Mr. WILLIAMS, Mr. ROSS, Mrs. WAGNER, Mr. POLIQUIN, Mr. WESTMORELAND, Mr. BARR, Mr. HILL, Mr. FITZPATRICK, Mr. DUFFY, Mr. PITTENGER, Mrs. LOVE, and Mr. MCHENRY) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Consumer Financial Protection Act of 2010 to make the Bureau of Consumer Financial Protection an independent Financial Product Safety Commission, and for other purposes.

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 “Financial Product
5 Safety Commission Act of 2015”.

1 **SEC. 2. MAKING THE BUREAU AN INDEPENDENT FINAN-**
2 **CIAL PRODUCT SAFETY COMMISSION.**

3 The Consumer Financial Protection Act of 2010 (12
4 U.S.C. 5481 et seq.) is amended—

5 (1) in section 1011—

6 (A) in subsection (a)—

7 (i) by striking “in the Federal Reserve
8 System,”;

9 (ii) by striking “independent bureau”
10 and inserting “independent commission”;

11 (iii) by striking “Bureau of Consumer
12 Financial Protection” and inserting “Fi-
13 nancial Product Safety Commission (here-
14 inafter in this section referred to as the
15 ‘Commission’)”; and

16 (iv) by striking “Bureau” each place
17 such term appears and inserting “Commis-
18 sion”;

19 (B) by striking subsections (b), (c), and
20 (d);

21 (C) by redesignating subsection (e) as sub-
22 section (j);

23 (D) in subsection (j), as so redesignated—

24 (i) by striking “, including in cities in
25 which the Federal reserve banks, or
26 branches of such banks, are located,”; and

1 (ii) by striking “Bureau” each place
2 such term appears and inserting “Commis-
3 sion”; and

4 (E) by inserting after subsection (a) the
5 following new subsections:

6 “(b) AUTHORITY TO PRESCRIBE REGULATIONS.—

7 The Commission may prescribe such regulations and issue
8 such orders in accordance with this title as the Commis-
9 sion may determine to be necessary for carrying out this
10 title and all other laws within the Commission’s jurisdic-
11 tion and shall exercise any authorities granted under this
12 title and all other laws within the Commission’s jurisdic-
13 tion.

14 “(c) COMPOSITION OF THE COMMISSION.—

15 “(1) IN GENERAL.—The Commission shall be
16 composed of 5 members who shall be appointed by
17 the President, by and with the advice and consent
18 of the Senate, from among individuals who—

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

20 “(B) have strong competencies and experi-
21 ences related to consumer financial products
22 and services.

23 “(2) STAGGERING.—The members of the Com-
24 mission shall serve staggered terms, which initially

1 shall be established by the President for terms of 1,
2 2, 3, 4, and 5 years, respectively.

3 “(3) TERMS.—

4 “(A) IN GENERAL.—Each member of the
5 Commission, including the Chair, shall serve for
6 a term of 5 years.

7 “(B) REMOVAL.—The President may re-
8 move any member of the Commission for ineffi-
9 ciency, neglect of duty, or malfeasance in office.

10 “(C) VACANCIES.—Any member of the
11 Commission appointed to fill a vacancy occur-
12 ring before the expiration of the term to which
13 that member’s predecessor was appointed (in-
14 cluding the Chair) shall be appointed only for
15 the remainder of the term.

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

1 “(E) OTHER EMPLOYMENT PROHIBITED.—

2 No member of the Commission shall engage in
3 any other business, vocation, or employment.

4 “(d) AFFILIATION.—Not more than 3 members of
5 the Commission shall be members of any one political
6 party.

7 “(e) CHAIR OF THE COMMISSION.—

8 “(1) APPOINTMENT.—The Chair of the Com-
9 mission shall be appointed by the President.

10 “(2) AUTHORITY.—The Chair shall be the prin-
11 cipal executive officer of the Commission, and shall
12 exercise all of the executive and administrative func-
13 tions of the Commission, including with respect to—

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

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

23 “(C) the use and expenditure of funds.

24 “(3) LIMITATION.—In carrying out any of the
25 Chair’s functions under the provisions of this sub-

1 section the Chair shall be governed by general poli-
2 cies of the Commission and by such regulatory deci-
3 sions, findings, and determinations as the Commis-
4 sion may by law be authorized to make.

