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ENERGY AND COMMERCE COMMITTEE
SUBCOMMITTEE ON COMMUNICATIONS AND TECHNOLOGY
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

Congress of the United States
House of Representatives
Washington, DC 20515
January 20, 2015

Mr. Richard Cordray
Director
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, D.C. 20552

Dear Director Cordray,

As someone who represents a large and diverse district, I understand the importance of ensuring that individuals are not discriminated against because of where they were born, what they look like, or what they believe. This is true when protecting consumers and also when working to support minority and small business owners. I value the important work the Consumer Financial Protection Bureau (CFPB) has done to protect consumers from predatory and unscrupulous business practices, and look forward to working with you in the new Congress on these issues.

Recently, constituents of mine have raised a number of concerns with CFPB Bulletin 2013-02, dated: March 21, 2013; subject: Indirect Auto Lending and Compliance with the Equal Credit Opportunity Act. These concerns include the lack of a comment period for this guidance and that the guidance represents a change in the interpretation of law without any input from the community it affects. Further, dealers have expressed concern that this guidance directs lenders to use a flat fee mechanism for dealers, which would limit their ability to compete with other credit lenders.

While I think it is critical to ensure that consumers are protected from harmful business practices, I think it is equally important that we ensure we do not harm small businesses or impede consumers' ability to get good rates when shopping for a car. Would you please clarify the nature of this guidance and answer the following points:

- The authority, scope, and what legally binding restrictions this guidance puts into force on the indirect lending market?
- What sort of exposure do creditors face if found in noncompliance with the Equal Credit Opportunity Act (ECOA)?
- If found in noncompliance with ECOA, what timeframe must creditors act to rectify noncompliance if acting in good faith?
- What are the associated costs predicated if creditors find they are not in compliance with ECOA as result of the new guidance, and how much time do creditors have to come into compliance?

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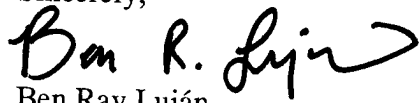
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- What disparate impact would be felt by minority or small business owners?
- What benefits does the CFPB predict consumers would see as a result of this guidance?
- What authority or rationale does the CFPB cite for not releasing the specific data used as proxy when modeling discriminatory practices?
- Does the CFPB believe that the National Automobile Dealers Association's proposal, "Fair Credit Compliance Policy & Program" meets the criteria laid out in the 2013-02 guidance? And if not, why?

Again, thank you for your work to protect consumers. I look forward to your prompt reply in response to my constituents' concerns and working with you to ensure consumers have choices in the marketplace.

Sincerely,

A handwritten signature in black ink that reads "Ben R. Lujan" with a stylized flourish at the end.

Ben Ray Luján
Member of Congress