

113TH CONGRESS  
1ST SESSION

# S. 205

To replace the Director of the Bureau of Consumer Financial Protection with a 5-person Commission, to bring the Bureau into the regular appropriations process, to provide for a safety and soundness check, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 31, 2013

Mr. MORAN introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To replace the Director of the Bureau of Consumer Financial Protection with a 5-person Commission, to bring the Bureau into the regular appropriations process, to provide for a safety and soundness check, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Responsible Consumer  
5 Financial Protection Regulations Act of 2013”.

1 **SEC. 2. ESTABLISHMENT OF THE COMMISSION.**

2 Section 1011 of the Consumer Financial Protection  
3 Act of 2010 (12 U.S.C. 5491) is amended—

4 (1) by striking subsections (b), (c), and (d);

5 (2) by redesignating subsection (e) as sub-  
6 section (j); and

7 (3) by inserting after subsection (a) the fol-  
8 lowing new subsections:

9 “(b) ESTABLISHMENT OF THE COMMISSION.—

10 “(1) IN GENERAL.—There is hereby established  
11 a commission (hereafter in this title referred to as  
12 the ‘Commission’) that shall serve as the head of the  
13 Bureau.

14 “(2) AUTHORITY TO PRESCRIBE REGULA-  
15 TIONS.—The Commission may prescribe such regu-  
16 lations and issue such orders in accordance with this  
17 title as the Commission may determine to be nec-  
18 essary for carrying out this title and all other laws  
19 within the jurisdiction of the Commission, and shall  
20 exercise any authorities granted under this title and  
21 all other laws within the jurisdiction of the Commis-  
22 sion.

23 “(c) COMPOSITION OF THE COMMISSION.—

24 “(1) IN GENERAL.—The Commission shall be  
25 composed of 5 members, who shall be appointed by

1 the President, by and with the advice and consent  
2 of the Senate, from among individuals who—

3 “(A) are citizens of the United States; and

4 “(B) have strong competencies and experi-  
5 ences related to consumer financial protection.

6 “(2) STAGGERING.—The members of the Com-  
7 mission shall serve staggered terms, which initially  
8 shall be established by the President for terms of 1,  
9 2, 3, 4, and 5 years, respectively.

10 “(3) TERMS.—

11 “(A) IN GENERAL.—Each member of the  
12 Commission, including the Chair, shall serve for  
13 a term of 5 years.

14 “(B) REMOVAL FOR CAUSE.—The Presi-  
15 dent may remove any member of the Commis-  
16 sion only for inefficiency, neglect of duty, or  
17 malfeasance in office.

18 “(C) VACANCIES.—Any member of the  
19 Commission appointed to fill a vacancy occur-  
20 ring before the expiration of the term to which  
21 the predecessor of that member was appointed  
22 (including the Chair) shall be appointed only  
23 for the remainder of the term.

24 “(D) CONTINUATION OF SERVICE.—Each  
25 member of the Commission may continue to

1           serve after the expiration of the term of office  
2           to which that member was appointed until a  
3           successor has been appointed by the President  
4           and confirmed by the Senate, except that a  
5           member may not continue to serve more than 1  
6           year after the date on which the term of that  
7           member would otherwise expire.

8                   “(E) OTHER EMPLOYMENT PROHIBITED.—  
9           No member of the Commission shall engage in  
10          any other business, vocation, or employment  
11          during the term of service of that member on  
12          the Commission.

13          “(d) AFFILIATION.—With respect to members ap-  
14         pointed pursuant to subsection (c), not more than 3 shall  
15         be members of any one political party.

16          “(e) CHAIR OF THE COMMISSION.—

17                 “(1) APPOINTMENT.—The Chair of the Com-  
18         mission shall be appointed by the President from  
19         among the members of the Commission.

20                 “(2) AUTHORITY.—The Chair shall be the prin-  
21         cipal executive officer of the Bureau, and shall exer-  
22         cise all of the executive and administrative functions  
23         of the Bureau, including with respect to—

24                         “(A) the appointment and supervision of  
25                         personnel employed under the Bureau (other

1 than personnel employed regularly and full time  
2 in the immediate offices of members of the  
3 Commission other than the Chair);

4 “(B) the distribution of business among  
5 personnel appointed and supervised by the  
6 Chair and among administrative units of the  
7 Bureau; and

8 “(C) the use and expenditure of funds.

