

## **Banking and Finance Law Daily Wrap Up, CONSUMER FINANCIAL PROTECTION BUREAU—Industry associations want insurance, credit union provisions in CFPB reform proposal, (Aug. 21, 2026)**

Banking and Finance Law Daily Wrap Up

By Jeff Williams

Insurance groups pressed for the legislation to clarify limitations on the CFPB's authority, while the DCUC called for the NCUA to retain primary authority over credit unions.

A group of several insurance-related trade associations and the Defense Credit Union Council (DCUC) have each weighed in with [suggestions](#) on changes that they think should be made to draft legislation the House Financial Services Committee has released aimed at reforming the structure and powers of the Consumer Financial Protection Bureau.

The committee last month requested feedback from the public on the draft bill, currently titled the CFPB Reform Act of 2026 (see [Banking and Finance Law Daily](#), July 27, 2026). The draft bill would amend the Consumer Financial Protection Act of 2010 and related implementing regulations, with a focus on increasing congressional oversight, clarifying authority, promoting innovation and predictability, and limiting "regulation by enforcement" of the bureau.

**Insurance Considerations.** The American Council of Life Insurers, the American Land Title Association, the American Property Casualty Insurance Association, the Consumer Credit Industry Association, the Council of Insurance Agents and Brokers, the Independent Insurance Agents & Brokers of America, the National Association of Mutual Insurance Companies, and the United States Chamber of Commerce [expressed support](#) for the CFPB reform legislation to include the Business of Insurance Regulatory Reform Act (H.R. 4735), which would clarify the authority of the bureau regarding entities regulated by state regulators.

The groups noted that Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act "largely exempted the business of insurance from the purview of the CFPB" and said that "additional revisions to the Dodd-Frank Act are needed to underscore the broad scope of the business of insurance exemption and to place appropriate parameters around the CFPB's regulatory actions."

The "state-based system" of insurance regulation established by Dodd-Frank has been "effective in promoting consumer protection," they said. Making further clarifications to the "limits of the CFPB's regulatory authority and affirming the presumption of exclusive authority of state insurance regulators, this legislation will create certainty for insurers, agents, and consumers that there will not be duplicative or conflicting consumer protection regulations in the future," the groups said.

**DCUC letter.** The DCUC said in a [comment letter](#) that the group supports the committee's efforts to "develop a more accountable, durable, and effective consumer financial regulatory structure."

The group highlighted its preference for a "consumer financial regulatory framework that protects consumers, targets fraud and intentional misconduct, and holds bad actors accountable" and that is "transparent, predictable, appropriately tailored, and respectful of the distinct structure and mission of credit unions." The DCUC argued that consumer protection is "not advanced when responsible institutions are forced to divert resources from member service to duplicative examinations, ambiguous regulatory expectations, or compliance systems designed for the nation's largest financial institutions."

The DCUC said that it supports the draft's language to bring the CFPB under the under the congressional appropriations process, establish a "dedicated and independent" Inspector General, strengthen economic analysis, expand small-entity review, and require retrospective evaluation of CFPB regulations.

Congress should also consider replacing the bureau's single-director governance model with a bipartisan, five-member commission, the DCUC said, stating that such a structure would "reduce abrupt changes in policy between presidential administrations and make the Bureau's regulatory agenda more consistent, deliberative, and durable."

The group also called for any CFPB regulation that would "materially affect" credit unions or other community-based financial institutions to be "supported by a comprehensive and publicly available economic analysis." The DCUC also said it favors mandatory retrospective reviews of major regulations at least once every five years and that the CFPB should have to obtain written concurrence of the national Credit Union Administration.

**Clarity, Fairness, and Innovation.** The group also outlined its preference for standards regarding unfair, deceptive, or abusive acts or practices to be established through notice-and-comment rulemaking and that individual enforcement actions, consent orders, examination findings, supervisory highlights, speeches, advisory statements, or informal guidance should not be used to "impose legal obligations that were not reasonably identifiable from a statute or regulation."

Congress should also establish a "workable framework in which credit unions can offer responsible small-dollar products without building a compliance infrastructure that is economical only for the largest institutions," the DCUC said, adding that regulatory requirements "should be calibrated to an institution's size, complexity, business model, risk profile, and demonstrated compliance history."

**Supervision and Enforcement.** The DCUC also detailed its preference for reforms that "reduce duplicative oversight and place primary consumer-compliance supervision with the regulator that best understands the institution." The NCUA should be the primary examiner for every credit union, with the CFPB retaining "generally applicable rulemaking authority and an appropriate backstop enforcement role" when the NCUA formally refers a matter or there is a documented failure to address significant consumer harm, the DCUC said.

Companies: American Council of Life Insurers; American Land Title Association; American Property Casualty Insurance Association; Consumer Credit Industry Association; Council of Insurance Agents and Brokers; Defense Credit Union Council; Independent Insurance Agents & Brokers of America; National Association of Mutual Insurance Companies; United States Chamber of Commerce

RegulatoryActivity: CFPB CommunityDevelopment ConsumerCredit DoddFrankAct

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