

Congress of the United States

Washington, DC 20515

May 10, 2011

Dr. Elizabeth Warren
Special Advisor
Consumer Financial Protection Bureau
U.S. Department of the Treasury
1500 Pennsylvania Ave., NW, Room 3330
Washington, D.C. 20220

Dear Dr. Warren:

On January 18, 2011, President Obama issued an executive order calling on every federal agency to review their regulations to ensure they “promote predictability and reduce uncertainty,” “take into account benefits and costs,” and “identify and use the best, most innovative, and least burdensome tools for achieving regulatory ends.” As members of the Blue Dog Coalition and the Task Force on Oversight and Regulatory Review, we applaud this initial step and want to work with the Administration to aggressively cut red tape and remove outdated regulations that slow job creation.

One of the new duties of the Consumer Financial Protection Bureau is to combine consumer disclosures under the Real Estate Settlement Practices Act (RESPA) and Truth in Lending Act (TILA) into one form. Given this new requirement, we want to bring to your attention a concern that has hindered some of our banks from meeting the needs of the American consumers.

As RESPA and TILA continue to expand and overlap, banks have been left with the nearly impossible job of determining how to remain in compliance. Rather than increasing transparency and security, this process only makes closing loans more difficult and confusing for the consumer. For example, two years ago, banks were forced to begin using new disclosure forms that required vertical lines to delineate columns where lines had not previously been. Bank IT departments and vendors could not create the lines fast enough and instead used vertical lines of asterisks to clarify column breaks. Regulators charged banks with being in violation. This seemingly simple matter continues to cause problems for banks, yet it does not improve consumer protections.

As federal regulators begin to enact the multitude of regulations included in the Wall Street Reform and Consumer Protection Act, giving proper consideration to existing rules is crucial to a healthy financial industry. We urge you to take the time to re-examine burdensome regulations as part of your efforts to protect consumers.

The Blue Dog Coalition is committed to working with you and all key stakeholders to monitor legislative implementation efforts, identify overly burdensome regulations, and seek to modify rules problematic to job creation.

Sincerely,

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Ben Chandler, Task Force Chair

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