

112TH CONGRESS
1ST SESSION

S. 737

To replace the Director of the Bureau of Consumer Financial Protection with a 5-person Commission, to bring the Bureau into the regular appropriations process, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 6 (legislative day, APRIL 5), 2011

Mr. MORAN (for himself and Mr. CRAPO) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To replace the Director of the Bureau of Consumer Financial Protection with a 5-person Commission, to bring the Bureau into the regular appropriations process, 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 “Responsible Consumer
5 Financial Protection Regulations Act of 2011”.

6 **SEC. 2. ESTABLISHMENT OF THE COMMISSION.**

7 Section 1011 of the Consumer Financial Protection
8 Act of 2010 (12 U.S.C. 5491) is amended—

1 (1) by striking subsections (b), (c), and (d);

2 (2) by redesignating subsection (e) as sub-
3 section (j); and

4 (3) by inserting after subsection (a) the fol-
5 lowing new subsections:

6 “(b) ESTABLISHMENT OF THE COMMISSION.—

7 “(1) IN GENERAL.—There is hereby established
8 a commission (hereafter in this title referred to as
9 the ‘Commission’) that shall serve as the head of the
10 Bureau.

11 “(2) AUTHORITY TO PRESCRIBE REGULA-
12 TIONS.—The Commission may prescribe such regu-
13 lations and issue such orders in accordance with this
14 title as the Commission may determine to be nec-
15 essary for carrying out this title and all other laws
16 within the jurisdiction of the Commission, and shall
17 exercise any authorities granted under this title and
18 all other laws within the jurisdiction of the Commis-
19 sion.

20 “(c) COMPOSITION OF THE COMMISSION.—

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

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

1 “(B) have strong competencies and experi-
2 ences related to consumer financial protection.

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

7 “(3) TERMS.—

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

11 “(B) REMOVAL FOR CAUSE.—The Presi-
12 dent may remove any member of the Commis-
13 sion only for inefficiency, neglect of duty, or
14 malfeasance in office.

15 “(C) VACANCIES.—Any member of the
16 Commission appointed to fill a vacancy occur-
17 ring before the expiration of the term to which
18 the predecessor of that member was appointed
19 (including the Chair) shall be appointed only
20 for the remainder 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
24 to which that member was appointed until a
25 successor has been appointed by the President

1 and confirmed by the Senate, except that a
2 member may not continue to serve more than 1
3 year after the date on which the term of that
4 member would otherwise expire.

5 “(E) OTHER EMPLOYMENT PROHIBITED.—
6 No member of the Commission shall engage in
7 any other business, vocation, or employment
8 during the term of service of that member on
9 the Commission.

10 “(d) AFFILIATION.—With respect to members ap-
11 pointed pursuant to subsection (c), not more than 3 shall
12 be members of any one political party.

13 “(e) CHAIR OF THE COMMISSION.—

14 “(1) APPOINTMENT.—The Chair of the Com-
15 mission shall be appointed by the President from
16 among the members of the Commission.

17 “(2) AUTHORITY.—The Chair shall be the prin-
18 cipal executive officer of the Bureau, and shall exer-
19 cise all of the executive and administrative functions
20 of the Bureau, including with respect to—

21 “(A) the appointment and supervision of
22 personnel employed under the Bureau (other
23 than personnel employed regularly and full time
24 in the immediate offices of members of the
25 Commission other than the Chair);

1 “(B) the distribution of business among
2 personnel appointed and supervised by the
3 Chair and among administrative units of the
4 Bureau; and

5 “(C) the use and expenditure of funds.

6 “(3) LIMITATION.—In carrying out any of the
7 functions of the Chair under this subsection, the
8 Chair shall be governed by general policies of the
9 Commission and by such regulatory decisions, find-
10 ings, and determinations as the Commission may by
11 law be authorized to make.

12 “(4) REQUESTS OR ESTIMATES RELATED TO
13 APPROPRIATIONS.—Requests or estimates for reg-
14 ular, supplemental, or deficiency appropriations on
15 behalf of the Commission may not be submitted by
16 the Chair without the prior approval of the Commis-
17 sion.

18 “(f) NO IMPAIRMENT BY REASON OF VACANCIES.—
19 No vacancy in the membership of the Commission shall
20 impair the right of the remaining members of the Commis-
21 sion to exercise all the powers of the Commission. Three
22 members of the Commission shall constitute a quorum for
23 the transaction of business, except that if there are only
24 3 members serving on the Commission because of vacan-
25 cies in the membership of the Commission, 2 members of

1 the Commission shall constitute a quorum for the trans-
2 action of business. If there are only 2 members serving
3 on the Commission because of vacancies in the member-
4 ship of the Commission, 2 members shall constitute a
5 quorum for the 6-month period beginning on the date of
6 the vacancy which caused the number of Commission
7 members to decline to 2.

