To amend the Consumer Financial Protection Act of 2010 to transition the Bureau of Consumer Financial Protection to a 5-member board of directors.

IN THE SENATE OF THE UNITED STATES

JANUARY 11, 2017

Mrs. FISCHER (for herself, Mr. JOHNSON, and Mr. BARRASSO) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the Consumer Financial Protection Act of 2010 to transition the Bureau of Consumer Financial Protection to a 5-member board of directors.

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 “Consumer Financial Protection Board Act of 2017”.

SEC. 2. MANAGEMENT OF THE BUREAU.

(a) IN GENERAL.—Section 1011 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5491) is amended—
(1) by striking subsections (b), (c), and (d);

(2) by redesignating subsection (e) as subsection (c); and

(3) by inserting after subsection (a) the following:

“(b) MANAGEMENT OF THE BUREAU.—

“(1) IN GENERAL.—The management of the Bureau shall be vested in a Board of Directors consisting of 5 members, who shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals who—

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

“(B) have developed strong competency and understanding of, and have experience working with, financial products and services.

“(2) TERMS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), each member of the Board, including the Chairperson, shall serve for a term of 5 years.

“(B) STAGGERED TERMS.—Three of the initial members of the Board, including the Chairperson, shall each serve an initial term of 30 months.
“(C) Removal.—The President may remove any member of the Board for inefficiency, neglect of duty, or malfeasance in office.

“(D) Vacancies.—Any member of the Board appointed to fill a vacancy occurring before the expiration of the term to which the predecessor of that member was appointed (including the Chairperson) shall be appointed only for the remainder of the term.

“(E) Continuation of Service.—Each member of the Board 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 the term of that member would otherwise expire.

“(F) Successive Terms.—A member of the Board may not be reappointed to a second consecutive term, except that an initial member of the Board appointed for less than a 5-year term may be reappointed to a full 5-year term and a future member appointed to fill an unex-
pired term may be reappointed for a full 5-year term.

“(3) AFFILIATION.—Not more than 3 members of the Board, and not more than 2 members of the Board described in paragraph (2)(B), shall be members of any 1 political party.

“(4) CHAIRPERSON OF THE BOARD.—

“(A) APPOINTMENT.—The President shall appoint 1 of the 5 members of the Board to serve as Chairperson of the Board.

“(B) AUTHORITY.—The Chairperson shall be the principal executive officer of the Bureau, and shall exercise all of the executive and administrative functions of the Bureau, including with respect to—

“(i) the supervision of personnel employed by the Bureau (other than personnel employed regularly and full time in the immediate offices of members of the Board other than the Chairperson);

“(ii) the distribution of business among personnel appointed and supervised by the Chairperson and among administrative units of the Bureau; and
“(iii) the use and expenditure of funds.

“(C) LIMITATION.—In carrying out any of the functions of the Chairperson under this paragraph, the Chairperson shall be governed by general policies of the Bureau and by such regulatory decisions, findings, and determinations as the Bureau may by law be authorized to make.

“(D) REQUESTS OR ESTIMATES RELATED TO APPROPRIATIONS.—Any request or estimate for regular, supplemental, or deficiency appropriations on behalf of the Bureau, including any request for a transfer of funds under section 1017(a), may not be submitted by the Chairperson without the prior approval of the Board.

“(E) VACANCY.—The President may designate a member of the Board to serve as Acting Chairperson in the event of a vacancy in the office of the Chairperson.

“(5) COMPENSATION.—

“(A) CHAIRPERSON.—The Chairperson shall receive compensation at the rate prescribed for level I of the Executive Schedule
under section 5312 of title 5, United States Code.

“(B) OTHER MEMBERS OF THE BOARD.—
The 4 members of the Board other than the Chairperson shall each receive compensation at the rate prescribed for level II of the Executive Schedule under section 5313 of title 5, United States Code.

“(6) OTHER EMPLOYMENT PROHIBITED.—A member of the Board may not engage in any other business, vocation, or employment.”.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) CONSUMER FINANCIAL PROTECTION ACT OF 2010.—The Consumer Financial Protection Act of 2010 (12 U.S.C. 5481 et seq.) is amended—

(A) in section 1002 (12 U.S.C. 5481)—

(i) by striking paragraph (10) and inserting the following:

“(10) BOARD.—The term ‘Board’ means the Board of Directors of the Bureau of Consumer Financial Protection.”; and

(ii) by inserting after paragraph (29) the following:
“(30) CHAIRPERSON.—The term ‘Chairperson’ means the Chairperson of the Board of Directors of the Bureau of Consumer Financial Protection.”;