5 “(4) REQUESTS OR ESTIMATES RELATED TO
6 APPROPRIATIONS.—Requests or estimates for reg-
7 ular, supplemental, or deficiency appropriations on
8 behalf of the Commission may not be submitted by
9 the Chair without the prior approval of the Commis-
10 sion.

11 “(f) NO IMPAIRMENT BY REASON OF VACANCIES.—
12 No vacancy in the members of the Commission shall im-
13 pair the right of the remaining members of the Commis-
14 sion to exercise all the powers of the Commission. Three
15 members of the Commission shall constitute a quorum for
16 the transaction of business, except that if there are only
17 3 members serving on the Commission because of vacan-
18 cies in the Commission, 2 members of the Commission
19 shall constitute a quorum for the transaction of business.
20 If there are only 2 members serving on the Commission
21 because of vacancies in the Commission, 2 members shall
22 constitute a quorum for the 6-month period beginning on
23 the date of the vacancy which caused the number of Com-
24 mission members to decline to 2.

1 “(g) SEAL.—The Commission shall have an official
2 seal.

3 “(h) COMPENSATION.—

4 “(1) CHAIR.—The Chair shall receive com-
5 pensation at the rate prescribed for level I of the
6 Executive Schedule under section 5313 of title 5,
7 United States Code.

8 “(2) OTHER MEMBERS OF THE COMMISSION.—

9 The 4 other members of the Commission shall each
10 receive compensation at the rate prescribed for level
11 II of the Executive Schedule under section 5314 of
12 title 5, United States Code.

13 “(i) INITIAL QUORUM ESTABLISHED.—During any
14 time period prior to the confirmation of at least two mem-
15 bers of the Commission, one member of the Commission
16 shall constitute a quorum for the transaction of business.
17 Following the confirmation of at least 2 additional com-
18 missioners, the quorum requirements of subsection (f)
19 shall apply.”;

20 (2) in section 1012(c), by striking paragraphs
21 (2), (3), (4), and (5); and

22 (3) in section 1014(b), by striking “Not fewer
23 than 6 members shall be appointed upon the rec-
24 ommendation of the regional Federal Reserve Bank
25 Presidents, on a rotating basis.”.

1 **SEC. 3. DEEMING OF NAME.**

2 Any reference in a law, regulation, document, paper,
3 or other record of the United States to the Bureau of Con-
4 sumer Financial Protection shall be deemed a reference
5 to the Financial Product Safety Commission.

6 **SEC. 4. CONFORMING AMENDMENTS.**

7 (a) CONSUMER FINANCIAL PROTECTION ACT OF
8 2010.—

9 (1) IN GENERAL.—Except as provided under
10 paragraph (2), the Consumer Financial Protection
11 Act of 2010 (12 U.S.C. 5481 et seq.) is amended—

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

18 (B) by striking “Director” each place such
19 term appears and inserting “Financial Product
20 Safety Commission”, other than where such
21 term is used to refer to a Director other than
22 the Director of the Bureau of Consumer Finan-
23 cial Protection; and

24 (C) in section 1002, by striking paragraph
25 (10).

1 (2) EXCEPTIONS.—The Consumer Financial
2 Protection Act of 2010 (12 U.S.C. 5481 et seq.) is
3 amended—

4 (A) in section 1013(c)(3)—

5 (i) by striking “Assistant Director of
6 the Bureau for” and inserting “Head of
7 the Office of”; and

8 (ii) in subparagraph (B), by striking
9 “Assistant Director” and inserting “Head
10 of the Office”;

11 (B) in section 1013(g)(2)—

12 (i) by striking “ASSISTANT DIREC-
13 TOR” and inserting “HEAD OF THE OF-
14 FICE”; and

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

18 (C) in section 1016(a), by striking “Direc-
19 tor of the Bureau” and inserting “Chair of the
20 Financial Product Safety Commission”; and

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

24 (b) DODD-FRANK WALL STREET REFORM AND CON-
25 SUMER PROTECTION ACT.—The Dodd-Frank Wall Street

1 Reform and Consumer Protection Act (12 U.S.C. 5301
2 et seq.) is amended—

3 (1) in section 111(b)(1)(D), by striking “Direc-
4 tor” and inserting “Chair of the Financial Product
5 Safety Commission”; and

6 (2) in section 1447, by striking “Director of the
7 Bureau” each place such term appears and inserting
8 “Financial Product Safety Commission”.

