The Leadership Conference
on Civil and Human Rights

1629 K Street, NW
10th Floor
Washington, DC
20006

202.466.3311 voice
202.466.3435 fax
www.civilrights.org

The Leadership Conference

May 19, 2015

Vote "No" on the Shelby Bill to Roll Back Dodd-Frank Protections

Dear Banking Committee Member:

On behalf of The Leadership Conference on Civil and Human Rights, a coalition of more than 200 national civil and human rights organizations, we write to express our strong opposition to the "Financial Regulatory Improvement Act of 2015." This bill would undermine many of the important reforms made by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, in some cases before the provisions of Dodd-Frank have even been fully implemented.

For weeks, we were told that the goal of the Shelby bill was to make it easier for small community banks to comply with the new wave of financial rules. This would have been understandable. Instead, most of the bill unveiled yesterday has little to do with small lenders. Rather, it appears to be aimed largely at eroding financial services oversight and making it easier to put borrowers in loans they can't realistically afford. While we object to the entire approach taken by the bill, we are especially troubled that it would:

- Create sweeping exemptions from the Dodd-Frank mortgage underwriting requirements, abandoning what is perhaps the most important lesson of the 2008 financial crisis: that borrowers should only be given loans they can realistically repay;

- Eliminate basic protections that prevent manufactured housing residents – some of the lowest-income homeowners in the nation – from being steered into high-risk, high-fee loans;

- Delay the publication of data under the Home Mortgage Disclosure Act, data which has been vital to eradicating discriminatory redlining and to gaining a better understanding of how lending practices are affecting underserved and minority communities; and

- Call for drastic new procedures to second-guess and undermine the work of the Consumer Financial Protection Bureau (CFPB) even though the Bureau has been exceptionally careful and evenhanded in its rulemaking efforts.

We appreciate the efforts of Senator Brown to construct alternative legislation that actually does focus on the needs of small community banks. It is certainly an improvement over the Shelby bill. Ultimately, we believe that the best approach is to allow the CFPB and other regulators to continue their job of carrying out – and analyzing and recalibrating, as necessary – the bipartisan reforms that were enacted just five years ago.

We urge you to vote no on the Shelby bill. If you have any questions, please contact either of us or Senior Counsel Rob Randhava at (202) 466-3311.

Sincerely,

Wade Henderson
President & CEO

Nancy Zirkin
Executive Vice President