9 “(3) LIMITATION.—In carrying out any of the  
10 functions of the Chair under this subsection, the  
11 Chair shall be governed by general policies of the  
12 Commission and by such regulatory decisions, find-  
13 ings, and determinations as the Commission may by  
14 law be authorized to make.

15 “(4) REQUESTS OR ESTIMATES RELATED TO  
16 APPROPRIATIONS.—Requests or estimates for reg-  
17 ular, supplemental, or deficiency appropriations on  
18 behalf of the Commission may not be submitted by  
19 the Chair without the prior approval of the Commis-  
20 sion.

21 “(f) NO IMPAIRMENT BY REASON OF VACANCIES.—  
22 No vacancy in the membership of the Commission shall  
23 impair the right of the remaining members of the Commis-  
24 sion to exercise all the powers of the Commission. Three  
25 members of the Commission shall constitute a quorum for

1 the transaction of business, except that if there are only  
2 3 members serving on the Commission because of vacan-  
3 cies in the membership of the Commission, 2 members of  
4 the Commission shall constitute a quorum for the trans-  
5 action of business. If there are only 2 members serving  
6 on the Commission because of vacancies in the member-  
7 ship of the Commission, 2 members shall constitute a  
8 quorum for the 6-month period beginning on the date of  
9 the vacancy which caused the number of Commission  
10 members to decline to 2.

11 “(g) SEAL.—The Commission shall have an official  
12 seal.

13 “(h) COMPENSATION.—

14 “(1) CHAIR.—The Chair shall receive com-  
15 pensation at the rate prescribed for level I of the  
16 Executive Schedule under section 5313 of title 5,  
17 United States Code.

18 “(2) OTHER MEMBERS OF THE COMMISSION.—

19 The 4 members of the Commission other than the  
20 Chair shall each receive compensation at the rate  
21 prescribed for level II of the Executive Schedule  
22 under section 5314 of title 5, United States Code.

23 “(i) INITIAL QUORUM ESTABLISHED.—During any  
24 time period prior to the date of confirmation of at least  
25 2 members of the Commission, one member of the Com-

1 mission shall constitute a quorum for the transaction of  
 2 business. Following the confirmation of at least 2 addi-  
 3 tional commissioners, the quorum requirements of sub-  
 4 section (f) shall apply.”.

5 **SEC. 3. BRINGING THE BUREAU INTO THE REGULAR AP-**  
 6 **PROPRIATIONS PROCESS.**

7 Section 1017 of the Consumer Financial Protection  
 8 Act of 2010 (12 U.S.C. 5497) is amended—

9 (1) in subsection (a)—

10 (A) by amending the heading of such sub-  
 11 section to read as follows: “BUDGET, FINAN-  
 12 CIAL MANAGEMENT, AND AUDIT.—”;

13 (B) by striking paragraphs (1), (2), and  
 14 (3);

15 (C) by redesignating paragraphs (4) and  
 16 (5) as paragraphs (1) and (2), respectively; and

17 (D) by striking subparagraphs (E) and (F)  
 18 of paragraph (1), as so redesignated;

19 (2) by striking subsections (b), (c), and (d);

20 (3) by redesignating subsection (e) as sub-  
 21 section (b); and

22 (4) in subsection (b), as so redesignated—

23 (A) by striking paragraphs (1), (2), and  
 24 (3) and inserting the following:

1           “(1) AUTHORIZATION OF APPROPRIATIONS.—

2           There is authorized to be appropriated to the Bu-  
3           reau, to carry out this title—

4                   “(A) not more than \$143,000,000 for fis-  
5                   cal year 2013; and

6                   “(B) not more than \$329,000,000 for fis-  
7                   cal year 2014.”; and

8                   (B) by redesignating paragraph (4) as  
9                   paragraph (2).