8 “(g) SEAL.—The Commission shall have an official
9 seal.

10 “(h) COMPENSATION.—

11 “(1) CHAIR.—The Chair shall receive com-
12 pensation at the rate prescribed for level I of the
13 Executive Schedule under section 5313 of title 5,
14 United States Code.

15 “(2) OTHER MEMBERS OF THE COMMISSION.—

16 The 4 members of the Commission other than the
17 Chair shall each receive compensation at the rate
18 prescribed for level II of the Executive Schedule
19 under section 5314 of title 5, United States Code.

20 “(i) INITIAL QUORUM ESTABLISHED.—During any
21 time period prior to the date of confirmation of at least
22 2 members of the Commission, one member of the Com-
23 mission shall constitute a quorum for the transaction of
24 business. Following the confirmation of at least 2 addi-

1 tional commissioners, the quorum requirements of sub-
 2 section (f) shall apply.”.

3 **SEC. 3. BRINGING THE BUREAU INTO THE REGULAR AP-**
 4 **PROPRIATIONS PROCESS.**

5 Section 1017 of the Consumer Financial Protection
 6 Act of 2010 (12 U.S.C. 5497) is amended—

7 (1) in subsection (a)—

8 (A) by amending the heading of such sub-
 9 section to read as follows: “BUDGET, FINAN-
 10 CIAL MANAGEMENT, AND AUDIT.—”;

11 (B) by striking paragraphs (1), (2), and
 12 (3);

13 (C) by redesignating paragraphs (4) and
 14 (5) as paragraphs (1) and (2), respectively; and

15 (D) by striking subparagraphs (E) and (F)
 16 of paragraph (1), as so redesignated;

17 (2) by striking subsections (b), (c), and (d);

18 (3) by redesignating subsection (e) as sub-
 19 section (b); and

20 (4) in subsection (b), as so redesignated—

21 (A) by striking paragraphs (1), (2), and
 22 (3) and inserting the following:

23 “(1) AUTHORIZATION OF APPROPRIATIONS.—

24 There is authorized to be appropriated to the Bu-
 25 reau, to carry out this title—

1 “(A) not more than \$143,000,000 for fis-
2 cal year 2011; and

3 “(B) not more than \$329,000,000 for fis-
4 cal year 2012.”; and

5 (B) by redesignating paragraph (4) as
6 paragraph (2).

7 **SEC. 4. CONFORMING AMENDMENTS.**

8 (a) CONSUMER FINANCIAL PROTECTION ACT OF
9 2010.—

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

13 (A) by striking “Director of the” each
14 place such term appears, other than where such
15 term is used to refer to a Director other than
16 the Director of the Bureau of Consumer Finan-
17 cial Protection;

18 (B) by striking “Director” each place such
19 term appears, other than where such term is
20 used to refer to a Director other than the Di-
21 rector of the Bureau of Consumer Financial
22 Protection, and inserting “Bureau”; and

23 (C) in section 1002, by striking paragraph
24 (10) and inserting the following:

25 “(10) [Reserved].”.

1 (2) EXCEPTIONS.—The Consumer Financial
2 Protection Act of 2010 (12 U.S.C. 5481 et seq.) is
3 amended—

4 (A) in section 1012(c)(4) (12 U.S.C.
5 5492(c)(4)), by striking “Director” each place
6 such term appears and inserting “Commission
7 of the Bureau”;

8 (B) in section 1013(c)(3) (12 U.S.C.
9 5493(c)(3))—

10 (i) by striking “Assistant Director of
11 the Bureau for” and inserting “Head of
12 the Office of”; and

13 (ii) in subparagraph (B), by striking
14 “Assistant Director” and inserting “Head
15 of the Office”;

16 (C) in section 1013(g)(2) (12 U.S.C.
17 5493(g)(2))—

18 (i) in the paragraph heading, by strik-
19 ing “ASSISTANT DIRECTOR” and inserting
20 “HEAD OF THE OFFICE”; and

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

1 (D) in section 1016(a) (12 U.S.C.
2 5496(a)), by striking “Director of the Bureau”
3 and inserting “Chair of the Commission”; and

4 (E) in section 1066(a) (12 U.S.C.
5 5586(a)), by striking “Director of the Bureau
6 is” and inserting “first member of the Commis-
7 sion is”.

8 (b) DODD-FRANK WALL STREET REFORM AND CON-
9 SUMER PROTECTION ACT.—The Dodd-Frank Wall Street
10 Reform and Consumer Protection Act (Public Law 111–
11 203) is amended—

12 (1) in section 111(b)(1)(D) (12 U.S.C. 5321),
13 by striking “Director” and inserting “Chair of the
14 Commission”; and

15 (2) in section 1447 (12 U.S.C. 1701p–2), by
16 striking “Director of the Bureau” each place such
17 term appears and inserting “Bureau”.

