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115TH CONGRESS
1ST SESSION

H. R. 1018

To replace the Director of the Bureau of Consumer Financial Protection with a 5-person commission, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 13, 2017

Mr. DESJARLAIS (for himself and Mr. DUNCAN of Tennessee) introduced the following bill; which was referred to the Committee on Financial Services

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A BILL

To replace the Director of the Bureau of Consumer Financial Protection with a 5-person commission, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "CFPB Constitutional Reform Act of 2017".

SEC. 2. REPLACING THE DIRECTOR WITH A 5-PERSON COMMISSION.

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

(1) in section 1011—

(A) by striking subsections (b), (c), and (d);

(B) by redesignating subsection (e) as subsection (h); and

(C) by inserting after subsection (a) the following new subsections:

''(b) BUREAU HEADED BY A COMMISSION.—

''(1) IN GENERAL.—The Bureau shall be headed by a commission, as provided under this subsection.

''(2) COMPOSITION OF THE COMMISSION.—

''(A) IN GENERAL.—The commission shall be composed of 5 members who shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals who—

''(i) are citizens of the United States; and

''(ii) have strong competencies and experiences related to consumer financial products and services.

''(B) STAGGERING.—The members of the commission shall serve staggered terms, which initially shall be established by the President

for terms of 1, 2, 3, 4, and 5 years, respectively.

''(C) TERMS.—

''(i) IN GENERAL.—Except as provided under subparagraph (B), each member of the commission, including the Chair, shall serve for a term of 5 years.

''(ii) REMOVAL.—The President may remove any member of the commission for inefficiency, neglect of duty, or malfeasance in office.

''(iii) VACANCIES.—Any member of the commission appointed to fill a vacancy occurring before the expiration of the term to which that member's predecessor was appointed (including the Chair) shall be appointed only for the remainder of the term.

''(iv) CONTINUATION OF SERVICE.—Each member of the commission may continue to serve after the expiration of the term of office to which that member was appointed until a successor has been appointed by the President and confirmed by the Senate, except that a member may not

continue to serve more than 1 year after the date on which that member's term would otherwise expire.

''(v) OTHER EMPLOYMENT PROHIBITED.—No member of the commission shall engage in any other business, vocation, or employment.

''(c) AFFILIATION.—Not more than 3 members of the commission shall be members of any one political party.

''(d) CHAIR.—

''(1) APPOINTMENT.—The Chair of the commission shall be appointed by the President from among the members of the commission.

''(2) AUTHORITY.—The Chair shall be the principal executive officer of the commission, and shall exercise all of the executive and administrative functions of the commission, including with respect to—

''(A) the appointment and supervision of personnel employed under the commission (other than personnel employed regularly and full time in the immediate offices of members of the commission other than the Chair);

''(B) the distribution of business among personnel appointed and supervised by the

Chair and among administrative units of the commission; and

''(C) the use and expenditure of funds.

''(3) LIMITATION.—In carrying out any of the Chair's functions under the provisions of this subsection the Chair shall be governed by general policies of the commission and by such regulatory decisions, findings, and determinations as the commission may by law be authorized to make.

''(e) NO IMPAIRMENT BY REASON OF VACANCIES.—No vacancy in the members of the commission shall impair the right of the remaining members of the commission to exercise all the powers of the commission. Three members of the commission shall constitute a quorum for the transaction of business, except that if there are only 3 members serving on the commission because of vacancies in the commission, 2 members of the commission shall constitute a quorum for the transaction of business. If there are only 2 members serving on the commission because of vacancies in the commission, 2 members shall constitute a quorum for the 6-month period beginning on the date of the vacancy which caused the number of commission members to decline to 2.

''(f) SEAL.—The Commission shall have an official seal.

''(g) COMPENSATION.—

''(1) CHAIR.—The Chair shall receive compensation at the rate prescribed for level I of the Executive Schedule under section 5313 of title 5, United States Code.

''(2) OTHER MEMBERS OF THE COMMISSION.—The 4 other members of the commission shall each receive compensation at the rate prescribed for level II of the Executive Schedule under section 5314 of title 5, United States Code.''.

SEC. 3. DEEMING OF NAME.

Any reference in a law, regulation, document, paper, or other record of the United States to the Director of the Bureau of Consumer Financial Protection shall be deemed a reference to the Bureau of Consumer Financial Protection.

SEC. 4. CONFORMING AMENDMENTS.