10 **SEC. 4. SAFETY AND SOUNDNESS CHECK.**

11           Section 1022(b)(2)(A) of the Consumer Financial  
12           Protection Act of 2010 (12 U.S.C. 5497(b)(2)(A)) is  
13           amended—

14                   (1) in clause (i), by striking “and” at the end;

15                   (2) in clause (ii), by inserting “and” at the end;

16           and

17                   (3) by adding at the end the following:

18                           “(iii) the impact of such rule on the  
19                           financial safety or soundness of an insured  
20                           depository institution;”.

21 **SEC. 5. CONFORMING AMENDMENTS.**

22           (a) CONSUMER FINANCIAL PROTECTION ACT OF  
23           2010.—



1           (1) IN GENERAL.—Except as provided under  
2 paragraph (1), the Consumer Financial Protection  
3 Act of 2010 (12 U.S.C. 5481 et seq.) is amended—

4           (A) by striking “Director of the” each  
5 place such term appears, other than where such  
6 term is used to refer to a Director other than  
7 the Director of the Bureau of Consumer Finan-  
8 cial Protection;

9           (B) by striking “Director” each place such  
10 term appears, other than where such term is  
11 used to refer to a Director other than the Di-  
12 rector of the Bureau of Consumer Financial  
13 Protection, and inserting “Bureau”; and

14           (C) in section 1002, by striking paragraph  
15 (10) and inserting the following:

16           “(10) [Reserved].”

17           (2) EXCEPTIONS.—The Consumer Financial  
18 Protection Act of 2010 (12 U.S.C. 5481 et seq.) is  
19 amended—

20           (A) in section 1012(c)(4) (12 U.S.C.  
21 5492(c)(4)), by striking “Director” each place  
22 such term appears and inserting “Commission  
23 of the Bureau”;

24           (B) in section 1013(c)(3) (12 U.S.C.  
25 5493(c)(3))—

1 (i) by striking “Assistant Director of  
2 the Bureau for” and inserting “Head of  
3 the Office of”; and

4 (ii) in subparagraph (B), by striking  
5 “Assistant Director” and inserting “Head  
6 of the Office”;

7 (C) in section 1013(g)(2) (12 U.S.C.  
8 5493(g)(2))—

9 (i) in the paragraph heading, by strik-  
10 ing “ASSISTANT DIRECTOR” and inserting  
11 “HEAD OF THE OFFICE”; and

12 (ii) by striking “an assistant director”  
13 and inserting “a Head of the Office of Fi-  
14 nancial Protection for Older Americans”;

15 (D) in section 1016(a) (12 U.S.C.  
16 5496(a)), by striking “Director of the Bureau”  
17 and inserting “Chair of the Commission”; and

18 (E) in section 1066(a) (12 U.S.C.  
19 5586(a)), by striking “Director of the Bureau  
20 is” and inserting “first member of the Commis-  
21 sion is”.

22 (b) DODD-FRANK WALL STREET REFORM AND CON-  
23 SUMER PROTECTION ACT.—The Dodd-Frank Wall Street  
24 Reform and Consumer Protection Act (Public Law 111–  
25 203) is amended—

1           (1) in section 111(b)(1)(D) (12 U.S.C. 5321),  
2           by striking “Director” and inserting “Chair of the  
3           Commission”; and

4           (2) in section 1447 (12 U.S.C. 1701p–2), by  
5           striking “Director of the Bureau” each place such  
6           term appears and inserting “Bureau”.

7           (c) ELECTRONIC FUND TRANSFER ACT.—Section  
8           920(a)(4)(C) of the Electronic Fund Transfer Act (15  
9           U.S.C. 1693o–2(a)(4)(C)), as added by section 1075(a)(2)  
10          of the Consumer Financial Protection Act of 2010, is  
11          amended by striking “Director of the Bureau of Consumer  
12          Financial Protection” and inserting “Bureau of Consumer  
13          Financial Protection”.

14          (d) EXPEDITED FUNDS AVAILABILITY ACT.—The  
15          Expedited Funds Availability Act (12 U.S.C. 4001 et  
16          seq.), as amended by section 1086 of the Consumer Finan-  
17          cial Protection Act of 2010, is amended by striking “Di-  
18          rector of the Bureau” each place such term appears and  
19          inserting “Bureau”.

