



AMERICAN COMMITMENT MARKET INSTITUTE

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Dear Member of Congress:

We support H.J. Res. 73 because it will block the burdensome and disastrous new rules promulgated in the waning months of the Obama Administration by the Consumer Financial Protection Bureau (CFPB). The Dodd-Frank Act, which has done so much to hamper our economy and slow job growth, created the CFPB. Its gargantuan release of almost 1,700 pages of new regulations would increase costs on consumers, limit their access to much-needed financial products and services, and stifle innovation in the prepaid market.

H.J. Res. 73 has broad support — introduced by Rep. Roger Williams (R-TX) and 33 of his colleagues on the House Financial Services Committee, including Chairman Jeb Hensarling (R-TX) — because it uses the Congressional Review Act to stop the CFPB from harming consumers and stifling innovation. We ask you to support this commonsense measure too.

Prepaid cards and virtual prepaid accounts have emerged over the last decade as innovative financial tools that meet the needs of more than 68 million Americans who were previously underserved. These products allow consumers to safely deposit funds and fully participate in modern electronic financial transactions. Unfortunately, rather than rewarding this consumer-driven financial innovation, the CFPB — in the final months of the Obama Administration — issued nearly 1,700 pages of over-reaching regulations imposing burdensome costs and restrictions on providers. This will inevitably hamper the ability of the private sector to meet the growing and diverse consumer demand for financial products and services.

In line with the typical heavy-handed approach of Dodd-Frank, the CFPB's final rule dramatically increases compliance and issuance costs to the tune of hundreds of millions of dollars. Consumers will ultimately be forced to bear these costs through higher fees and limited access.

Moreover, the CFPB is instituting new rules on prepaid accounts stretching far beyond those applied to checking accounts, creating tiered products and financial discrimination. This includes effectively eliminating the ability of low-income consumers to access features that provide them the flexibility to cover small transactions between paychecks or when an unexpected emergency occurs.

In addition, the rule is so hurriedly and poorly written that it encompasses businesses and products that were never intended to be covered, including electronic and mobile prepaid accounts. Its “one-size-fits-all” approach will limit the options of the very consumers who need these options the most. Moreover, it will weigh-down the financial technology industry and leave it entangled in a web of red tape. The CFPB’s over-regulation comes despite the fact that prepaid products constitute less than one percent of all consumer complaints to the Bureau.

Thousands of consumers and dozens of Members of Congress on both sides of the political aisle have repeatedly urged the CFPB to alter course so as to not hamper underserved consumers access to important financial products and features. However, the CFPB ignored this advice and has continued its aggressive approach to overregulation and will ultimately harm the vulnerable Americans it was supposed to help.

Congress passed the Congressional Review Act specifically to have a mechanism for stopping this type of regulatory overreach — knowing that it, and not federal regulators, is ultimately responsible to answering to the American people. We, and the literally tens of millions of Americans who support our various organizations, urge you to keep your promise to your constituents by using your authority to block this rule and preserve a regulatory environment that promotes consumer financial choice and independence.

Sincerely,

George Landrith
Frontiers of Freedom

Justin Sykes
Americans for Tax Reform

Tom Schatz
Council for Citizens Against
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Iain Murray
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