18 (c) ELECTRONIC FUND TRANSFER ACT.—Section
19 920(a)(4)(C) of the Electronic Fund Transfer Act (15
20 U.S.C. 1693o–2(a)(4)(C)), as added by section 1075(a)(2)
21 of the Consumer Financial Protection Act of 2010, is
22 amended by striking “Director of the Bureau of Consumer
23 Financial Protection” and inserting “Bureau of Consumer
24 Financial Protection”.

1 (d) EXPEDITED FUNDS AVAILABILITY ACT.—The
2 Expedited Funds Availability Act (12 U.S.C. 4001 et
3 seq.), as amended by section 1086 of the Consumer Finan-
4 cial Protection Act of 2010, is amended by striking “Di-
5 rector of the Bureau” each place such term appears and
6 inserting “Bureau”.

7 (e) FEDERAL DEPOSIT INSURANCE ACT.—Section 2
8 of the Federal Deposit Insurance Act (12 U.S.C. 1812),
9 as amended by section 336(a) of the Dodd-Frank Wall
10 Street Reform and Consumer Protection Act, is amended
11 by striking “Director of the Consumer Financial Protec-
12 tion Bureau” each place such term appears and inserting
13 “Chair of the Commission of the Bureau of Consumer Fi-
14 nancial Protection”.

15 (f) FEDERAL FINANCIAL INSTITUTIONS EXAMINA-
16 TION COUNCIL ACT OF 1978.—Section 1004(a)(4) of the
17 Federal Financial Institutions Examination Council Act of
18 1978 (12 U.S.C. 3303(a)(4)), as amended by section 1091
19 of the Consumer Financial Protection Act of 2010, is
20 amended by striking “Director of the Consumer Financial
21 Protection Bureau” and inserting “Chair of the Commis-
22 sion of the Bureau of Consumer Financial Protection”.

23 (g) FINANCIAL LITERACY AND EDUCATION IM-
24 PROVEMENT ACT.—Section 513 of the Financial Literacy
25 and Education Improvement Act (20 U.S.C. 9702), as

1 amended by section 1013(d) of the Consumer Financial
2 Protection Act of 2010, is amended by striking “Director”
3 each place such term appears and inserting “Chair of the
4 Commission”.

5 (h) HOME MORTGAGE DISCLOSURE ACT OF 1975.—
6 Section 307 of the Home Mortgage Disclosure Act of 1975
7 (12 U.S.C. 2806), as amended by section 1094(6) of the
8 Consumer Financial Protection Act of 2010, is amended
9 by striking “Director of the Bureau of Consumer Finan-
10 cial Protection” each place such term appears and insert-
11 ing “Bureau of Consumer Financial Protection”.

12 (i) INTERSTATE LAND SALES FULL DISCLOSURE
13 ACT.—The Interstate Land Sales Full Disclosure Act (15
14 U.S.C. 1701 et seq.), as amended by section 1098A of the
15 Consumer Financial Protection Act of 2010, is amended—

16 (1) in section 1402, by striking paragraph (1)
17 and inserting the following:

18 “(1) ‘Chair’ means the Chair of the Commission of
19 the Bureau of Consumer Financial Protection;” and

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

23 (j) REAL ESTATE SETTLEMENT PROCEDURES ACT
24 OF 1974.—Section 5 of the Real Estate Settlement Proce-
25 dures Act of 1974 (12 U.S.C. 2604), as amended by sec-

1 tion 1450 of the Dodd-Frank Wall Street Reform and
2 Consumer Protection Act, is amended—

3 (1) by striking “The Director of the Bureau of
4 Consumer Financial Protection (hereafter in this
5 section referred to as the ‘Director’)” and inserting
6 “The Bureau of Consumer Financial Protection”;
7 and

8 (2) by striking “Director” each place such term
9 appears and inserting “Bureau”.

10 (k) S.A.F.E. MORTGAGE LICENSING ACT OF 2008.—
11 The S.A.F.E. Mortgage Licensing Act of 2008 (12 U.S.C.
12 5101), as amended by section 1100 of the Consumer Fi-
13 nancial Protection Act of 2010, is amended—

14 (1) by striking “Director” each place such term
15 appears, other than where such term is used in the
16 context of the Director of the Office of Thrift Super-
17 vision, and inserting “Bureau”; and

18 (2) in section 1503, by striking paragraph (10).

19 (l) TITLE 44, UNITED STATES CODE.—Section
20 3513(c) of title 44, United States Code, as amended by
21 section 1100D(b) of the Consumer Financial Protection
22 Act of 2010, is amended by striking “Director of the Bu-
23 reau” and inserting “Bureau”.

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