Center for Responsible Lending

The "Wrong Choice Act" Eliminates Vital Consumer Protections and Threatens the Economic Security of American Families

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The "Wrong Choice Act" (H.R. 10) would roll back the Dodd-Frank financial reform law, and **the bill would re-expose consumers, investors, and the public to dangerous financial practices, including many that contributed to the last recession and foreclosure crisis.**

The "Wrong Choice Act":

- **Eviscerates the Consumer Financial Protection Bureau, which has returned nearly $12 billion to 29 million Americans harmed by illegal financial practices.**
- Prohibits the Consumer Bureau from enforcing the law or issuing any regulation for payday, car title, or similar small dollar loans, which are notorious for triple digit interest rates and pulling borrowers into destructive debt traps. Payday and car title loans drain nearly $8 billion in fees each year from the most financially vulnerable Americans. These loans often directly target communities of color, military servicemembers, and seniors.
- Forbids the Consumer Bureau from issuing its proposed rule that would prohibit forced arbitration clauses with class action bans. Class action bans routinely deny consumers their day in court to remedy financial abuses they have suffered.
- Eliminates most Consumer Bureau supervisory authority, making it impossible for it to detect abuses.
- Repeals the Consumer Bureau's authority to stop unfair, deceptive, and abusive acts and practices (UDAAP) in consumer finance. The Consumer Bureau's UDAAP authority was the reason why it was able to bring a case against Wells Fargo for engaging in an egregious fraudulent accounts scam.
- Subjects the Consumer Bureau and the Federal Housing Finance Agency to partisan politics by making the director easily removable by the president, and puts the Consumer Bureau and other financial regulatory agencies' funding at the mercy of congressional appropriators, disregarding the long-standing practice of independent funding for banking regulators.
- Prohibits information in the Bureau's consumer complaint database from being made public. The Consumer Bureau's public database, like that of the Consumer Product Safety Commission, is an important resource for Americans to understand and avoid consumer abuses.
- **Makes another foreclosure crisis more likely by weakening the commonsense rule that lenders verify borrowers' ability-to-repay.** Several sections of the bill exempt a wide range of mortgages from basic borrower protections and enable lenders to make costlier loans that are harder for consumers to repay. Communities of color and owners of manufactured homes are especially at risk from these proposals.

The failure to have responsible regulation heavily contributed to causing the Great Recession, which led to more than eight million Americans losing their jobs, nearly eight million Americans losing their homes, trillions of dollars in lost family wealth, and trillions in taxpayer funded bailouts. Taking us back down that path would be the wrong choice.