9 (c) ELECTRONIC FUND TRANSFER ACT.—Section
10 920(a)(4)(C) of the Electronic Fund Transfer Act (15
11 U.S.C. 1693o–2(a)(4)(C)), as added by section 1075(a)(2)
12 of the Consumer Financial Protection Act of 2010, is
13 amended by striking “Director of the Bureau of Consumer
14 Financial Protection” and inserting “Financial Product
15 Safety Commission”.

16 (d) EXPEDITED FUNDS AVAILABILITY ACT.—The
17 Expedited Funds Availability Act (12 U.S.C. 4001 et
18 seq.), as amended by section 1086 of the Consumer Finan-
19 cial Protection Act of 2010, is amended by striking “Di-
20 rector of the Bureau” each place such term appears and
21 inserting “Financial Product Safety Commission”.

22 (e) FEDERAL DEPOSIT INSURANCE ACT.—Section 2
23 of the Federal Deposit Insurance Act (12 U.S.C. 1812),
24 as amended by section 336(a) of the Dodd-Frank Wall
25 Street Reform and Consumer Protection Act, is amended

1 by striking “Director of the Consumer Financial Protec-
2 tion Bureau” each place such term appears and inserting
3 “Chair of the Financial Product Safety Commission”.

4 (f) FEDERAL FINANCIAL INSTITUTIONS EXAMINA-
5 TION COUNCIL ACT OF 1978.—Section 1004(a)(4) of the
6 Federal Financial Institutions Examination Council Act of
7 1978 (12 U.S.C. 3303(a)(4)), as amended by section 1091
8 of the Consumer Financial Protection Act of 2010, is
9 amended by striking “Director of the Consumer Financial
10 Protection Bureau” and inserting “Chair of the Financial
11 Product Safety Commission”.

12 (g) FINANCIAL LITERACY AND EDUCATION IM-
13 PROVEMENT ACT.—Section 513 of the Financial Literacy
14 and Education Improvement Act (20 U.S.C. 9702), as
15 amended by section 1013(d)(5) of the Consumer Financial
16 Protection Act of 2010, is amended by striking “Director”
17 each place such term appears and inserting “Chair of the
18 Financial Product Safety Commission”.

19 (h) HOME MORTGAGE DISCLOSURE ACT OF 1975.—
20 Section 307 of the Home Mortgage Disclosure Act of
21 1975, as amended by section 1094(6) of the Consumer
22 Financial Protection Act of 2010, is amended by striking
23 “Director of the Bureau of Consumer Financial Protec-
24 tion” each place such term appears and inserting “Finan-
25 cial Product Safety Commission”.

1 (i) INTERSTATE LAND SALES FULL DISCLOSURE
2 ACT.—The Interstate Land Sales Full Disclosure Act, as
3 amended by section 1098A of the Consumer Financial
4 Protection Act of 2010, is amended—

5 (1) by amending section 1402(1) to read as fol-
6 lows:

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

9 (2) in section 1416(a), by striking “Director of
10 the Bureau of Consumer Financial Protection” and
11 inserting “Chair”.

12 (j) REAL ESTATE SETTLEMENT PROCEDURES ACT
13 OF 1974.—Section 5 of the Real Estate Settlement Proce-
14 dures Act of 1974 (12 U.S.C. 2604), as amended by sec-
15 tion 1450 of the Dodd-Frank Wall Street Reform and
16 Consumer Protection Act, is amended—

17 (1) by striking “The Director of the Bureau of
18 Consumer Financial Protection (hereafter in this
19 section referred to as the ‘Director’)” and inserting
20 “The Financial Product Safety Commission”; and

21 (2) by striking “Director” each place such term
22 appears and inserting “Financial Product Safety
23 Commission”.

24 (k) S.A.F.E. MORTGAGE LICENSING ACT OF 2008.—
25 The S.A.F.E. Mortgage Licensing Act of 2008 (12 U.S.C.

1 5101 et seq.), as amended by section 1100 of the Con-
2 sumer Financial Protection Act of 2010, is amended—

3 (1) by striking “Director” each place such term
4 appears in headings and text, other than where such
5 term is used in the context of the Director of the Of-
6 fice of Thrift Supervision, and inserting “Financial
7 Product Safety Commission”; and

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

9 (l) TITLE 44, UNITED STATES CODE.—Section
10 3513(c) of title 44, United States Code, as amended by
11 section 1100D(b) of the Consumer Financial Protection
12 Act of 2010, is amended by striking “Director of the Bu-
13 reau” and inserting “Financial Product Safety Commis-
14 sion”.

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