

APRIL 17, 2018

Brown Floor Speech Opposing Repeal Of CFPB Guidance On Fair Auto Lending

WASHINGTON, D.C. — U.S. Sen. Sherrod Brown (D-OH) – ranking member of the U.S. Senate Committee on Banking, Housing, and Urban Affairs – delivered the following speech on the Senate floor today opposing S.J. Res. 57 – the Congressional Review Act to repeal the Consumer Financial Protection Bureau's (CFPB) Indirect Auto Lending Guidance. The guidance describes auto lenders' responsibility, established by the Equal Credit Opportunity Act of 1974, to avoid discriminatory lending practices.

Brown's remarks, as prepared for delivery, follow.

Over the last year and a half, Republicans in this Congress have made it pretty clear to the American people whose side they're on.

They have used the Congressional Review Act more than any other Congress in history to give handouts to big corporations at the expense of ordinary Americans.

It's bad enough that we're considering a bill that would tell Wall Street banks and shady lenders it's ok to discriminate against borrowers.

But that's not all today's legislation would do – it threatens thousands more protections for workers and families vulnerable to repeal by Congress.

Republicans have used the Congressional Review Act to repeal important rules that would have given low-wage workers access to retirement plans, ensured federal contractor employees had protections for their pay and civil rights, and ensured women have a right to choose their own healthcare provider, regardless of their form of insurance.

They also repealed a rule that would have guaranteed customers' right to a day in court when they're ripped off by a big bank like Wells Fargo or they have their personal data compromised by a big company like Equifax.

Fortunately, too much time has passed for Congress to use the Congressional Review Act to roll back any more protections the last administration put in place.

Unfortunately, they now want to use a legal loophole to interfere with thousands more federal decisions, potentially going back more than two decades.

In order to clarify how laws work, federal agencies issue guidance that helps people understand how the law protects them, and helps businesses understand how to follow the law.

Just last week, my Republican colleagues at a hearing on the CFPB decried the practice of enforcing a law without providing guidance in advance.

This week, Republicans want to start nullifying agency guidance, which could completely upend the federal programs that families depend on, and that responsible businesses want to follow.

Under this crazy new plan, Republicans in Congress could ban federal agencies from explaining how states administer federal health insurance programs like CHIP, or undermine requirements that make sure federally-funded projects pay the local prevailing wage, which ensures our tax dollars create good-paying jobs.

Republicans have used the Congressional Review Act to attack access to healthcare, and worker and environmental protections before, so it's no stretch to think they would do it again. Only now, there would be no limit to the types of agency actions they could target, and these attacks could continue to come to the Senate floor for months or years.

And what is the first thing Republicans want to do with this loophole? Make car loans more expensive for women and people of color.

The bill before us today sends a message to lenders across the country that if you're illegally discriminating, you're free to get away with it.

We created the Consumer Financial Protection Bureau after the financial crisis of 2008 to police Wall Street banks and other shady lenders who ripped off hard working families.

Under its last director, the bureau returned \$12 billion back to 29 million Americans who'd been ripped off by payday lenders, credit card companies, and for-profit colleges.

The Consumer Protection Bureau used to be a cop on the beat protecting customers from discrimination across the country.

They issued reports warning consumers about industries that weren't following the law and brought tough enforcement actions, identifying discriminatory lending practices in products like auto loans and home mortgages.

We know discrimination is still a major problem for people of color who want to buy cars and houses.

Just a few months ago, the Center for Investigative Journalism and Reveal released a report showing that redlining is still a problem in big American cities to this day.

Earlier this year, the National Fair Housing Alliance conducted tests demonstrating that people of color were systematically offered worse loan terms for cars than white borrowers with the exact same credit, seeking to purchase the exact same vehicle.

But instead of working to root out this discrimination, the bill before us would make it easier for banks to turn customers away or take advantage of them, based on the color of their skin.

This repeal could also permanently weaken federal anti-discrimination laws, by preventing the Consumer Bureau from providing guidance on how fair lending laws should be applied in the future in this area.

These fair lending laws that have been the law of the land for decades. These are the laws brave Americans fought for during the Civil Rights movement.

Civil rights organizations, like the NAACP, The Leadership Conference on Civil Rights, and Unidos, all oppose this measure. Consumer advocacy groups like the Center for Responsible Lending, the National Fair Housing Alliance, Americans for Financial Reform, and the National Consumer Law Center also strongly oppose it.

Mr. President, I ask unanimous consent to enter into the record letters from the scores of civil rights, and consumer and environmental and other organizations that vehemently oppose this legislation.

Americans for Financial Reform called this resolution “a deeply troubling piece of legislation that will leave millions of people of color at the mercy of auto-dealers and lenders with a long history of racial discrimination.”

If Republicans are willing to use this loophole to attack our basic right to equality, there may be no end to the other consumer protections they could repeal.

Big corporations could be free to take advantage of customers with little to rein them in.

Republicans in Congress could end the guidance that ensures billionaires and big corporations aren’t cheating on their taxes.

Right now, the Environmental Protection Agency issues guidance to ensure that corporate polluters aren’t putting communities in danger by contaminating the air they breathe or the water they drink.

States rely on federal guidance so they can work with the federal government to provide healthcare to families and children across the country. And workers rely on guidance from the Department of Labor to make sure they’re getting fair pay in a safe workplace.

But under the legislation before us today, all those protections could be stripped away in the future.

For the millions who lost their homes and their jobs in the financial crisis ten years ago, who are struggling to build their retirement with wages that haven’t been growing for more than 20 years, it’s already hard enough to get ahead.

We should be making life easier for them, not harder.

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