



**To: National Independent Automobile Dealers Association**  
**From: Shaun K. Petersen**  
**Re: April 2015 Regulatory Update**  
**Date: May 2, 2015**

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**I. Consumer Financial Protection Bureau**

A. Military Allotment Enforcement

The Bureau took action against Fort Knox National Company and its subsidiary, Military Assistance Company, for allegedly charging military servicemembers hidden fees. With MAC, servicemembers would set up an allotment that transferred a portion of their pay into a pooled bank account controlled by MAC. Servicemembers would then pay MAC a monthly service charge – typically between \$3 and \$5 – to have MAC make monthly payments to a creditor out of the account. Allegedly, excess funds often accumulated in the payment account without servicemembers’ knowledge. An excess, or “residual,” balance might occur, for example, where a debt that a servicemember owed was fully paid off but the servicemember had not yet stopped the automatic paycheck deductions.

The Bureau alleges that the company routinely charged recurring, undisclosed fees against these residual balances. In addition, the Bureau claims the company did not disclose various fees charged against a residual balance, the dollar amounts of such fees, or the circumstances under which they would be incurred.

Fort Knox National Company and MAC are required to provide about \$3.1 million in relief.

B. Fair Lending Report

The CFPB issued a report covering its activities pertaining to fair lending during 2014. The report states through various fair lending supervisory and public enforcement actions, the Bureau required institutions to provide approximately \$224 million in remediation.

The report includes a discussion of factors the CFPB considers in determining “what, where, and how fair lending risks to consumers should be addressed.” Those factors include: (1) complaints and tips from consumers (including advocacy groups, whistleblowers and other government agencies), (2) an institution’s supervisory and enforcement history, (3) the quality of an institution’s fair lending compliance management system, (4) analysis of data to evaluate developments and trends at the institution and market levels, and (5) market intelligence and trends.

The CFPB report identifies auto finance as key priorities for fair lending supervision and enforcement. The Bureau specifically states that in indirect auto financing, “lenders need to be aware of and to monitor fair lending risk in their portfolios, particularly in connection with discretionary dealer markup and compensation policies.”

The report reviews fair lending enforcement actions referred to the Department of Justice and other potential fair lending investigations including a number of indirect auto lenders. The report mentions that lawsuits have been authorized.

A copy of the report can be found here:

[http://files.consumerfinance.gov/f/201504\\_cfpb\\_fair\\_lending\\_report.pdf](http://files.consumerfinance.gov/f/201504_cfpb_fair_lending_report.pdf)

### C. Staff Comments

In recent comments at an industry conference, CFPB staff indicated the following:

- The larger market participant rule for non-bank auto finance will likely be released at the end of the summer.
- The next non-bank market that might be subject to a larger participant rule may be installment lending
- The Bureau has not decided if it will issue a rule pertaining to arbitration agreements.

## II. **Department of Justice**

### A. New Attorney General

Loretta Lynch was sworn in as the Attorney General on April 27, 2015.

### B. Annual Report to Congress on ECOA

The Attorney General issued the Department of Justice’s 2014 Annual Report to Congress as required by the Equal Credit Opportunity Act. The report discussed DOJ’s enforcement

activities under ECOA during 2014 as well as references to the DOJ's efforts under the Servicemembers Civil Relief Act.

The report stated that as of the end of 2014, DOJ was conducting 10 joint fair lending investigations with the CFPB and that in half of those, the parties were involved in pre-suit negotiations. The report states that some of the cases involve race, national origin, gender or age discrimination in the pricing of indirect automobile and motorcycle loans including investigations regarding discretionary interest rate markups.

A copy of the report can be found here:

<http://www.cfpbmonitor.com/files/2015/04/ecoareport2014.pdf>

### C. Odometer Fraud

Shamai Salpeter from Tarzana, California, was sentenced to serve two years in prison on charges related to an odometer tampering scheme. He was also ordered to pay \$421,666 in restitution to victims who purchased vehicles without knowing the odometer readings were incorrect.

Salpeter pleaded guilty to one count of conspiracy and one count of tampering with an odometer. Salpeter admitted that from July 2008 through January 2012, he used electronic odometer tampering tools to alter hundreds of odometers at his residence in Woodland Hills, California. For a payment of \$100 to \$400, he reset the odometers to any mileage requested by his customers. Frequently, his customers were trying to avoid penalties for exceeding the maximum mileage for their vehicle lease or to make their vehicle more valuable as a trade-in. Many of the vehicles were subsequently sold to unsuspecting consumers who had no way to detect that the odometer readings were inaccurate.

## III. **Department of Labor**

No significant updates.

## IV. **Environmental Protection Agency**

No significant updates.