(B) in section 1012 (12 U.S.C. 5492)—

(i) in subsection (a)(8), by striking “appointed and supervised by the Director” and inserting “appointed by the Board and supervised by the Chairperson”;

(ii) in subsection (b), by striking “Director” and inserting “Board”; and

(iii) in subsection (c)—

(I) in paragraph (2)(A), by striking “Director” and inserting “Board”; and

(II) in paragraph (4), by striking “the Director” each place that term appears and inserting “any member of the Board”;:

(C) in section 1013 (12 U.S.C. 5493)—

(i) in subsections (a), (b), (d), and (e), by striking “Director” each place that term appears and inserting “Board”;

(ii) in subsection (a), by adding at the end the following:

“(6) LIMITATION.—
“(A) IN GENERAL.—Except as provided in subparagraph (B), the Board shall appoint not more than 1 employee of the Bureau for every 3 employees that are separated from service with the Bureau.

“(B) EXCEPTION.—The President may provide the Board with an exemption from the requirements of subparagraph (A) if the Board demonstrates that hiring employees in an amount greater than the limitation in subparagraph (A) is necessary—

“(i) as a result of a national security concern or an extraordinary emergency; or

“(ii) to perform a critical mission.”;

(iii) in subsection (c)—

(I) in paragraphs (1) and (2), by striking “Director” each place that term appears and inserting “Board”; and

(II) in paragraph (3)—

(a) by striking “Assistant Director” each place that term appears and inserting “Head of Office”; and
(bb) by striking “the Director” each place that term appears and inserting “the Board”;

and

(iv) in subsection (g)—

(I) in paragraph (1), by striking “Director” and inserting “Board”;

and

(II) in paragraph (2)—

(aa) in the paragraph heading, by striking “ASSISTANT DIRECTOR” and inserting “HEAD OF THE OFFICE”; and

(bb) by striking “an assistant director” and inserting “the Head of the Office of Financial Protection for Older Americans”;

(D) in section 1014 (12 U.S.C. 5494), by striking “Director” each place that term appears and inserting “Board”;

(E) in section 1016(a) (12 U.S.C. 5496(a)), by striking “Director of the Bureau” and inserting “Chairperson”;

(F) in section 1017—

(i) in subsection (a)—
(I) in paragraph (1), by striking “Director” and inserting “Board”;

(II) in paragraph (4)—

(aa) in subparagraph (A)—

(AA) by striking “Director shall” and inserting “Board shall”; 

(BB) by striking “Director,” and inserting “Board,”; and

(CC) by striking “Director in” each place that term appears and inserting “Board in”; 

(bb) in subparagraph (D), by striking “Director” and inserting “Board”; and

(cc) in subparagraph (E), by striking “Director to” and inserting “Board to”; and

(III) in paragraph (5)(C), by striking “Director of the Bureau” and inserting “Chairperson”; 

(ii) in subsection (c)(1)—
(I) by striking “Director,” and inserting “Board,”; and

(II) by striking “Director and” and inserting “the members of the Board and”; and

(iii) in subsection (e), by striking “Director” each place that term appears and inserting “Board”;


(H) in section 1061(e)(2)(C)(i) (12 U.S.C. 5581(c)(2)(C)(i)), by striking “the Board” and inserting “the National Credit Union Administration Board”; and

(I) in section 1066(a) (12 U.S.C. 5586(a)), by inserting “first” before “Director”.

(3) MORTGAGE REFORM AND ANTI-PREDATORY
LENDING ACT.—Section 1447 of the Mortgage Re-
form and Anti-Predatory Lending Act (12 U.S.C.
1701p–2) is amended by striking “Director” each
place the term appears and inserting “Board of Di-
rectors”.

(4) ELECTRONIC FUND TRANSFER ACT.—Sec-
tion 920(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” and inserting
“Board of Directors of the Bureau”.

(5) EXPEDITED FUNDS AVAILABILITY ACT.—
The Expedited Funds Availability Act (12 U.S.C.
4001 et seq.) is amended by striking “Director of
the Bureau” each place that term appears and in-
serting “Board of Directors of the Bureau”.

(6) FEDERAL DEPOSIT INSURANCE ACT.—Sec-
tion 2 of the Federal Deposit Insurance Act (12
U.S.C. 1812) is amended—

(A) by striking “Director of the Consumer
Financial Protection Bureau” each place that
term appears and inserting “Chairperson of the
Board of Directors of the Bureau of Consumer
Financial Protection”; and
(B) in subsection (d)(2), by striking “Comptroller or Director” and inserting “Comptroller or Chairperson”.