20          (e) FEDERAL DEPOSIT INSURANCE ACT.—Section 2  
21          of the Federal Deposit Insurance Act (12 U.S.C. 1812),  
22          as amended by section 336(a) of the Dodd-Frank Wall  
23          Street Reform and Consumer Protection Act, is amended  
24          by striking “Director of the Consumer Financial Protec-  
25          tion Bureau” each place such term appears and inserting

1 “Chair of the Commission of the Bureau of Consumer Fi-  
2 nancial Protection”.

3 (f) FEDERAL FINANCIAL INSTITUTIONS EXAMINA-  
4 TION COUNCIL ACT OF 1978.—Section 1004(a)(4) of the  
5 Federal Financial Institutions Examination Council Act of  
6 1978 (12 U.S.C. 3303(a)(4)), as amended by section 1091  
7 of the Consumer Financial Protection Act of 2010, is  
8 amended by striking “Director of the Consumer Financial  
9 Protection Bureau” and inserting “Chair of the Commis-  
10 sion of the Bureau of Consumer Financial Protection”.

11 (g) FINANCIAL LITERACY AND EDUCATION IM-  
12 PROVEDMENT ACT.—Section 513 of the Financial Literacy  
13 and Education Improvement Act (20 U.S.C. 9702), as  
14 amended by section 1013(d) of the Consumer Financial  
15 Protection Act of 2010, is amended by striking “Director”  
16 each place such term appears and inserting “Chair of the  
17 Commission”.

18 (h) HOME MORTGAGE DISCLOSURE ACT OF 1975.—  
19 Section 307 of the Home Mortgage Disclosure Act of 1975  
20 (12 U.S.C. 2806), as amended by section 1094(6) of the  
21 Consumer Financial Protection Act of 2010, is amended  
22 by striking “Director of the Bureau of Consumer Finan-  
23 cial Protection” each place such term appears and insert-  
24 ing “Bureau of Consumer Financial Protection”.

1 (i) INTERSTATE LAND SALES FULL DISCLOSURE  
2 ACT.—The Interstate Land Sales Full Disclosure Act (15  
3 U.S.C. 1701 et seq.), as amended by section 1098A of the  
4 Consumer Financial Protection Act of 2010, is amended—

5 (1) in section 1402, by striking paragraph (1)  
6 and inserting the following:

7 “(1) ‘Chair’ means the Chair of the Commission of  
8 the Bureau of Consumer Financial Protection;” and

9 (2) in section 1416(a), by striking “Director of  
10 the Bureau of Consumer Financial Protection” and  
11 inserting “Chair”.

12 (j) REAL ESTATE SETTLEMENT PROCEDURES ACT  
13 OF 1974.—Section 5 of the Real Estate Settlement Proce-  
14 dures Act of 1974 (12 U.S.C. 2604), as amended by sec-  
15 tion 1450 of the Dodd-Frank Wall Street Reform and  
16 Consumer Protection Act, is amended—

17 (1) by striking “The Director of the Bureau of  
18 Consumer Financial Protection (hereafter in this  
19 section referred to as the ‘Director’)” and inserting  
20 “The Bureau of Consumer Financial Protection”;  
21 and

22 (2) by striking “Director” each place such term  
23 appears and inserting “Bureau”.

24 (k) S.A.F.E. MORTGAGE LICENSING ACT OF 2008.—  
25 The S.A.F.E. Mortgage Licensing Act of 2008 (12 U.S.C.

1 5101), as amended by section 1100 of the Consumer Fi-  
2 nancial Protection Act of 2010, is amended—

3 (1) by striking “Director” each place such term  
4 appears, other than where such term is used in the  
5 context of the Director of the Office of Thrift Super-  
6 vision, and inserting “Bureau”; and

7 (2) in section 1503, by striking paragraph (10).

8 (l) TITLE 44, UNITED STATES CODE.—Section  
9 3513(c) of title 44, United States Code, as amended by  
10 section 1100D(b) of the Consumer Financial Protection  
11 Act of 2010, is amended by striking “Director of the Bu-  
12 reau” and inserting “Bureau”.

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