

[Floor Situation](#) | [Summary](#) | [Background](#) | [Cost](#) | [Staff Contact](#) | [Amendment Summary](#)

## [H.R. 1195, the Bureau of Consumer Financial Protection Advisory Boards Act](#)

### FLOOR SITUATION

On Tuesday, April 21, 2015, the House will consider [H.R. 1195](#), the *Bureau of Consumer Financial Protection Advisory Boards Act*, under a [structured rule](#), which makes in order two amendments. The bill was introduced on March 2, 2015 by Rep. Robert Pittenger (R-NC) and was referred to the Committee on Financial Services, which ordered the bill reported by a vote of 53 to 5 on March 26, 2015.<sup>1</sup>

### SUMMARY

H.R. 1195 amends the Consumer Financial Protection Act of 2010 to create a Small Business Advisory Board at the Bureau of Consumer Financial Protection (CFPB). The bill also codifies two other advisory committees that have already been created by the CFPB: the Credit Union Advisory Council and the Community Bank Advisory Council. Each board or council advises and consults with the Bureau on relevant issues and provides information on emerging practices and concerns.<sup>2</sup> H.R. 1195 requires the CFPB Director to appoint at least 15, but no more than 20, members to the board and sets forth eligibility criteria for such appointments.<sup>3</sup>

### BACKGROUND

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111–203) established a Consumer Advisory Board to advise and consult with the CFPB and to provide information on emerging practices in the consumer financial services industry. The CFPB has created three additional advisory committees: the Credit Union Advisory Council, the Community Bank Advisory Council, and the Academic Research Council. According to the bill sponsor, the creation of a Small Business Advisory Board will ensure small businesses have the opportunity to provide input to the CFPB regarding their concerns.<sup>4</sup>

<sup>1</sup> See [House Report 114-55](#) at 3.

<sup>2</sup> *Id.* at 1.

<sup>3</sup> *Id.* at 10.

<sup>4</sup> <http://pittenger.house.gov/media-center/press-releases/pittengers-small-business-legislation-approved-by-financial-services>

The CFPB is permanently authorized to spend amounts transferred from the Federal Reserve System up to a cap set forth in Dodd-Frank Act.<sup>5</sup> The cap stipulates that the CFPB shall not spend more than 12 percent of the total operating expenses of the Federal Reserve System<sup>6</sup> (\$618.7 million in 2015), adjusted annually based on employment cost index for government workers.

## COST

[CBO estimates](#) that enacting H.R. 1195 would increase direct spending by \$9 million over the 2015 to 2025 period; therefore, pay-as-you-go procedures apply. However, as modified by the rule, H.R. 1195 restricts the CFPB Director from requesting funding from the Federal Reserve System in excess of \$655 million in Fiscal Year 2020 and \$720 million in Fiscal Year 2025, to ensure its compliance with the Clause 10 of Rule XXI (CUTGO) of the Rules of the House.<sup>7</sup> CBO estimates that enacting the bill would not affect revenues. Implementing H.R. 1195 would not affect discretionary spending because the CFPB is permanently authorized to spend amounts transferred from the Federal Reserve System.

## AMENDMENT SUMMARY

- 1) [Rep. Ann McLane Kuster \(D-NH\) Amendment](#) – The Amendment requires the CFPB Director to include representatives of minority- and women-owned small business concerns in the membership of the Small Business Advisory Board, and to include financial institutions predominantly serving traditionally under-served communities and populations and their interests in the membership of the Credit Union Advisory Council and Community Bank Advisory Council.
- 2) [Rep. Ann McLane Kuster \(D-NH\) Amendment](#) – The Amendment encourages the CFPB Director to ensure the participation of veteran-owned small business concerns in the Small Business Advisory Board.

## STAFF CONTACT

For questions or further information please contact [John Huston](#) with the House Republican Policy Committee by email or at 6-5539.

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<sup>5</sup> See [Public Law 111-203](#) at 601.

<sup>6</sup> See [CFPB Strategic Plan, Budget, and Performance Plan and Report of 2015](#) at 11. The CFPB requested \$582 million in Fiscal Year (FY) 2015, which is below their FY spending cap of \$618.7 million.

<sup>7</sup> See [Clause 10 of Rule XXI](#) at 36.