



**America's
Credit Unions**

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99 M Street SE
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June 25, 2024

The Honorable Bill Hagerty
251 Russell Senate Office Building
United States Senate
Washington, DC 20510

Re: S. 4521, the Consumer Financial Protection Bureau Accountability Act

Dear Senator Hagerty:

On behalf of America's Credit Unions, I am writing in support of your bill, S. 4521, the Consumer Financial Protection Bureau (CFPB) Accountability Act. America's Credit Unions is the voice of consumers' best option for financial services: credit unions. We advocate for policies that allow the industry to effectively meet the needs of their over 140 million members nationwide.

Your bill would ensure accountability for the CFPB by requiring that its funding be appropriated by Congress, as is the case for other Executive Branch agencies. Currently, the Federal Reserve is required to provide whatever funding that the CFPB requests, within certain limits, a very unusual arrangement that allows the CFPB to avoid the fiscal accountability to which the rest of the Executive Branch is subject. The broad power that the CFPB wields over financial products that affect every consumer makes it especially important that the Bureau operates with maximum transparency and accountability.

Credit unions are the original consumer financial protectors. Because of the not-for-profit member-owned cooperative structure, credit unions are not subject to the same profit-first motives that have been characteristic of other financial services providers. This distinction, combined with a track record of providing consumer-friendly financial services, is a key reason that rules and regulations should be tailored so they are not overly burdensome on credit unions.

Without the proper accountability that your bill provides, the CFPB has missed many opportunities to leverage credit unions' mission and history to the benefit of consumers and has finalized regulations that ultimately hamper the financial health of credit unions and their members. Consumers lose when one-size-fits all rules force credit unions to pull back safe and affordable options from the market, pushing consumers into the arms of entities engaged in the very activities the CFPB rules were designed to curtail. Under Director Rohit Chopra's leadership, the Bureau has yet again missed numerous opportunities to recalibrate its approach to regulation in a manner that fulfills its consumer protection mission without impeding consumers' access to credit and safe and affordable products and services.

Finally, while your bill would alleviate concerns related to CFPB funding altogether, the current status of the constitutionality of CFPB funding remains unclear, despite a recent Supreme Court

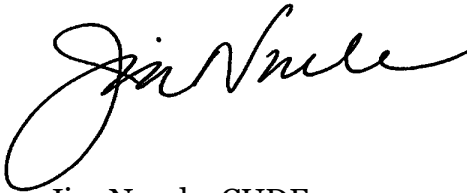
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ruling. The CFPB's funding mechanism, which draws its budget from the Federal Reserve's earnings, is potentially invalid and unconstitutional because the Federal Reserve has not had earnings since September 2022. This raises significant legal questions about whether the CFPB has been lawfully funded since then and whether any of its actions taken since then are valid. Your bill would help ensure greater legal certainty in this area.

On behalf of America's Credit Unions and their over 140 million credit unions members, thank you for introducing this very important legislation. We look forward to continuing to work with you to create an environment where credit unions can thrive.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Nussle". The signature is fluid and cursive, with a large loop at the beginning.

Jim Nussle, CUDE
President & CEO