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May 12, 2010

United States Senate
Washington, DC 20510

Dear Senator:

On behalf of the National Council of La Raza (NCLR)—the largest national Latino civil rights and advocacy organization in the United States—I urge you to **oppose** Senator Carper’s (D–DE) Amendment #3949 to the “Restoring American Financial Security Act of 2010” (S. 3217). Amendment #3949 undermines sustainable and meaningful consumer protection. We call on the Senate to vote for ordinary families who benefit from having extra cops on the beat, rather than for banks seeking to avoid enforcement for violations of consumer protection, equal credit, and fair lending laws.

Communities of color have been hit hard by predatory lending in all forms. Now our families are struggling with rising household debt, record-high foreclosure rates, and the erosion of their financial safety net. They need a strong Consumer Financial Protection Bureau (CFPB) to level the playing field by enforcing our nation’s consumer protection laws. Moreover, since individuals will not have a right to enforce the CFPB rules themselves, they will need law enforcement, including their state attorney generals, to enforce the rules.

The Carper amendment raises two serious concerns:

1. Attorney General Enforcement—The amendment takes state cops off the predatory lending beat, weakening the already compromised enforcement provisions in the bill. It would prevent state attorney generals from enforcing CFPB rules against national banks and federal thrifts and could weaken their ability to enforce other laws. Under another provision of the bill, the CFPB will have *no enforcement authority against 98% of banks*, making it that much more critical that attorney generals be able to enforce the federal rules on behalf of the state’s residents. This amendment would leave enforcement for most banks entirely up to bank regulators, whose lax enforcement led to this crisis in the first place.

2. State Law Preemption—The amendment would prevent states from addressing new bank abuses not yet covered by federal protection before they spread nationally. It would remove a critical provision that requires the Office of the Comptroller of the Currency (OCC) to consider whether a state law addresses problems not covered by federal law before it gives banks a free pass to ignore that law. The Senate compromise provision in the bill already gives the OCC, an agency with a history of open hostility to consumer protection, far too much power to wipe out state consumer protection laws. The provision should not be weakened further.

States are first responders that can stop local abuses from spreading to become a national problem. Their laws are *most important* when there is a gap in federal law. Moreover, before bringing an enforcement action, attorney generals *already* must consult with the CFPB and bank regulators, and the CFPB may intervene or clarify its rules, ensuring consistency in enforcement standards.

Anyone who violates the law should be held accountable. Do not give banks that violate specific CFPB rules a special pass against vigilant enforcement. Should you have any questions, please contact Graciela Aponte, Wealth-Building Legislative Analyst, at (202) 776-1578 or gaponte@nclr.org.

Sincerely,

A handwritten signature in black ink that reads "Janet Murguía". The signature is written in a cursive, flowing style.

Janet Murguía
President and CEO