(a) CONSUMER FINANCIAL PROTECTION ACT OF 2010.—

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

(A) by striking ''Director of the Bureau'' each place such term appears, other than where such term is used to refer to a Director other

than the Director of the Bureau of Consumer Financial Protection, and inserting ''Bureau'';

(B) by striking ''Director'' each place such term appears and inserting ''Bureau'', other than where such term is used to refer to a Director other than the Director of the Bureau of Consumer Financial Protection; and

(C) in section 1002, by striking paragraph (10).

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

(A) in section 1013(c)(3)—

(i) by striking ''Assistant Director of the Bureau for'' and inserting ''Head of the Office of''; and

(ii) in subparagraph (B), by striking ''Assistant Director'' and inserting ''Head of the Office'';

(B) in section 1013(g)(2)—

(i) by striking ''ASSISTANT DIRECTOR'' and inserting ''HEAD OF THE OFFICE''; and

(ii) by striking ''an assistant director'' and inserting ''a Head of the Office of Financial Protection for Older Americans'';

(C) in section 1016(a), by striking ''Director of the Bureau'' and inserting ''Chair of the Bureau'';

(D) in section 1017(c)(1), by striking ''Director and other'';

(E) in section 1027(l)(1), by striking ''Director and the Bureau'' and inserting ''Chair and the Bureau''; and

(F) in section 1066(a), by striking ''Director of the Bureau is'' and inserting ''first member of the Bureau is''.

(b) DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT.—The Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5301 et seq.) is amended—

(1) in section 111(b)(1)(D), by striking ''Director of the Bureau'' and inserting ''Chair of the Bureau''; and

(2) in section 1447, by striking ''Director of the Bureau'' each place such term appears and inserting ''Bureau''.

(c) ELECTRONIC FUND TRANSFER ACT.—Section 921(a)(4)(C) of the Electronic Fund Transfer Act (15 U.S.C. 1693o–2(a)(4)(C)) is amended by striking ''Director of the Bureau of Consumer Financial Protection'' and inserting ''Bureau''.

(d) EXPEDITED FUNDS AVAILABILITY ACT.—The Expedited Funds Availability Act (12 U.S.C. 4001 et seq.) is amended by striking ''Director of the'' each place such term appears.

(e) FEDERAL DEPOSIT INSURANCE ACT.—Section 2 of the Federal Deposit Insurance Act (12 U.S.C. 1812) is amended by striking ''Director of the Consumer Financial Protection Bureau'' each place such term appears and inserting ''Chair of the Bureau of Consumer Financial Protection''.

(f) FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL ACT OF 1978.—Section 1004(a)(4) of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3303(a)(4)) is amended by striking ''Director of the Consumer Financial Protection Bureau'' and inserting ''Chair of the Bureau of Consumer Financial Protection''.

(g) FINANCIAL LITERACY AND EDUCATION IMPROVEMENT ACT.—Section 513 of the Financial Literacy and Education Improvement Act (20 U.S.C. 9702) is

amended by striking ''Director of the Bureau of Consumer Financial Protection'' each place such term appears and inserting ''Chair of the Bureau of Consumer Financial Protection''.

(h) HOME MORTGAGE DISCLOSURE ACT OF 1975.—Section 307 of the Home Mortgage Disclosure Act of 1975 is amended by striking ''Director of the Bureau of Consumer Financial Protection'' each place such term appears and inserting ''Bureau of Consumer Financial Protection''.

(i) INTERSTATE LAND SALES FULL DISCLOSURE ACT.—The Interstate Land Sales Full Disclosure Act is amended—

(1) by amending section 1402(1) to read as follows:

''(1) 'Chair' means the Chair of the Bureau of Consumer Financial Protection;''; and

(2) in section 1416(a), by striking ''Director of the Bureau of Consumer Financial Protection'' and inserting ''Chair''.

(j) REAL ESTATE SETTLEMENT PROCEDURES ACT OF 1974.—Section 5 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2604) is amended—

(1) by striking ''The Director of the Bureau of Consumer Financial Protection (hereafter in this

section referred to as the 'Director')'' and inserting ''The Bureau of Consumer Financial Protection''; and

(2) by striking ''Director'' each place such term appears and inserting ''Bureau''.

(k) S.A.F.E. MORTGAGE LICENSING ACT OF 2008.—The S.A.F.E. Mortgage Licensing Act of 2008 (12 U.S.C. 5101 et seq.) is amended—

(1) by striking ''Director'' each place such term appears in headings and text and inserting ''Bureau'';

(2) by striking ''director'' each place such term appears in headings and inserting ''Bureau''; and

(3) in section 1503, by striking paragraph (10).

(l) TITLE 44, UNITED STATES CODE.—Section 3513(c) of title 44, United States Code is amended by striking ''Director of the Bureau'' and inserting ''Bureau''.

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