

SAMPLE LETTER TO SENATOR

January, 2010

The Honorable MY SENATOR
United States Senate
SENATE OFFICE BUILDING
Washington, DC 20510

Dear SENATOR:

On behalf of MY GROUP and the community leaders we represent, I am writing to urge you to fight for and pass strong and meaningful financial regulatory reform that includes an independent Consumer Financial Protection Agency (CFPA).

It has been well documented that a lack of regulation and a failure of the existing regulatory structure are to blame for the current financial meltdown. The devastating effects of the crisis are real and are being felt in communities all across America. Millions of families face foreclosure, billions of retirement and pension dollars have been lost, millions of people have lost their jobs.

Communities and families are counting on the Congress to do your job and provide meaningful regulation. This can only be achieved through an agency that is wholly independent and that has full rule writing, examination and enforcement authority. We have seen the damage caused by leaving consumer regulation up to the banking regulators. We need a regulator whose first and only job is to look out for the interests of real Americans – not just the bottom line of the financial industry.

In October, thousands of citizens from around the country converged in Chicago to tell the banking lobby that is standing in the way of reform that they had had enough. Since then, protests have taken place all over the country demanding an even playing field for consumers and communities. At all of these events, the question is being asked to Congress; “which side are you on?” We hope that you will choose to side with the people and their interests, and not the Wall Street lobbyists who want to continue with business as usual.

Please, do not allow the opportunity for real consumer regulatory reform to go by. Please support strong financial regulatory reform that includes an independent CFPA.

Sincerely,

Sample LTE #1:

Dear Editor:

So much of the problems with our economy, like the record number of foreclosures and the losses in retirement savings and home values, might have been averted if only those federal regulators who are supposed to oversee consumer protections in the banking and credit industries in this country had actually taken that role seriously. Unfortunately, all too often, these regulators have been more concerned about the banks than they have about consumers.

In my position as XX, I have seen too many people pay far more for credit and loans than they were told they would pay. Lenders who offered “exploding ARM” mortgages and credit cards with interest rates that increase “at any time for any reason” used a variety of traps and tricks to lure Americans onto the debt treadmill. These loans have left too many XX [state] families on or over the brink of financial ruin.

But help could be on the way - the Consumer Financial Protection Agency will oversee loans and credit to ensure that consumers are getting a fair deal. The House passed a financial reform bill that includes this agency and now it’s up to the Senate to do the same. Our Senator XX [name] is key to getting this bill passed. We need Sen XX to vote yes on this bill so that we consumers will finally have an agency that looks out for us, just as the bankers have had for years.

We need an agency that puts consumer protection first, and this bill would make that happen. Let’s make sure Rep/Sen XX votes in support of this essential legislation.

Sincerely,

Sample LTE #2:

Dear Editor:

Too many of us have had to cope with excessive credit card fees, costly overdraft loans, mortgage prepayment penalties or adjustable rate mortgages with exploding interest rates. Consumers face a world of deception and confusion when it comes to

these credit and lending products – lots of fine print, disclosures that are impossible to understand and way too much legalese.

Finally, there may be some relief on the way in the form of the proposed Consumer Financial Protection Agency. This bill would create an agency whose sole job would be to look out for consumers as they take out a mortgage, accept an offer for a new credit card, or pay off a loan from a bank or check cashing company. The agency would be empowered to ensure that credit and payment products do not include features that harm consumers like pre-payment penalties, unjustified fees or hair-trigger interest rate increases.

Late last year the House of Representatives passed financial reform legislation that includes a Consumer Financial Protection Agency. Now it's up to the Senate. Senator XX is key to getting this passed into law. We call on Senator XX to strongly support this legislation. We desperately need an agency that makes consumer protection its top priority. Had this agency been in place a year ago, our financial institutions and our economy in general might not be in the sorry shape they are today. It's a win-win and we want it passed now.

Sincerely,

Sample LTE #3:

Dear Editor:

Our economy is in shambles, our home values have plummeted, and we don't know who to trust with our money anymore. It is now clear that properly enacted and enforced consumer financial protections would have averted much of the current economic mess and could have ensured that regulators were watching out for consumers, rather than idly sitting by as too many of us lost way too much. But -- consumer protection oversight is fragmented among seven government agencies and covers 17 different consumer finance statutes.

We need to make sure that this crisis can't be repeated and there is a proposal in Congress that would do just that by creating a Consumer Financial Protection Agency. This legislation would create a new agency focused solely on protecting consumers from the unfair, deceptive and abusive practices that got us into this mess in the first place. The agency would improve transparency, fairness and the appropriateness of financial products and services like home mortgages, credit

cards, and bank overdraft loans.

