

Minority Views

H.R. 2385, "CFPB Pay Fairness Act of 2013"

By tying compensation for employees of the Consumer Financial Protection Bureau (CFPB or Bureau) to the General Schedule for federal employees and eliminating the requirement for the Bureau to provide employees with benefits and compensation that are comparable to the corresponding class of Federal Reserve employees, the bill undermines the Bureau's ability to hire and retain qualified staff who may otherwise seek employment at another financial regulator or within the private sector. We note that all other financial regulators, including the Farm Credit Administration (FCA), Federal Housing Finance Agency (FHFA), Federal Deposit Insurance Corporation (FDIC), Federal Reserve (FRB), Commodity Futures Trading Commission (CFTC), Securities and Exchange Commission (SEC), National Credit Union Administration (NCUA) and the Office of the Comptroller of the Currency (OCC), are all able to offer more competitive compensation packages than those provided under the General Schedule.

Consumer protection is a critical element of financial regulation, and we believe the CFPB should have the same flexibility to set employee compensation and benefits as other financial regulators. As a matter of fact, the CFPB is required under the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) to offer compensation that is comparable to and consistent with other financial regulators, which would be impossible under the General Schedule.

In addition to competing with other federal agencies, the Bureau must compete for staff with the financial services industry, which is willing to pay a premium for professionals with the expertise and skills necessary to perform complicated regulatory analysis. Reducing the Bureau's ability to compensate staff appropriately would make it harder for the CFPB to attract and retain the qualified, experienced staff that is needed to ensure the use of CFPB's supervisory, enforcement and rulemaking authority is balanced and appropriate.

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