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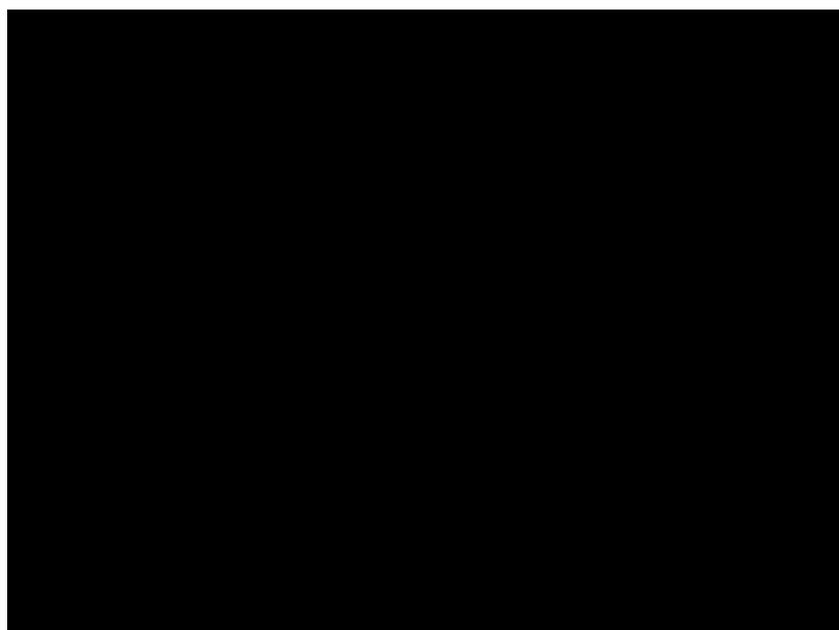
PRESS RELEASES

Chairman Hensarling Floor Remarks on the Consumer Financial Freedom and Washington Accountability Act

We need consumer protection. But consumers don't just need to be protected from Wall Street. They need to be protected from Washington as well.

Washington, Feb 27 -

House Financial Services Committee Chairman Jeb Hensarling (R-TX) delivered the following floor remarks on H.R. 3193, the Consumer Financial Freedom and Washington Accountability Act:



Mr. Chairman, we are now into the sixth year of the Obama administration and probably the two most common comments I hear

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from my constituents are “I just can’t make ends meet in this economy” and “Washington has become arrogant, unaccountable, and out of touch.”

And at the apex of these sentiments lies the newly minted, Dodd-Frank government agency known as the CFPB.

And although many have yet to hear of it, the CFPB is perhaps the single most powerful and least accountable Federal agency in all of Washington.

First, let’s speak of its power. Mr. Chairman, when it comes our credit cards, our auto loans, our mortgages, the CFPB has unbridled, discretionary power not only to make them less available and more expensive, but to absolutely take them away.

What does an agency with this kind of power do? It imposes rules like the Qualified Mortgage rule, or QM for short.

Mr. Chairman, what does QM do? According to Federal Reserve data, because of QM “roughly one-third of black and Hispanic borrowers would not meet the requirements of a QM loan.” Mr. Chairman, one-third.

Core Logic, which analyzes mortgage data has said “only half of today’s mortgage originations meet QM requirements.” That is egregiously unfair to hardworking Americans.

One of my small town community bankers in East Texas told me recently because of QM “I can’t tell you the number of times we have had to tell our good low-to-moderate income customers that we can no longer loan them money to purchase a home to live in.”

So Mr. Chairman, this is what an agency with too much discretionary power does. It can actually abuse consumers, taking away their homeownership opportunities. That’s unfair.

And let’s look at what happens to an agency that is not held accountable. Today, the CFPB is spending \$145 million to renovate a \$150 million headquarter building they don’t even own. And the renovation rate is three times the average Washington, D.C. luxury, class-A renovation rate.

Well, what does \$145 million buy? Well, it’s \$461 dollars per square foot in office renovations. Mister Chairman, that is more per square foot than was spent to build the Trump World Tower. And at \$461 per square foot, that was more money than it cost to spend to build the Bellagio Hotel and Casino in Las Vegas – which at the time, I’m told, was the most expensive hotel ever built. And Mr. Chairman, this is more money to renovate a building they don’t own than Dubai’s Burj Khalifa, the single-tallest skyscraper in the world. Now ironically enough, the architectural firm which designed the Burj Khalifa in Dubai is the same world-renowned architectural firm that the CFPB paid over \$7 million to design their headquarter renovations.

Now according to public documents, Mr. Chairman, some of the Bureau’s renovations include “a reflective carnelian granite water table” that will “lur[e] in the curious passer-by.” Also, for \$145 million of hard-earned taxpayer money the Bureau is buying “a shady tree bosque” to facilitate “chance interactions in a removed place of rest and contemplation.” I can’t make this up, Mr. Chairman. This is how hard-earned money is being squandered. Here it is, the architectural drawings which have been filed publically.

I’ve got to tell you Mr. Chairman, I’ve got a lot of people in my district in East Texas who live in mobile homes. They can’t afford carnelian granite water tables that apparently the CFPB is going to enjoy that my constituents have to pay for. And the only “shady tree bosque” to be found in East Texas in the Fifth District are those where hard-working ranchers work their cattle. And instead of rest and contemplation to be enjoyed by CFPB employees, because of such blatant waste, my constituents instead of rest and contemplation lay awake at night wondering how they are going to pay the bills and make ends meet. Mr. Chairman, this is what an unaccountable, federal government agency does. It squanders the people’s money because it is not their own and they are not accountable to the people’s representatives.

So that is why we are here today, Mr. Chairman. We are here to pass H.R. 3193, the Consumer Financial Freedom and Washington Accountability Act, who’s primary author Mr. Duffy of Wisconsin, has done excellent work along with many other members of our committee. This is a package Mr. Chairman of common-sense reforms designed to make the CFPB more accountable and more transparent to the American people.

The bill replaces the Bureau’s single, unaccountable director with a bipartisan board. It puts the Bureau’s employees, whose compensation and benefits average \$178,521- it puts them on the civil service pay scale. It introduces a safety and soundness check on its regulations, and gives the American people greater control over the massive quantities of personal financial data that the Bureau is collecting and maintaining on them at this time.

Mr. Chairman, we do need consumer protection. But consumers don’t just need to be protected from Wall Street. They need to be protected from Washington as well. H.R. 3193 will protect them from the CFPB and the House should pass it without delay, today.



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