



## H.R. 1195—Bureau of Consumer Financial Protection Advisory Boards Act (Rep. Pittenger, R-NC)

CONTACT: ANDREW SHAW, ANDREW.SHAW@MAIL.HOUSE.GOV, 6-9143

**FLOOR SCHEDULE:** SCHEDULED FOR CONSIDERATION ON APRIL 21, 2015, UNDER A [STRUCTURED RULE](#). THE RULE MAKES TWO AMENDMENTS IN ORDER (SUMMARIZED BELOW).

ADDITIONALLY, THE RULE INCLUDED A [SELF-EXECUTING AMENDMENT](#) TO THE BILL OFFERED BY REP. HENSARLING THAT WOULD LIMIT THE AMOUNT OF OPERATING FUNDS THAT THE CFPB COULD DRAW FROM THE FEDERAL RESERVE TO NO MORE THAN \$655 MILLION IN 2020 AND \$720 MILLION IN 2025. THE PURPOSE OF THIS AMENDMENT IS TO MAKE THE BILL REVENUE NEUTRAL.

**TOPLINE SUMMARY:** [H.R. 1195](#) would establish three advisory groups within the Bureau of Consumer Financial Protection (CFPB).

**CONSERVATIVE CONCERNS:** H.R. 1195 contains no substantive concerns.

- **Expand the Size and Scope of the Federal Government?** No.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

**DETAILED SUMMARY AND ANALYSIS:** H.R. 1195 would amend the [Consumer Financial Protection Act of 2010](#) to direct the Director of the [Consumer Financial Protection Bureau](#) (CFPB) to establish a Small Business Advisory Board to: (1) advise and consult with the CFPB regarding eligible financial products or services; and (2) provide information on evolving small business practices. Specifically, H.R. 1195 would require advisory board members to be representatives of small business concerns that: (1) provide financial products or services for use by consumers primarily for personal, family, or household purposes; (2) function as service providers to covered persons; and (3) use consumer financial products or services in financing the business activities of such small businesses.

The bill would encourage the director, in making board appointments, to ensure the participation of minority- and women-owned small business concerns and their interests, without regard to party affiliation.

The bill would also require the CFPB to establish a Credit Union Advisory Council and a Community Bank Advisory Council to advise and consult with the CFPB on consumer financial products or services that impact credit unions and community banks. The bill would direct the director, in making appointments to the councils,

**COST:** The Congressional Budget Office (CBO) [estimates](#) that H.R. 1195 would increase direct spending by \$9 million over the 2015-2025 period, and pay-as-you-go procedures apply. Implementing H.R. 1195 would not affect discretionary spending because the CFPB is permanently authorized to spend amounts transferred from the Federal Reserve.

to ensure the participation of credit unions and community banks predominantly serving traditionally underserved communities and populations and their interests, without regard to party affiliation.

**AMENDMENTS MADE IN ORDER:**

- [Kuster Amendment #2](#) would encourage the CFPB to ensure the participation of veteran-owned small business concerns in the Small Business Advisory Board.
- [Kuster Amendment #3](#) would require the CFPB 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.

**COMMITTEE ACTION:** This bill was introduced in the House on March 2, 2015, by Representative Pittenger (R-NC) and referred to House Committee on Financial Services. On April 6, 2015, the House Committee on Financial Services [reported](#) the bill by a vote of 53 – 3.

**ADMINISTRATION POSITION:** According to the [statement of administration policy](#), “If the President were presented with H.R. 1195 as currently amended, his senior advisors would recommend that he veto the bill.”

**CONSTITUTIONAL AUTHORITY:** According to the sponsor of the legislation, “Congress has the power to enact this legislation pursuant to the following

---

**NOTE:** *RSC Legislative Bulletins are for informational purposes only and should not be taken as statements of support or opposition from the Republican Study Committee.*

###