

Union Calendar No. 682

114TH CONGRESS
2D SESSION

H. R. 1266

[Report No. 114–872]

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

DECEMBER 12, 2016

Additional sponsors: Mr. McCAUL, Mr. WEBER of Texas, Mr. BURGESS, Mr. CULBERSON, Mr. CARTER of Texas, Mr. BRADY of Texas, Mr. FLORES, Mr. BARTON, Mr. CONAWAY, Mr. SESSIONS, Mr. OLSON, Mr. POE of Texas, Mr. HURD of Texas, Mr. SMITH of Texas, Mr. STIVERS, Ms. SINEMA, Mr. COFFMAN, Mr. TROTT, Mr. BABIN, Ms. GRANGER, Mr. PITTS, Mr. DAVID SCOTT of Georgia, Mrs. HARTZLER, Mr. ASHFORD, Mr. CRAMER, Mr. EMMER of Minnesota, Mr. KING of New York, Mr. WESTERMAN, Mr. JOLLY, Mr. MESSER, Mr. ZINKE, and Mr. JODY B. HICE of Georgia

DECEMBER 12, 2016

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 4, 2015]

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 Safe-*
 5 *ty Commission Act of 2015”.*

6 **SEC. 2. MAKING THE BUREAU AN INDEPENDENT FINANCIAL**
 7 **PRODUCT SAFETY COMMISSION.**

8 *(a) IN GENERAL.—The Consumer Financial Protec-*
 9 *tion Act of 2010 (12 U.S.C. 5481 et seq.) is amended—*
 10 *(1) in section 1011—*

11 *(A) in subsection (a)—*

12 *(i) by striking “in the Federal Reserve*
 13 *System,”;*

14 *(ii) by striking “independent bureau”*
 15 *and inserting “independent commission”;*

16 *(iii) by striking “Bureau of Consumer*
 17 *Financial Protection” and inserting “Fi-*
 18 *nancial Product Safety Commission (here-*
 19 *inafter in this section referred to as the*
 20 *‘Commission’); and*

21 *(iv) by striking “Bureau” each place*
 22 *such term appears and inserting “Commis-*
 23 *sion”;*

24 *(B) by striking subsections (b), (c), and (d);*

1 (C) by redesignating subsection (e) as sub-
 2 section (i);

3 (D) in subsection (i), as so redesignated—
 4 (i) by striking “, including in cities in
 5 which the Federal reserve banks, or branches
 6 of such banks, are located,”; and

7 (ii) by striking “Bureau” each place
 8 such term appears and inserting “Commis-
 9 sion”; and

10 (E) by inserting after subsection (a) the fol-
 11 lowing new subsections:

12 “(b) *AUTHORITY TO PRESCRIBE REGULATIONS.*—The
 13 Commission may prescribe such regulations and issue such
 14 orders in accordance with this title as the Commission may
 15 determine to be necessary for carrying out this title and
 16 all other laws within the Commission’s jurisdiction and
 17 shall exercise any authorities granted under this title and
 18 all other laws within the Commission’s jurisdiction.

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

20 “(1) *IN GENERAL.*—The Commission shall be
 21 composed of 5 members who shall be appointed by the
 22 President, by and with the advice and consent of the
 23 Senate, from among individuals who—

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

1 “(B) *have strong competencies and experi-*
2 *ences related to consumer financial products and*
3 *services.*

4 “(2) *STAGGERING.—The members of the Com-*
5 *mission shall serve staggered terms, which initially*
6 *shall be established by the President for terms of 1, 2,*
7 *3, 4, and 5 years, respectively.*

8 “(3) *TERMS.—*

9 “(A) *IN GENERAL.—Each member of the*
10 *Commission, including the Chair, shall serve for*
11 *a term of 5 years.*

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

15 “(C) *VACANCIES.—Any member of the Com-*
16 *mission appointed to fill a vacancy occurring be-*
17 *fore the expiration of the term to which that*
18 *member’s predecessor was appointed (including*
19 *the Chair) shall be appointed only for the re-*
20 *mainder of the term.*

21 “(D) *CONTINUATION OF SERVICE.—Each*
22 *member of the Commission may continue to*
23 *serve after the expiration of the term of office to*
24 *which that member was appointed until a suc-*
25 *cessor has been appointed by the President and*

1 *confirmed by the Senate, except that a member*
 2 *may not continue to serve more than 1 year after*
 3 *the date on which that member's term would oth-*
 4 *erwise expire.*

5 “(E) *OTHER EMPLOYMENT PROHIBITED.—*
 6 *No member of the Commission shall engage in*
 7 *any other business, vocation, or employment.*

8 “(d) *AFFILIATION.—Not more than 3 members of the*
 9 *Commission shall be members of any one political party.*