Late last year the House of Representatives passed financial reform legislation that includes a Consumer Financial Protection Agency. Now it's up to the Senate. Senator XX Senator is key to getting this bill passed into law. We call on Senator to strongly support the creation of an independent Consumer Financial Protection Agency and to make sure it gets passed into law as soon as possible. All of us deserve the opportunity to understand the terms and conditions on our credit cards, mortgages, and other types of loans. This agency will make that a reality and it can't happen soon enough.

Sincerely,

Sample LTE #4:

Dear Editor:

It is not getting much attention locally, but the big banks, the mortgage lenders, and the insurance companies are working to kill legislation in Washington that would deprive us of essential reforms in the financial marketplace. Bear in mind, these are the same folks who brought the global economy to the brink of collapse with their reckless lending and poor management in the first place. These companies are pulling out all the stops to defeat the creation of an independent Consumer Financial Protection Agency Act.

This proposed Agency will give consumers a fighting chance against the big guys and levels the playing field so that we'll know what we're buying and how much it costs. Seems simple and reasonable enough, and it is, but these companies would hate to have to actually answer to anyone other than themselves.

The Consumer Financial Protection Agency will put consumer protection first. Too often the agencies that are supposed to protect consumers are too busy looking to protect the industry they are supposed to be regulating. Consumers then end up bearing the brunt of deceptive and abusive practices hoisted on them with nowhere to turn for help.

Senator XX is key to getting this bill passed into law. We call on Senator XX to strongly support this legislation and to make sure the Consumer Financial Protection Agency gets passed into law as soon as possible. The TARP rescued

many of our nation's banks and lending institutions – now consumers need relief as well. We need the Consumer Financial Protection Agency.

Sincerely,

Sample LTE #5:

Dear Editor:

We're all familiar with the litany of recent consumer financial abuses: credit card companies that increase the interest rate on one card because of your payment history on another card and that forbid you from taking a dispute to court by requiring mandatory arbitration; mortgage brokers who get a kickback by steering you into a loan that costs more than other mortgage products and who write mortgages that include substantial penalties for paying off the mortgage early; and banks that provide overdraft loans to their customers without their consent, a contract, or disclosure of costs or fair repayment terms.

It's time to put a stop to these abuses, and there is currently a proposal in Congress to make that happen. The proposed Consumer Financial Protection Agency Act will protect consumers who purchase banking, credit and other financial services.

For example, the agency will ensure that credit and payment products do not have predatory or deceptive features that can harm consumers or lock them into unaffordable loans. The agency will also conduct research and provide information to consumers about how to avoid the financial products tricks and traps. They also would rein in deceptive marketing and require better disclosure.

Late last year the House of Representatives passed financial reform legislation that includes an independent Consumer Financial Protection Agency. Now it's up to the Senate. Senator XX is key to getting this passed into law. We call on Senator XX to strongly support this legislation and to make sure a strong, independent Consumer Financial Protection Agency gets passed into law as soon as possible. It's time to give consumers a break, and the Consumer Financial Protection Agency will do just that.

Sincerely,

Sample Op-ed #1

768 words

When you were a kid and you had a choice between the teacher with the reputation for being a tough grader and a task master versus the easy-grading teacher, didn't you always hope to get the easy grader? What if you got to shop around and pick the easiest grader in the school – wouldn't that have been great?

That's what the banks in this country get to do everyday. It's known as regulatory arbitrage or charter shopping and it means that the banks find the regulator with the most lax rules, enforcement and oversight and they set up their business so that they can be regulated by that government agency.

And let's not forget what the regulators have allowed the banks and other lenders to do, like unfairly applying penalty and "default" interest rates on credit cards that can rise above 30 percent. Or applying interest rate hikes on existing credit card debt. Also, the slow availability of bank deposits to consumers, while the banks are allowed to manipulate check payment order to extract maximum bounced check and overdraft fees. Then there are the high cost prepayment penalties to refinance a mortgage and allowing mortgage lenders to receive a kickback for making a loan more costly than necessary. Consumers have been used and abused for far too long.

The Office of the Comptroller of the Currency (OCC), Office of Thrift Supervision (OTS), the Federal Reserve Board, the Federal Deposit Insurance Corporation (FDIC), and the states all have a role in regulating banks. Each of these agencies has a mission to ensure the safety and soundness of the banks they oversee. They also have a role in protecting consumers, although too often that role is ignored, or even shunned, as the regulators cozy up to the banks.

The agencies are funded through assessments from the banks they regulate, and have a history of wooing banks with lenient rules and lax oversight. One former Federal Reserve Chairman described the situation as "competition in laxity."