(8) 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” each place that term appears and inserting “Chairperson of the Board of Directors”.

(10) Interstate Land Sales Full Disclosure Act.—The Interstate Land Sales Full Disclosure Act (15 U.S.C. 1701 et seq.) is amended—

(A) in section 1402(1) (15 U.S.C. 1701(1)), by striking “‘Director’ means the Director” and inserting “‘Board’ means the Board of Directors”;

(B) by striking “Director” each place that term appears and inserting “Board”;

(C) in section 1403(c) (15 U.S.C. 1702(c))—

(i) by striking “by him” and inserting “by the Board”; and

(ii) by striking “he” and inserting “the Board”;

(D) in section 1407 (15 U.S.C. 1706)—

(i) in subsection (c), by striking “he” and inserting “the Board”; and

(ii) in subsection (c), by striking “him” and inserting “the Board”;

(E) in section 1411 (15 U.S.C. 1710)—

(i) in subsection (a)—

(I) by striking “his findings” and inserting “its finding”; and
(II) by striking “his recommendation” and inserting “a recommendation”; and
(ii) in subsection (b), by striking “Secretary’s order” and inserting “order of the Board”;
(F) in section 1415 (15 U.S.C. 1714)—
(i) by striking “him” each place that term appears and inserting “the Board”; 
(ii) in subsection (a), by striking “he may, in his discretion” and inserting “the Board may, at the discretion of the Board”; and
(iii) in subsection (b)—
(I) by striking “he” each time that term appears and inserting “the Board”; and
(II) by striking “in his discretion” each time that term appears and inserting “at the discretion of the Board”;
(G) in section 1416(a) (15 U.S.C. 1715(a))—
(i) by striking “of the Bureau of Consumer Financial Protection” the first time that term appears;

(ii) by striking “his functions, duties, and powers” and inserting “the functions, duties, and powers of the Board”;

(iii) by striking “his administrative law judges” and inserting “the administrative law judges of the Bureau of Consumer Financial Protection”; and

(iv) by striking “himself” and inserting “the Board”;

(H) in section 1418a (15 U.S.C. 1717a)—

(i) in subsection (b)(4), by striking “The Secretary’s determination or order” and inserting “A determination or order of the Board”; and

(ii) in subsection (d), in the third sentence, by striking “the Secretary’s determination or order” and inserting “a determination or order of the Board”;

(I) in section 1419 (15 U.S.C. 1718)—

(i) by striking “him” and inserting “the Board”;
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(ii) by striking “his rules and regulations” and inserting “the rules and regulations of the Board”; and

(iii) by striking “his jurisdiction” and inserting “the jurisdiction of the Bureau of Consumer Financial Protection”; and

(J) in section 1420 (15 U.S.C. 1719)—

(i) by inserting “or any member of the Board” before “in any proceeding”; and

(ii) by striking “him” and inserting “the Board or any member of the Board”.


(A) by striking “Director of” and inserting “Board of Directors of”; and

(B) by striking “Director” each place that term appears and inserting “Board”.


(A) in section 1503(10) (12 U.S.C. 5102(10))—
(i) in the paragraph heading, by striking “DIRECTOR” and inserting “BOARD”; and

(ii) by striking ‘‘Director’’ means the Director” and inserting ‘‘Board’’ means the Board of Directors’’;

(B) by striking “Director” each place that term appears and inserting “Board”; and

(C) in section 1514 (12 U.S.C. 5113)—

(i) in subsection (b)(5), by striking “Secretary’s expenses” and inserting “expenses of the Board”; and

(ii) in subsection (c)—

(I) in paragraph (1), in the paragraph heading, by striking “DIRECTOR” and inserting “BOARD”; and

(II) in paragraph (4)—

(aa) in subparagraph (A), in the paragraph heading, by striking “DIRECTOR” and inserting “BOARD”; and

(bb) in subparagraph (C), by striking “Secretary’s expenses” and inserting “expenses of the Board”; and
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(III) in paragraph (5), in the paragraph heading, by striking “DIRECTOR” and inserting “BOARD”; and

(iii) in subsection (d), in the subsection heading, by striking “DIRECTOR” and inserting “BOARD”.

(13) TITLE 44.—Section 3513(c) of title 44, United States Code, is amended by striking “Director of the Bureau” and inserting “Board of Directors of the Bureau”.

(14) 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 Board of Directors of the Bureau of Consumer Financial Protection, unless otherwise specified in this Act.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date on which not less than 3 persons have been confirmed by the Senate to serve as members of the Board of Directors of the Bureau of Consumer Financial Protection.