## V. **Federal Trade Commission**

### A. "Sharing Economy" Workshop

The FTC will host a workshop on June 9 that will examine competition, consumer protection, and economic issues raised by the proliferation of online and mobile peer-to-peer business platforms in certain sectors of the economy, often referred to as the "sharing economy." The

FTC states that peer-to-peer platforms have enabled suppliers and consumers to connect and do business and have led to the emergence of new business models in industries that have been subject to regulation. This workshop will explore how regulatory frameworks can accommodate new sharing economy business models while maintaining appropriate consumer protections and a competitive marketplace.

The FTC is seeking public comment on a number of questions, both in advance of and following the workshop. These questions include:

- “How can state and local regulators meet legitimate regulatory goals (such as protecting consumers, and promoting public health and safety) in connection with their oversight of sharing economy platforms and business models, without also restraining competition or hindering innovation?”
- “How have sharing economy platforms affected competition, innovation, consumer choice, and platform participants in the sectors in which they operate? How might they in the future?”
- “What consumer protection issues—including privacy and data security, online reviews and disclosures, and claims about earnings and costs—do these platforms raise, and who is responsible for addressing these issues?”
- “What particular concerns or issues do sharing economy transactions raise regarding the protection of platform participants? What responsibility does a sharing economy platform bear for consumer injury arising from transactions undertaken through the platform?”
- “How effective are reputation systems and other trust mechanisms, such as the vetting of sellers, insurance coverage, or complaint procedures, in encouraging consumers and suppliers to do business on sharing economy platforms?”

## **VI. Internal Revenue Service**

No significant updates.

## **VII. National Highway Traffic Safety Administration**

### **A. Retooling Recall Workshop**

On April 28, NHTSA hosted a workshop focused on a discussion about improving recalls. Representatives from the government, industry, and consumer safety groups were present to participate, including a specific invitation from NHTSA to NIADA to be involved.

Department of Transportation Secretary Foxx opened the session with remarks stating NHTSA’s goal to ensure that 100% of all recalls are fixed timely. This message was reiterated in remarks by NHTSA Administrator Rosekind.

Jeff Baker, a dealer with stores in Michigan, Indiana, and Florida, and I represented NIADA at the workshop. He and I were part of a panel comprised of NIADA, NADA, and manufacturers. The focus of our panel was to discuss ways in which the industry can in the process of getting recalls fixed and improving consumer response to recalls notices.

During my remarks, NIADA called on NHTSA to make the new VIN specific lookup tool more useful to dealers by allowing batching of VIN numbers rather than a single point entry system. We communicated our position, which is shared by NADA, that the tool will be mostly used by dealers and batching is a much less time consuming process for checking recall status.

NHTSA stated that additional workshops are likely to happen in the future.

### **VIII. National Motor Vehicle Title Information System**

No significant updates.

### **IX. State Legislation**

#### **A. Oregon Senate Bill 276**

Senate Bill 276, reported on in the March report, was not included in the list of bills the Senate would consider for the current legislative session. April 15 was the deadline for bills to be filed for consideration. By declining to file the bill by that deadline, the bill is officially killed. However, we will continue to monitor the legislature through the end of the legislative session (early July) to ensure that amendments to other bills do not include any of these provisions.

#### **B. California Assembly Bill 265**

The California Assembly passed a bill unanimously that will require buy here pay here dealers and finance companies using starter interrupt devices to provide notice 10 days prior to the use of the device of the intent to use the device. This provision is in addition to existing law which requires notice 48 hours prior to the use of the device. The original proposal would have required 30 days prior notice.

The Senate has yet to consider the bill. We are working with industry partners on a potential strategy in advocating for opposing the bill.

#### **C. Illinois Senate Bill 141**

The Illinois Senate is considering an amendment to a bill that would be virtually identical to the original proposal in California. Again, we are working with industry partners to formulate oppose the bill.



1701 Pennsylvania Avenue  
Suite 300  
Washington, DC 20006  
Phone: (202) 351-6855  
Fax: (202) 351-6855  
www.federaladvocates.com

April 30, 2015

To: NIADA  
From: Federal Advocates  
Subject: April Monthly Report

### **Military Pay Allotment**

On April 23, the House Armed Services Subcommittee on Military Personnel included in the Direct Report Language section of its portion of H.R. 1735, the FY16 National Defense Authorization Bill (NDA), the following language. Per the below, NIADA had submitted via Congressman Jones two approaches for addressing the military pay allotment issue – one rescinding the directive and providing for a more transparent and inclusive process and one requiring the DOD to report on the methodology it used in arriving at its conclusion. The language below is a slight modification of the latter – a briefing instead of a report, with the content of the briefing the exact language NIADA submitted. In addition, the timing of the briefing is consistent with NIADA’s meeting with Jones’ staff and staff of the Committee in that if the Congress is not satisfied with what it hears at the briefing, there is time for legislative action next year via the FY17 NDA Bill.

#### TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS ITEMS OF SPECIAL INTEREST

**Military Allotment Prohibition Briefing to Congress** The committee understands that an amendment to the Department of Defense Financial Management Regulation, effective January 1, 2015, now prohibits Active Duty service members from establishing new allotments for certain purposes, such as the purchase, lease, or rental of personal property. The committee is concerned with the method by which the decision to prohibit certain allotments by military members was reached. Therefore, the committee directs the Secretary of Defense to provide a briefing to the House Committee on Armed Services by January 1, 2016, on the process and justification associated with the amendment to the Department of Defense Financial Management Regulation. The briefing shall include, but not be limited to, the timing and format of the public notice and comment period prior to issuance of the amendment; a summary of public comments submitted for the record; a summary of hearings and workshops held; a list of

stakeholders consulted and the timing, manner, and results of such consultation; a summary of all comments and views expressed by stakeholders and how those comments and views were addressed; the justification for the amendment with supporting documentation; an analysis, with case studies, of the nexus between predatory lending and the allotment system; and all studies, data, methodologies, analyses, and other information relied on by the Department.

On the Senate side, also per the below, Senator Tillis met with Senator Graham who chairs the Personnel Subcommittee of the Armed Services Committee and discussed his concerns and the effect the military allotment issue has on car dealers and lending. He was told that Graham had the same message from SC car dealers (see letter reference below) and he would take a look into the issue through the Subcommittee.

To review, in November 2013, the Secretary of Defense directed the Comptroller of the Department to form an interagency team that was charged with assessing whether changes were needed in the military allotment system. The interagency team was comprised of representatives from the Consumer Financial Protection Bureau, Federal Deposit Insurance Corporation, Federal Reserve Board, National Credit Union Administration, Office of the Comptroller of the Currency, and the Department of Defense. Not a single individual representing business interests was invited to participate. Nearly one year later, the Secretary of Defense announced the prohibition on the use of pay allotments for the purchase of certain personal items including motor vehicles to take effect January 1, 2015. However, when making that announcement, the Secretary did not provide any rationale for the change except a vague reference to eliminating “unscrupulous commercial lenders” from abusing the system. In making this statement, the Secretary did not release any findings, data, or evidence in support. Moreover, there have been no public hearings, comments, or participation in the process. As a result of the decision, process and impact on dealers, NIADA reached out to key Members of Congress. A meeting was held with staff of Congressman Walter Jones (R-NC-3) and Senator Thom Tillis (R-NC). Those Members were chosen because they both serve on the Armed Services Committee of their respective House and because Chris Martin, from North Carolina, attended the meeting to shed a real life perspective on the impact of the prohibition on dealers. Both meetings were followed up with letters to the Members including suggested legislative language to address the issue - language to nullify the decision and/or language to require the DOD to explain its methodology for arriving at the decision. NIADA was asked to provide the language for possible consideration in the pending FY15 Military Personnel Bill. NIADA also briefed the Majority staff of the House Armed Services Committee and advised staff of the Jones meeting. At the suggestion of Senator Tillis’ staff, a similar letter was sent to Senator Lindsey Graham (R-SC) who is the Chair of the Subcommittee on Personnel of the Armed Services Committee. That letter was sent by Graham constituent, Luke Godwin of Godwin Motors, Columbia, S.C.

### **Reforming CFPB Indirect Auto Financing Guidance Act**

On April 13, Congressman Frank Guinta (R-NH-1) introduced H.R. 1737, Reforming CFPB Indirect Auto financing Guidance Act, with 16 bipartisan cosponsors. Guinta is on the House Financial Services Committee that has jurisdiction over the bill. The text of the bill is the same as the Stutzman/Perlmutter bill of the last Congress. It rescinds the auto financing guidance action taken by the CFPB in March 2013 and provides for a more transparent and accountable process



for dealing with the issue. The goal now is to get as many bipartisan cosponsors to keep the pressure on the CFPB to initiate its own self-reform and/or the House Leadership to move the bill. In the Senate, Senator Moran (R-KS) has been approached to introduce a companion bill. Moran also sits on the committee of jurisdiction.

### **Marketplace and Internet Tax Fairness Act**

The Judiciary Committee has received comments back from a wide range of stakeholders and is currently reviewing them and deciding its legislative strategy going forward. To review, Congressman Bob Goodlatte (R-VA-6), Chairman of the House Judiciary Committee, and Congresswoman Anna Eshoo (D-CA-18) have developed a discussion draft bill on the remote sales tax issue. Per efforts of the Association, the bill specifies that states may not impose use tax on a purchaser who paid sales tax at the origin rate at the time of purchase. It specifically exempts aircraft, vehicles, vessels and business purchases. These are all cases in which states currently collect today, either when the vehicle is registered or because businesses pay their use tax. As a general rule, where states are successfully collecting today, the bill preserves the status. A summary of the text refers to the exemption as preventing “double taxation.”