10 “(e) *CHAIR OF THE COMMISSION.—*

11 “(1) *APPOINTMENT.—The Chair of the Commis-*
 12 *sion shall be appointed by the President from among*
 13 *the members of the Commission.*

14 “(2) *AUTHORITY.—The Chair shall be the prin-*
 15 *cipal executive officer of the Commission, and shall*
 16 *exercise all of the executive and administrative func-*
 17 *tions of the Commission, including with respect to—*

18 “(A) *the appointment and supervision of*
 19 *personnel employed under the Commission (other*
 20 *than personnel employed regularly and full time*
 21 *in the immediate offices of members of the Com-*
 22 *mission other than the Chair);*

23 “(B) *the distribution of business among per-*
 24 *sonnel appointed and supervised by the Chair*

1 *and among administrative units of the Commis-*
2 *sion; and*

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

4 *“(3) LIMITATION.—In carrying out any of the*
5 *Chair’s functions under the provisions of this sub-*
6 *section the Chair shall be governed by general policies*
7 *of the Commission and by such regulatory decisions,*
8 *findings, and determinations as the Commission may*
9 *by law be authorized to make.*

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

15 *“(f) NO IMPAIRMENT BY REASON OF VACANCIES.—No*
16 *vacancy in the members of the Commission shall impair*
17 *the right of the remaining members of the Commission to*
18 *exercise all the powers of the Commission. Three members*
19 *of the Commission shall constitute a quorum for the trans-*
20 *action of business, except that if there are only 3 members*
21 *serving on the Commission because of vacancies in the Com-*
22 *mission, 2 members of the Commission shall constitute a*
23 *quorum for the transaction of business. If there are only*
24 *2 members serving on the Commission because of vacancies*
25 *in the Commission, 2 members shall constitute a quorum*

1 *for the 6-month period beginning on the date of the vacancy*
 2 *which caused the number of Commission members to decline*
 3 *to 2.*

4 “(g) *SEAL.*—*The Commission shall have an official*
 5 *seal.*

6 “(h) *COMPENSATION.*—

7 “(1) *CHAIR.*—*The Chair shall receive compensa-*
 8 *tion at the rate prescribed for level I of the Executive*
 9 *Schedule under section 5313 of title 5, United States*
 10 *Code.*

11 “(2) *OTHER MEMBERS OF THE COMMISSION.*—
 12 *The 4 other members of the Commission shall each re-*
 13 *ceive compensation at the rate prescribed for level II*
 14 *of the Executive Schedule under section 5314 of title*
 15 *5, United States Code.”;*

16 (2) *in section 1012(c), by striking paragraphs*
 17 *(2), (3), (4), and (5); and*

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

22 (b) *COMMISSION FUNDING.*—*Section 7 of the Federal*
 23 *Reserve Act (12 U.S.C. 289) is amended by adding at the*
 24 *end the following:*

25 “(d) *TRANSFER FOR FISCAL YEAR 2016.*—

1 “(1) *IN GENERAL.*—*The Federal reserve banks*
 2 *shall transfer from the surplus funds of such banks to*
 3 *the Board of Governors of the Federal Reserve System*
 4 *for transfer to the Secretary of the Treasury for de-*
 5 *posit in the general fund of the Treasury, a total*
 6 *amount of \$75,000,000 in fiscal year 2016.*

7 “(2) *ALLOCATED BY FED.*—*Of the total amount*
 8 *required to be paid by the Federal reserve banks*
 9 *under paragraph (1) for fiscal year 2016, the Board*
 10 *of Governors of the Federal Reserve System shall de-*
 11 *termine the amount each such bank shall pay in such*
 12 *fiscal year.*

13 “(3) *REPLENISHMENT OF SURPLUS FUND PRO-*
 14 *HIBITED.*—*During fiscal years 2016 through 2026, no*
 15 *Federal reserve bank may replenish such bank’s sur-*
 16 *plus fund by the amount of any transfer by such bank*
 17 *under paragraph (1).”.*

18 **SEC. 3. DEEMING OF NAME.**

19 *Any reference in a law, regulation, document, paper,*
 20 *or other record of the United States to the Bureau of Con-*
 21 *sumer Financial Protection shall be deemed a reference to*
 22 *the Financial Product Safety Commission.*

23 **SEC. 4. CONFORMING AMENDMENTS.**

24 (a) *CONSUMER FINANCIAL PROTECTION ACT OF*
 25 *2010.*—

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

4 (A) *by striking “Director of the Bureau”*
5 *each place such term appears, other than where*
6 *such term is used to refer to a Director other*
7 *than the Director of the Bureau of Consumer Fi-*
8 *nancial Protection, and inserting “Financial*
9 *Product Safety Commission”;*