Countrywide Financial was the beneficiary of this system, and we all paid the price when we had to bail them out. In 2007 the Office of Thrift Supervision reportedly persuaded the firm, at the time the nation's largest mortgage lender and heavily into subprime loans, to move under OTS supervision, promising to be a "less antagonistic" regulator. Firms like Countrywide got to shop for the most lenient regulator, leading to a race to the bottom from the regulators as they courted firms to be, as they called them, "their customers."

But the system doesn't have to work this way. Had the Fed, the OTS and the OCC cared as much about their missions to protect consumers as their missions to ensure bank safety and soundness, we wouldn't be in the economic crisis that we are in today.

There is a solution pending in Congress - the Consumer Financial Protection Agency Act. Under this legislation, the consumer protection functions that serve as a backwater in the banking agencies would be brought together and become front and center in a new agency that focuses on consumers.

The creation of this agency was included in President Obama's financial regulatory reform proposal. The proposal states that this Agency will have the "authority and accountability to make sure that consumer protection regulations are written fairly and enforced vigorously." A goal will be to "promote transparency, simplicity, fairness, accountability, and access in the market for consumer financial products and services" which will include credit, banking, payment and credit-related insurance products.

The Consumer Financial Protection Agency will put consumer protection first. The CFPB would make consumer protection its top priority, which will also better ensure the soundness of financial institutions.

The CFPB would stop regulatory agencies from competing among themselves to lower standards in their race to the bottom. It's time to put an end to charter-shopping by financial institutions and stop them from freely switching charters in order to reduce their level of oversight. Under the CFPB, regulated institutions could not choose the agency that regulates them.

The CFPB will develop rules that establish federal minimum standards for financial products and the institutions that offer them, so that competition between state and federal regulators would only exist to improve the quality of consumer protection.

Students may enjoy the lax teacher who gives them good grades for minimal effort, but in the end, when they don't know the subject matter, they ultimately fail. The same is true for the banks - lax regulators helped boost the short-term profits of the banks. However, in the long run, toothless oversight of lenders hurts all of us.

Sample Op-ed #2

707 words

Safety and Soundness for Consumers?

Your bank, which may have benefited from a large taxpayer-funded bailout this year, is now working to keep you from getting the consumer financial protections you need and deserve. These are the consumer protections that might have kept

our economy from going off a cliff by preventing unsound and abusive mortgages.

The Consumer Financial Protection Agency Act is currently pending in Congress. This legislation would streamline financial consumer protection that is currently fractured between 7 federal agencies and some 20 laws into one office, the Consumer Financial Protection Agency (CFPA). The CFPA's sole mission would be to protect consumers by preventing discriminatory, deceptive, or fraudulent loans; ensuring products are fair and suitable to the buyer; and providing transparent, uniform enforcement. The Agency would focus on the safety of credit products, features, and practices, no matter what kind of lender offers them. The reckless lending that brought our economy down would have been stopped early on had this agency been in existence.

The banks are out in force telling our elected representatives that they oppose this bill. But their arguments are both inaccurate and disingenuous.

The banks are saying that the proposed relationship between state and federal regulation will make compliance costly and complex. Under the proposed bill, federal rules will be the floor of consumer protection. States will be allowed to enact additional protections as conditions warrant. What the banks don't seem to want to understand is that state laws and enforcement can actually reduce overall costs to industry and the economy. It was the banks that succeeded in their lobbying effort to get the federal regulators to stop enforcement of stricter state predatory lending laws. The residents in those states would be much better off today had the banks failed in their lobbying effort.

Truth is, most states that enact laws in areas where Congress has not acted tend to pass provisions that are often very similar, so when banks argue the CFPA will create a 'patchwork' of state laws, it's a red herring. And it's even more of a red herring when you consider that the federal rules should be at a level where the vast majority of states won't need to pass additional legislation. In addition, problems reach the radar screen of the states much sooner than they reach the federal level. Structuring this bill with state flexibility allows states to put an end to unsavory practices before they can even reach the national level, thus protecting all of us.

Opponents of this bill also say that the role of regulators in ensuring bank "safety and soundness" cannot be separated from the role of protecting consumers. It's understandable that the banks would say this – they are happy with the status quo. They received enormous taxpayer-funded bailouts and now are giving out bonuses to their top employees. Why change anything, in their view. But what they are really saying is that consumers, who already bailed them out, should continue to pay outrageous fees and be subject to abusive practices, in the name of "safety and soundness" for themselves. Consumers deserve "safety and soundness" too – and the Consumer Financial Protection Agency will provide that.