### **Rental Cars/Used Cars Recall**

To date, three bills have been introduced on the issue.

**S.617, Repairing Every Car to Avoid Lost Lives Act (RECALL ACT)**, was introduced on March 2 by Senator Edward Markey (D-MA) with one cosponsor. The bill was referred to the Committee on Commerce, Science, and Transportation. The bill requires the State agency responsible for motor vehicle registrations to (1) notify motor vehicle owners of pending safety recalls when applying for a new registration or upon renewal of a registration; and, (2) require, with certain exceptions, all motor vehicle owners to complete all applicable safety recalls. Failure by the State to comply with these requirements would result in the withholding of 5% of Federal-aid safety funds apportioned to the State.

**H.R.1181, Vehicle Safety Improvement Act of 2015**, was introduced on February 27 by Congresswoman Janice Schakowsky (D-IL-9) with 9 cosponsors. The bill was referred to the House Committee on Energy and Commerce. The official subject summary of the bill is not yet available.

**S.900, Used Car Safety Recall Repair Act**, was introduced on April 13 by Senator Richard Blumenthal (D-CT) with one cosponsor. The bill was referred to the Committee on Commerce, Science, and Transportation. The bill prohibits a dealer from selling or leasing a used passenger motor vehicle until a defect of the motor vehicle or motor vehicle equipment or noncompliance with a federal motor vehicle safety standard has been remedied.

### **Motor Vehicle Whistleblower**

**S.304, Motor Vehicle Safety Whistleblower Act**, was introduced on January 29 by Senator

John Thune (R-SD) with 7 cosponsors. The bill was referred to the Committee on Commerce, Science, and Transportation and reported by the Committee on February 26. S. 304 prescribes certain whistleblower incentives and protections for motor vehicle manufacturer, part supplier, or dealership employees or contractors who voluntarily provide the Secretary of Transportation information relating to any motor vehicle defect, noncompliance, or any violation of any notification or reporting requirement which is likely to cause unreasonable risk of death or serious physical injury. Authorizes the Secretary to pay awards to one or more whistleblowers in an aggregate amount of up to 30% of total monetary sanctions collected pursuant to an administrative or judicial action resulting in aggregate monetary sanctions exceeding \$1 million. Prohibits an award to any whistleblower that knowingly and willfully makes false representations. Subjects such a whistleblower to criminal penalties. Note: the bill has been reported by the Committee with bipartisan support.

### **Annual Privacy Notice Requirement**

Two bills have been introduced on the issue following similar action last Congress. The bills are identical except for #3 below in the Senate bill. NIADA is on record as supporting the House version as #3 imposes a potentially costly and timely requirement on dealers. Chris Brown in the Congressman's office has been advised regarding our preference.

**H.R.601, Eliminate Privacy Notice Confusion Act.**, was introduced on January 28 by Congressman Blaine Luetkemeyer (R-MO-3) with 40 (now 57) cosponsors. The bill was referred to the Committee on Financial Services. H.R. 601 amends the Gramm-Leach-Bliley Act to exempt from its annual privacy policy notice requirement any financial institution which: (1) provides nonpublic personal information only in accordance with specified requirements, and (2) has not changed its policies and practices with regard to disclosing nonpublic personal information from those disclosed in the most recent disclosure sent to consumers. On March 26 the bill was ordered reported from Committee. On April 13, the bill passed the House under suspension of the rules

**S.423, Privacy Notice Modernization Act of 2015**, was introduced on February 10 by Senator Jerry Moran (R-KS) with 21 (now 43) cosponsors. The bill was referred to the Committee on Banking, Housing, and Urban Affairs. A hearing was held on the bill on Feb. 12. The bill amends the Gramm-Leach-Bliley Act to exempt from its annual written privacy policy notice requirement any financial institution which: (1) provides nonpublic personal information only in accordance with specified requirements, (2) has not changed its policies and practices with respect to disclosing nonpublic personal information from those disclosed in the most recent disclosure sent to consumers, and (3) otherwise provides customers access to such most recent disclosure in electronic or other form permitted by specified regulations.

Status Update: H.R. 601 passed the House. Additional cosponsors on each bill.

### **Auction Sales**

This issue has not resurfaced for some time now. We will continue to monitor any possible developments.