10 (B) *by striking “Director” each place such*
11 *term appears and inserting “Financial Product*
12 *Safety Commission”, other than where such term*
13 *is used to refer to a Director other than the Di-*
14 *rector of the Bureau of Consumer Financial Pro-*
15 *tection; and*

16 (C) *in section 1002, by striking paragraph*
17 *(10).*

18 (2) *EXCEPTIONS.*—*The Consumer Financial Pro-*
19 *tection Act of 2010 (12 U.S.C. 5481 et seq.) is amend-*
20 *ed—*

21 (A) *in section 1013(c)(3)—*

22 (i) *by striking “Assistant Director of*
23 *the Bureau for” and inserting “Head of the*
24 *Office of”; and*

1 (ii) in subparagraph (B), by striking
2 “Assistant Director” and inserting “Head
3 of the Office”;

4 (B) in section 1013(g)(2)—

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

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

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

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

16 (b) DODD-FRANK WALL STREET REFORM AND CON-
17 SUMER PROTECTION ACT.—The Dodd-Frank Wall Street
18 Reform and Consumer Protection Act (12 U.S.C. 5301 et
19 seq.) is amended—

20 (1) in section 111(b)(1)(D), by striking “Director
21 of the Bureau” and inserting “Chair of the Financial
22 Product Safety Commission”; and

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

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

8 (d) *EXPEDITED FUNDS AVAILABILITY ACT.*—The *Ex-*
 9 *pedited Funds Availability Act* (12 U.S.C. 4001 et seq.),
 10 as amended by section 1086 of the *Consumer Financial Pro-*
 11 *tection Act of 2010*, is amended by striking “Director of
 12 the Bureau” each place such term appears and inserting
 13 “Financial Product Safety Commission”.

14 (e) *FEDERAL DEPOSIT INSURANCE ACT.*—Section 2 of
 15 the *Federal Deposit Insurance Act* (12 U.S.C. 1812), as
 16 amended by section 336(a) of the *Dodd-Frank Wall Street*
 17 *Reform and Consumer Protection Act*, is amended by strik-
 18 ing “Director of the Consumer Financial Protection Bu-
 19 reau” each place such term appears and inserting “Chair
 20 of the Financial Product Safety Commission”.

21 (f) *FEDERAL FINANCIAL INSTITUTIONS EXAMINATION*
 22 *COUNCIL ACT OF 1978.*—Section 1004(a)(4) of the *Federal*
 23 *Financial Institutions Examination Council Act of 1978*
 24 (12 U.S.C. 3303(a)(4)), as amended by section 1091 of the
 25 *Consumer Financial Protection Act of 2010*, is amended by

1 *striking “Director of the Consumer Financial Protection*
 2 *Bureau” and inserting “Chair of the Financial Product*
 3 *Safety Commission”.*

4 (g) *FINANCIAL LITERACY AND EDUCATION IMPROVE-*
 5 *MENT ACT.*—Section 513 of the *Financial Literacy and*
 6 *Education Improvement Act* (20 U.S.C. 9702), as amended
 7 by section 1013(d)(5) of the *Consumer Financial Protection*
 8 *Act of 2010*, is amended by striking “Director” each place
 9 such term appears and inserting “Chair of the *Financial*
 10 *Product Safety 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 “Financial Product
 17 *Safety Commission”.*

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 *Financial*
 25 *Product Safety Commission;*”; and

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

4 (j) *REAL ESTATE SETTLEMENT PROCEDURES ACT OF*
5 1974.—Section 5 of the Real Estate Settlement Procedures
6 Act of 1974 (12 U.S.C. 2604), as amended by section 1450
7 of the Dodd-Frank Wall Street Reform and Consumer Pro-
8 tection Act, is amended—

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

13 (2) by striking “Director” each place such term
14 appears and inserting “Financial Product Safety
15 Commission”.

16 (k) *S.A.F.E. MORTGAGE LICENSING ACT OF 2008.*—
17 The S.A.F.E. Mortgage Licensing Act of 2008 (12 U.S.C.
18 5101 et seq.), as amended by section 1100 of the Consumer
19 Financial Protection Act of 2010, is amended—

20 (1) by striking “Director” each place such term
21 appears in headings and text, other than where such
22 term is used in the context of the Director of the Of-
23 fice of Thrift Supervision, and inserting “Financial
24 Product Safety Commission”; and

25 (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 “Financial Product Safety Commission”.*

6 **SEC. 5. EFFECTIVE DATE.**

7 *This Act and the amendments made by this Act shall*
8 *take effect on the date on which not less than 3 persons*
9 *have been confirmed by the Senate to serve as members of*
10 *the Financial Product Safety Commission.*

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