Finally, the bankers are saying this agency creates another layer of bureaucracy that we don't need. But it's not another layer of bureaucracy. This agency will actually consolidate consumer protection and put it all in one place, thus streamlining these protections, not creating a new bureaucracy. The bill even moves consumer protection staffers from other federal agencies into the CFPB, so the employees will be working in one place. Putting the consumer protection staff and functions into one agency will reduce the burden on banks, not increase it.

It's easy for the banks to say they don't need or want this agency; they've got the regulators looking out for them every day. But what about the consumers? Wouldn't it be fair if we had someone looking out for us as well? The Consumer Financial Protection Agency will do that and folks who oppose it obviously just want to keep the status quo – ensuring that consumers and taxpayers pay while the banks dole out their big bonuses and continue with their abusive practices. The time for the Consumer Financial Protection Agency is now.

Sample Op-ed on Consumer Financial Protection Agency

788 words

One thing we know is that the extent of our current economic crisis could have been dramatically lessened, and we all would have more money in our retirement accounts, more value in our homes, and more of us would still have jobs, if only regulators who are supposed to be protecting consumers had actually done their jobs. And it's not like they weren't warned.

For example, Congress gave the Federal Reserve Board authority to enact anti-predatory mortgage lending rules in 1994. Yet the Fed ignored the growing mortgage crisis. Thirteen years after the law took effect, on July 30, 2008, the Fed finally issued regulations, but only after housing prices were deflating in many parts of the country and the economy was collapsing. Analysts and experts had started warning that predatory sub-prime mortgage lending would lead to a foreclosure epidemic almost a decade prior to the Fed finally issuing these rules. Consumer advocates had pushed the Fed and other banking agencies to improve the Truth in Lending Act so that consumers could understand mortgage disclosures and to address the abuses in the mortgage marketplace, but to no avail. The Fed and the other banking agencies did too little and were way too late.

In comparison to the Fed's outrageously slow inaction in providing some protections, two other little known banking regulators -- the Office of the Comptroller of the Currency and Office of Thrift Supervision -- seemed downright hostile to consumers. These offices used their power to wipe out state consumer

protection laws on predatory lending that affected national lenders and left consumers with nothing to replace them at the federal level.

Regulators also refused to act to rein in credit card abuses for years. Only after the Chairman of the House Financial Services Committee threatened the banking agencies that they had better use their regulatory authority over credit cards or Congress would take it away, did these agencies consider taking action. When Congress started to move a bill to stop credit card abuses, the agencies finally offered their own consumer protection proposal. Of course, by then, consumers had paid hundreds of millions of dollars in unjustified interest and fees, which only served to put them further into debt.

Unfortunately, the list goes on and on and continues to this day – the banking agencies allow overdraft loans to be provided to consumers without the borrower's consent, without a contract and without disclosure of the costs; they look the other way as payday and car title loans charge consumers astronomical interest rates; and they continue to allow banks to manipulate payment order to extract maximum bounced check and overdraft fees.

In many cases, these banking agencies and the Fed appear to be willing to sacrifice consumer protection in order to ensure that the banks they are supposed to be regulating are safe and sound. Consumers have regularly been shoved in the back seat, when, had they been driving the car, we wouldn't have had the economic car-wreck we are living through today.

So what's the solution? We need an agency whose sole mission is to look out for financial consumers. President Obama and many members of Congress recognize this fact. A Consumer Financial Protection Agency, which is pending in Congress right now, would take away these unused consumer protection functions from the Fed and the banking agencies, and place them in one agency that will look out for the consumer.

Unfortunately, the big banks and Wall Street firms that brought us this financial collapse with their reckless lending are swarming all over Capitol Hill to stop this legislation. They've enjoyed their control over regulators and freedom to do as they please with consumers and they certainly don't want to see it come to an end.

We need a robust, independent federal Consumer Financial Protection Agency to protect consumers from unfair credit, payment and debt management products, no matter what company or bank sells them and no matter what agency may serve as the regulator for that company or bank. Properly implemented, the Consumer Financial Protection Agency will encourage innovation by financial firms, increase competition in the marketplace, and lead to better choices for consumers without threatening the collapse of our economy.

Restoring consumer protection must be a cornerstone in reforming our financial system and getting the economy back on track. The Consumer Financial Protection Agency will reduce risk and make the system more accountable to American families. The big banks are fighting this agency with their army of lobbyists and their wallets full of campaign contributions. We've learned the hard way that Americans suffer when banks and other lenders call the shots on financial regulation. It is time to change the game to put the needs of financial consumers front and center.