## **MAP-21 Reauthorization**

MAP-21, the current Federal-aid highway Federal program, expires on May 31. By then, either a new reauthorization bill will have to be enacted into law or the program will have to be extended for some period of time. The latter is more realistic. The Senate Environment and Public Works Committee (EPW) would like to extend the program until August 1. According to the Department of Transportation, there would be enough funds in the Highway Trust Fund to support the program through July without any additional revenue needed. Extending only until August 1, the Senate argues, would also keep the pressure on to do a substantive, multi-year reauthorization bill. The House Transportation and Infrastructure Committee's (T&I) extension position is different. It would prefer to extend the program until either September 30, the end of the current fiscal year, or December 31. The Committee believes that the Senate's August 1 position is arbitrary and avoids an inevitable further extension. To extend the program until Sept. 30 requires additional revenues of \$8-10B. To extend the program until Dec. 31, requires additional revenues of around \$11B. The reason for the minimal increase in revenues to extend from Sept 30 to Dec. 31 is because of the down time in highway construction in the fall. To do a multi-year bill, \$15-18B in new revenues per each fiscal year would be needed just to keep the program at current levels. The challenge continues to be where to get the additional funds. Options include a gas tax increase, applying an inflation factor to the gas tax, barrel tax versus taxing at the pump, repatriation funds, etc. All have advantages and disadvantages both in terms of substance and politics. No one approach has generated widespread support. The general sense in both Houses is that the issue of funding a multi-year program will be decided within the context of an overall tax reform bill. Legislative jurisdiction over funding the Highway Trust Funds lies with the two tax-writing committees of the Congress – the House Ways and Means Committee and the Senate Finance Committee. There are currently ongoing discussions between the two committees on the issue of tax reform. Both the EPW and T&I Committees have been part of the discussions related to Highway Trust Fund spending. Pending that, staffs of both the EPW and T&I Committees continue to meet internally on developing a bill. Two program areas of interest and apparent support on both sides of both Committees are reauthorization of Projects of National and Regional Significance and establishment of a new National Freight Program. If a multi-year bill is not enacted this year, the consensus is that it will be put off until after next year given the presidential election.

Pending bill reauthorization action, MAP-21 hearings continued. On April 21, the Senate Committee on Banking, Housing, and Urban Affairs held a hearing entitled, "Surface Transportation Reauthorization: Building on the Successes of MAP-21 to Deliver Safe, Efficient and Effective Public Transportation Services and Projects." The witness was Therese McMillan, Acting Administrator, Federal Transit Administration. On April 23, the Banking Committee held a second day of hearings on the same subject. The witnesses were Michael Melaniphy, President and CEO, American Public Transportation Association; Janet Kavinsky, Executive Director, Transportation and Infrastructure, U.S. Chamber of Commerce, and Vice President, Americans for Transportation Mobility Coalition; Barbara Cline, Upper Midwest Regional Director, Community Transportation Association of America, and Executive Director, Prairie Hills Transit; and Harry Lombardo, International President, Transport Workers Union of America, AFL-CIO. On April 29, the Committee held a hearing entitled, "Exploring Opportunities for

Private Investment in Public Infrastructure.” The witnesses were Jane Garvey, North America Chairman, Meridium Infrastructure; Colleen Campbell, Board Member, Infrastructure Ontario; and Cal Hollis, Managing Executive Officer for Countywide Planning and Development, Los Angeles County Metropolitan Authority. On April 29, the Subcommittee on Highways and Transit of the House Committee on Transportation and Infrastructure held a hearing on “The Future of Commercial Motor Vehicle Safety: Technology, Safety Initiatives, and the Role of Federal Regulation.” Witnesses were Danny Schnautz, Operations Manager, Clark Freight Lines; on behalf of the Owner-Operator Independent Drivers Association; Tom Kretsinger, President, American Central Transport; on behalf of the American Trucking Associations; Bill Reese, Captain, Idaho State Police; on behalf of the Commercial Vehicle Safety Alliance; Brian Scott, President, Escot Bus Lines, LLC; on behalf of the United Motorcoach Association; and, LaMont Byrd, Director of Safety and Health, International Brotherhood of Teamsters.

### **President’s Transportation Bill (MAP-21 Reauthorization)**

The U.S. Department of Transportation’s version of a multiyear highway bill includes significant proposals designed to get unrepaired vehicles off the roads faster, including seeking to require all new car dealers to check for uncompleted recalls when owners take their vehicles in for service. Under the new bill, NHTSA would get new authority to take immediate action to respond to any condition of a motor vehicle or motor vehicle equipment that creates the likelihood of death or serious injury to the public if not discontinued immediately, without prior notice or hearing. The new bill retains reforms proposed last year but would require new car dealers to check when a owner takes a car in for service to determine if there are any uncompleted recalls. The proposal would also establish a two-year pilot grant program to determine if state motor vehicle departments could notify owners of uncompleted recalls at the time they were registering or renewing a vehicle registration. Some in Congress have called for making getting recalled vehicles fixed mandatory before owners could renew their license plate. It would also hike the maximum daily fine for failing to comply with NHTSA rules from \$7,000 to \$25,000. NHTSA would get authority to issue new standards on ensuring electronics and software function properly and the power to file criminal charges against vehicle hackers, giving the agency the ability to charge people who use electronic devices to affect the performance of a motor vehicle or motor vehicle equipment of which they are not the individual owner. The proposal would also require all distributors and dealers to register tires at the time of purchase and notify the manufacturer because of low completion rates for tire recalls. Under current law, only tire dealers owned or controlled by a manufacturer are required to register tires with the manufacturer. The bill would also require tire manufacturers to give owners a free replacement tire for a recall for six months rather than the current 60 days.

