

July 16, 2018

Chairman Mike Crapo  
Senate Committee on Banking, Housing and Urban Affairs  
534 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Chairman Crapo and Members of the Committee:

On behalf of the undersigned organizations and the millions of Americans we represent, we are pleased that you will soon be considering the nomination of Kathy Kraninger, an advocate of pro-consumer and pro-taxpayer accountability reforms at the Bureau of Consumer Financial Protection (BCFP), for the position of Director of that Bureau. Many of us continue to believe that BCFP is an unnecessary entity and that consumer protections could be strengthened through other means. However, at the very least it is important to ensure that BCFP's future leadership is aware of the need for fundamental change.

Kathy Kraninger has a strong background and the necessary qualifications in order to lead and improve the BCFP. In her current role at the Office of Management and Budget, she monitors over \$250 billion in spending for seven cabinet departments and 30 agencies. The budgets for the BCFP, Department of Treasury, HUD, and all other financial regulators fall within her purview, which gives her first-hand knowledge of the financial regulatory system. Further, her more than two decades of leadership and management experience in public service complements her insight into the federal bureaucracy.

It is no secret that the BCFP has been flawed since its creation in 2011. Its current structure is broken, its operations are far from transparent, and its unique funding scheme insulates it from Congress, the President, and the American people. While it does not receive direct funding from taxpayers, the agency does siphon funds that the Federal Reserve would otherwise send to the Treasury. Furthermore, BCFP's regulatory interactions with other agencies can affect programs with an impact on taxpayers and the greater marketplace as a whole. Its power is so massive US District Court Judge Loretta Preska of the South District of New York ruled that the CFPB "lacks the authority to bring this enforcement action because its composition violates the Constitution's separation of powers."

Thankfully, acting-Director Mulvaney has initiated important reforms to the Bureau's day-to-day activities, rule analysis, and acts within its statutory authority instead of as an activist regulator under the previous administration. This process must continue, and we are confident that Ms. Kraninger is eminently capable of doing so. We thank the Committee for considering our views and for acting in a timely fashion.

Sincerely,

Pete Sepp, President  
National Taxpayers Union



Grover G. Norquist, President  
Americans for Tax Reform

Karen Kerrigan, President & CEO  
Small Business & Entrepreneurship Council

Heather R. Higgins, CEO  
Independent Women's Voice

Palmer Schoening, Chairman  
Family Business Coalition

David Williams, President  
Taxpayers Protection Alliance

Rick Manning, President  
Americans for Limited Government

George Landrith, President  
Frontiers of Freedom

Amy Kremer, Co-chair  
Women for Trump

Andrew F. Quinlan, President  
Center for Freedom and Prosperity

James L. Martin, Founder/Chairman  
60 Plus Association

Saulius "Saul" Anuzis, President  
60 Plus Association

Steve Pociask, President  
American Consumer Institute

Jenny Beth Martin, Honorary Chairman  
Tea Party Patriots Action