### **FY16 Congressional Budget Resolution**

Reports are that there has been an agreement reached on the FY16 Congressional Budget Resolution. As reported, the agreement boosts defense spending by nearly \$40 billion, eliminates the option of using reconciliation for non-Obamacare changes and drops the so-called "premium support" Medicare plan popularized by Rep. Paul Ryan (R-Wis.) last Congress. The agreement also assumes deep cuts to domestic agency budgets and safety net programs for the poor to promise a balanced budget by 2024, eliminates the option of using a fast-track budget bill to

target food stamps and Pell Grants and allows for the advance of the 12 annual spending bills for the 2016 budget year beginning Oct. 1 to the House and Senate floors. Category details will be forthcoming. See the Dodd Frank language in the House Resolution below. Also, as previously noted, the congressional budget does NOT have the force and effect of law. It is adopted in the form of a concurrent resolution that means that a final version must be approved by both Houses on or before April but does not go to the President for approval or disapproval. It is simply the Congress imposing upon itself a funding discipline. Nor are the policies assumed in the resolution binding on the Congress. The only thing binding by a budget resolution is the overall level of funding via the appropriations process for FY16. How the Appropriations Committees choose to allocate the overall level between various programs is their decision.

## **Dodd Frank**

“This budget makes great strides in repealing onerous policies enacted under Dodd-Frank that are hurting financial institutions both large and small and the businesses and families they serve. This will help eliminate several programs that have proven specifically harmful to our economy and taxpayers. Although the proponents of Dodd-Frank went to great lengths to denounce bailouts, the law only perpetuates them. The Federal Deposit Insurance Corporation (FDIC) now has the authority to access taxpayer dollars in order to bail out the creditors of large, “systemically significant” financial institutions. Our budget calls for ending this practice. Instead of rewarding corporate failure with taxpayer dollars, we ought to ensure the responsibility for large, failing firms lies with the shareholders who own them, the managers who run them, and the creditors who finance them.

Our budget also supports canceling the ability of the Bureau of Consumer Financial Protection (created by Dodd-Frank) to fund its operations from the Federal Reserve’s yearly remittances to the Treasury Department. These remittances are earnings generated by the Federal Reserve and were originally intended to be deposited in the Treasury to help fund general government.”

## **Bill Tracking**

Note: some of the following bills lack a subject summary. That is because the internal Hill bill information system has still not “caught up” with the number of bills introduced. It will. Also, some of the following bills may drop off the tracking list depending upon what is learned about their subject matter.

### **H.R.171, To repeal the Dodd-Frank Wall Street Reform and Consumer Protection Act**

Introduced on January 26 by Congressman Adam Smith (R-NE-3) with no cosponsors. The bill was referred to the Subcommittee on Commodity Exchanges, Energy, and Credit of the financial Services Committee. The Senate companion bill is S.89. H.R.171 repeals the Dodd-Frank Wall Street Reform and Consumer Protection Act. It revives or restores the provisions of law amended by such Act as if it had not been enacted.

### **S.89, Financial Takeover Repeal Act of 2015**

Introduced on January 7 by Senator David Vitter (R-LA) with no cosponsors. The bill was referred to the Committee on Finance. The House companion bill is H.R. 171. S.89 repeals the Dodd-Frank Wall Street Reform and Consumer Protection Act. It revives or restores the provisions of law amended by such Act as if it had not been enacted.

### **S.107, Terminating the Expansion of Too-Big-To-Fail Act of 2015**

Introduced on January 7 by Senator David Vitter (R-LA) with no cosponsors. The bill was referred to the Committee on Banking, Housing, and Urban Affairs. S.107 amends the Financial Stability Act of 2010, title I of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank), the Federal Deposit Insurance Act, and the Federal Reserve Act to eliminate all supervision by the Board of Governors of the Federal Reserve System (Board) of domestic and foreign nonbank financial companies, including new or heightened standards and safeguards and minimum leverage capital requirements. Eliminates the duty of the Financial Stability Oversight Council to identify systemically important financial market utilities and payment, clearing, and settlement activities. Repeals the authority of the Council, acting through the Office of Financial Research, to: (1) require the submission of periodic and other reports from any domestic or foreign nonbank financial company, or (2) request the Board to examine a U.S. nonbank financial company for the sole purpose of determining whether it should be Board-supervised. Repeals specified additional Board authority to supervise certain nonbank financial companies, including the prohibition against management interlocks between such companies and certain other financial companies. Repeals the requirement that the Board study and report to Congress on: (1) specified issues with respect to the resolution of financial companies under chapter 7 (Liquidation) or 11 (Reorganization) of the Bankruptcy Code, and (2) international coordination relating to the resolution of systemic financial companies under the U.S. Bankruptcy Code and applicable foreign law. Repeals the authority of the Council to recommend to the Board: (1) prudential standards and reporting and disclosure requirements for Board-supervised nonbank financial companies, and (2) any requirement that each nonbank financial company report periodically the company's credit exposure as well as its plan for rapid and orderly resolution in the event of material financial distress or failure. Repeals the requirement that the Council study the feasibility, benefits, costs, and structure of a contingent capital requirement for Board-supervised nonbank financial companies. Eliminates reporting requirements for such companies. Repeals the Payment, Clearing, and Settlement Supervision Act of 2010 (title VIII of Dodd-Frank).

### **H.R.957, Bureau of Consumer Financial Protection-Inspector General Reform Act of 2015 or the CFPB-IG Act of 2015**

Introduced on February 12 by Congressman Steve Stivers (R-OH-15) with 3 cosponsors. The bill was referred to the Committees on Oversight and Government Reform and Financial Service. Amends the Inspector General Act of 1978 to repeal the authority of the Chairman of the Board of Governors of the Federal Reserve System to appoint the Inspector General of the Consumer Financial Protection Bureau (CFPB). Amends the Dodd-Frank Wall Street Reform and Consumer Protection Act to create an Inspector General for the CFPB. Requires the President, within 60 days after enactment of this Act, to appoint a CFPB Inspector General.

### **S.510, Bureau of Consumer Financial Protection-Inspector General Reform Act of 2015 or CFPB-IG Act of 2015**

Introduced on February 12 by Senator Rob Portman (R-OH) with 12 cosponsors. The bill was referred to the Committee on Banking, Housing, and Urban Affairs. Amends the Inspector General Act of 1978 to repeal the authority of the Chairman of the Board of Governors of the Federal Reserve System to appoint the Inspector General of the Consumer Financial Protection Bureau (CFPB). Requires the CFPB Inspector General to be appointed by the President, by and with the advice and consent of the Senate.

### **H.R.1261, To amend the Consumer Financial Protection Act of 2010 to bring the Bureau of Consumer Financial Protection into the regular appropriations process, and for other purposes**

Introduced on March 4 by Congressman Sean Duffy (R-WI-7) with no cosponsors. The bill was referred to the House Committee on Financial Services.

### **H.R.1266, Financial Product Safety Commission Act of 2015**

Introduced on March 4 by Congressman Randy Neugebauer (R-TX-19) with 20 cosponsors. The bill was referred to the House Committee on Financial Services. Amends the Consumer Financial Protection Act of 2010 to replace the Consumer Financial Protection Bureau as an independent bureau within the Federal Reserve System, with an independent Financial Product Safety Commission that is to regulate the offering and provision of consumer financial products or services. States that the Commission (like the current Bureau) shall be composed of five members with strong competencies and experiences regarding consumer financial products and services, each to serve for a term of five years, and appointed by the President by and with the advice and consent of the Senate. Prohibits the Chair of the Commission from submitting requests for estimates related to appropriations without prior Commission approval.

### **H.R.1265, Bureau Advisory Commission Transparency Act**

Introduced on March 4 by Congressman Sean Duffy (R-WI-7) with 2 cosponsors. The bill was referred to the Committees on Financial Services and Oversight and Government Reform. Amends the Consumer Financial Protection Act of 2010 to apply the Federal Advisory Committee Act applicable to each advisory committee and subcommittee of the Consumer Financial Protection Bureau. Note: on March 25 the bill was reported from Committee.

### **H.R.1195, Bureau of Consumer Financial Protection Advisory Boards Act**

Introduced on March 2 by Congressman Robert Pittenger (R-NC-9) with one cosponsor. The bill was referred to the House Committee on Financial Services. Note: on March 25 the bill was reported from Committee. Amends 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 in the exercise of its functions under the federal consumer financial laws regarding eligible financial products or services, and (2)

provide information on evolving small business practices. Requires such Board members to be representatives of small business concerns that: provide financial products or services for use by consumers primarily for personal, family, or household purposes are service providers to covered persons; and use consumer financial products or services in financing the business activities of such small businesses. Encourages the Director, in making such Board appointments, to ensure the participation of minority- and women-owned small business concerns and their interests, without regard to party affiliation. Instructs the Director 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, respectively. Encourages the Director, in making appointments to such Councils, 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.

**H.R.1486, To amend the Consumer Financial Protection Act of 2010 to bring the Bureau of Consumer Financial Protection into the regular appropriations process, and for other purposes**

Introduced on March 19 by Congressman Andy Barr (R-Ky-6) with 5 cosponsors. The bill was referred to the House Committee on Financial Services.

**S.423, Privacy Notice Modernization Act of 2015**

Senator Jerry Moran (R-KS) introduced the bill on February 10 with 21 cosponsors. The bill was referred to the Committee on Banking, Housing, and Urban Affairs. A hearing was held on the bill on Feb. 12. The bill amends the Gramm-Leach-Bliley Act to exempt from its annual written privacy policy notice requirement any financial institution which: (1) provides nonpublic personal information only in accordance with specified requirements, (2) has not changed its policies and practices with respect to disclosing nonpublic personal information from those disclosed in the most recent disclosure sent to consumers, and (3) otherwise provides customers access to such most recent disclosure in electronic or other form permitted by specified regulations.

**S.560, Promoting Automotive Repair, Trade, and Sales Act of 2015 or the PARTS Act**

Introduced on February 25 by Senator Orin Hatch (R-UT) with one cosponsor. The bill was referred to the Committee on the Judiciary. The bill declares that it is not an act of infringement, with respect to a design patent that claims a component part of a motor vehicle as originally manufactured, to: (1) make, test, or offer to sell within, or import into, the United States any article of manufacture that is similar or the same in appearance to the component part claimed in such design patent if the purpose of such article is for the repair of a motor vehicle to restore its appearance as originally manufactured; or (2) use or sell within the United States any such same or similar articles for such restorations more than 30 months after the claimed component part is first offered for public sale as part of a motor vehicle in any country. Defines: (1) "component part" as a component part of the exterior of a motor vehicle only (such as a hood, fender, tail light, side mirror, or quarter panel), excluding an inflatable restraint system or other component part located in the interior of a motor vehicle; and (2) "offer to sell" to include marketing or pre-



sale distribution. Applies this Act to any patent issued, or application filed, before, on, or after the effective date of this Act.

### **H.R.1057, Promoting Automotive Repair, Trade, and Sales Act of 2015 or the PARTS Act**

Introduced on February 25 by Congressman Darrell Issa (R-CA-49) with 3 cosponsors. The bill was referred to the House Committee on the Judiciary. The bill declares that it is not an act of infringement, with respect to a design patent that claims a component part of a motor vehicle as originally manufactured, to: (1) make, test, or offer to sell within, or import into, the United States any article of manufacture that is similar or the same in appearance to the component part claimed in such design patent if the purpose of such article is for the repair of a motor vehicle to restore its appearance as originally manufactured; or (2) use or sell within the United States any such same or similar articles for such restorations more than 30 months after the claimed component part is first offered for public sale as part of a motor vehicle in any country. Defines: (1) "component part" as a component part of the exterior of a motor vehicle only (such as a hood, fender, tail light, side mirror, or quarter panel), excluding an inflatable restraint system or other component part located in the interior of a motor vehicle; and (2) "offer to sell" to include marketing or pre-sale distribution. Applies this Act to any patent issued, or application filed, before, on, or after the effective date of this Act

### **S.617, A bill to ensure that owners of all motor vehicles in use on United States roadways are made aware of, and obtain repairs for, manufacturer-issued safety recalls in a timely manner**

Introduced on March 2 by Senator Edward Markey (D-MA) with one cosponsor. The bill was referred to the Committee on Commerce, Science, and Transportation (see reference above).

### **H.R.1181, Vehicle Safety Improvement Act of 2015**

Introduced on February 27 by Congresswoman Janice Schakowsky (D-IL-9) with 9 cosponsors. The bill was referred to the House Committee on Energy and Commerce (see reference above).

### **S.900, Used Car Safety Recall Repair Act**

Introduced on April 13 by Senator Richard Blumenthal (D-CT) with one cosponsor. The bill was referred to the Committee on Commerce, Science, and Transportation. The bill prohibits a dealer from selling or leasing a used passenger motor vehicle until a defect of the motor vehicle or motor vehicle equipment or noncompliance with a federal motor vehicle safety standard has been remedied (see reference above).

### **H.R.1737, Reforming CFPB Indirect Auto Financing Guidance Act**

Introduced on April 13 by Congressman Frank Guinta (R-NH-1) with 16 cosponsors. The bill was referred to the House Committee on Financial Services.

### **H.R.1766, Right to Lend Act of 2015**

Introduced on April 14 by Congressman Robert Pittenger (R-NC-90 with no cosponsors. The bill was referred to the House Committee on Financial Services. The bill repeal provisions of the Equal Credit Opportunity Act, as amended by Dodd-Frank Wall Street Reform and Consumer Protection Act, that require financial institutions to: (1) inquire whether businesses applying for credit for a women-owned, minority-owned, or small business are such a business; and (2) submit annually to the Consumer Financial Protection Bureau, in a manner to be made available to the public, a record of the responses to such inquiry, including census tract information and disclosures as to the race, sex, and ethnicity of the principal owners of such businesses.