

S 566 IS

111th CONGRESS

1st Session

**S. 566**

To create a Financial Product Safety Commission, to provide consumers with stronger protections and better information in connection with consumer financial products, and to give providers of consumer financial products more regulatory certainty.

**IN THE SENATE OF THE UNITED STATES**

**March 10, 2009**

Mr. DURBIN (for himself, Mr. SCHUMER, and Mr. KENNEDY) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

**A BILL**

To create a Financial Product Safety Commission, to provide consumers with stronger protections and better information in connection with consumer financial products, and to give providers of consumer financial products more regulatory certainty.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) Short Title- This Act may be cited as the `Financial Product Safety Commission Act of 2009'.

(b) Table of Contents- The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

Sec. 3. Definitions.

Sec. 4. Establishment of Commission.

Sec. 5. Objectives and responsibilities.

Sec. 6. Coordination of enforcement.

Sec. 7. Authorities.

Sec. 8. Collaboration with Federal and State entities.

Sec. 9. Prohibited acts.

Sec. 10. Enforcement.

Sec. 11. Reports.

Sec. 12. Authorization of appropriations.

**SEC. 2. FINDINGS.**

Congress finds that--

(1) the Nation's multiagency financial services regulatory structure has created a dispersion of regulatory responsibility, which in turn has led to an inadequate focus on protecting consumers from inappropriate consumer financial products and practices;

(2) the absence of appropriate oversight has allowed excessively costly or predatory consumer financial products and practices to flourish; and

(3) the creation of a regulator whose sole focus is the safety of consumer financial products would help address this lack of consumer protection

### **SEC. 3. DEFINITIONS.**

For purposes of this Act--

(1) the terms `Commission', `Chairperson', and `Commissioner' mean the Financial Product Safety Commission established under this Act and the Chairperson and any Commissioner thereof, respectively;

(2) the term `consumer financial product' includes--

(A) any extension of credit, deposit account, payment mechanism, or other product or service within the scope of--

(i) the Truth in Savings Act (12 U.S.C. 4301 et seq.);

(ii) the Consumer Credit Protection Act (15 U.S.C. 1601 et seq.); or

(iii) article 3 (relating to negotiable instruments) or article 4 (relating to bank deposits) of the Uniform Commercial Code, as in effect in any State;

(B) any other extension of credit, deposit account, or payment mechanism; and

(C) any ancillary product, practice, or transaction;

(3) the term `appropriate committees of Congress' means the Committee on Banking, Housing, and Urban Affairs and the Subcommittee on Financial Services and General Government of the Committee on Appropriations of the Senate, and the Committee on Financial Services and the Subcommittee on Financial Services and General Government of the Committee on Appropriations of the House of Representatives, and any successor committees, as may be constituted;

(4) the term `consumer' means any natural person and any small business concern, as defined in section 3 of the Small Business Act (15 U.S.C. 632); and

(5) the term `credit' has the same meaning as in section 103 of the Truth in Lending Act (15 U.S.C. 1602).

### **SEC. 4. ESTABLISHMENT OF COMMISSION.**

(a) Establishment; Chairperson-

(1) ESTABLISHMENT- There is established the `Financial Product Safety Commission' which shall be an independent establishment, as defined in section 104(1) of title 5, United States Code.

(2) MEMBERSHIP-

(A) IN GENERAL- The Commission shall be comprised of 5 commissioners, appointed by the President, by and with the advice and consent of the Senate.

(B) CONSIDERATIONS- In making appointments to the Commission, the President shall consider individuals who, by reason of their background and expertise in areas related to consumer financial product safety, are qualified to serve as members of the Commission.

(3) CHAIRPERSON- The Chairperson of the Commission shall be appointed by the President, by and with the advice and consent of the Senate, from among the members of the Commission.

(4) REMOVAL- Any Commissioner may be removed by the President for neglect of duty or malfeasance in office, but for no other cause.

(b) Term; Vacancies-

(1) IN GENERAL- Except as provided in paragraph (2)--

(A) the Commissioners first appointed under this section shall be appointed for terms ending 3, 4, 5, 6, and 7 years, respectively, after the date of enactment of this Act, the term of each to be designated by the President at the time of nomination; and

(B) each of their successors shall be appointed for a term of 5 years from the date of the expiration of the term for which the predecessor was appointed.

(2) LIMITATIONS- Any Commissioner appointed to fill a vacancy occurring prior to the expiration of the term for which the predecessor thereof was appointed shall be appointed only for the remainder of such term. A Commissioner may continue to serve after the expiration of such term until a successor has taken office, except that such Commissioner may not continue to serve more than 1 year after the date on which the term of that Commissioner would otherwise expire under this subsection.

Commissioner would otherwise expire under this subsection.

(c) Restrictions on Outside Activities-

(1) POLITICAL AFFILIATION- Not more than 3 Commissioners may be affiliated with the same political party.

(2) CONFLICTS OF INTEREST- No individual may serve as a Commissioner if that individual--

(A) is in the employ of, holding any official relation to, or married to any person engaged in selling or devising consumer financial products;

(B) owns stock or bonds of substantial value in a person so engaged;

(C) is in any other manner pecuniarily interested in a person so engaged; or

(D) engages in any other business, vocation, or employment.

(d) Vacancies; Quorum; Seal; Vice Chairperson-

(1) VACANCIES- No vacancy on the Commission shall impair the right of the remaining Commissioners to exercise all the powers of the Commission.

(2) QUORUM- Three members of the Commission shall constitute a quorum for the transaction of business, except that--

(A) if there are only 3 members serving on the Commission because of vacancies on the Commission, 2 members of the Commission shall constitute a quorum for the transaction of business; and

(B) if there are only 2 members serving on the Commission because of vacancies on the Commission, 2 members shall constitute a quorum for the 6-month period (or the 1-year period, if the 2 members are not affiliated with the same political party) beginning on the date of the vacancy which caused the number of Commissioners to decline to 2.

(3) SEAL- The Commission shall have an official seal, of which judicial notice shall be taken.

(4) VICE CHAIRPERSON- The Commission shall annually elect a Vice Chairperson to act in the absence or disability of the Chairperson or in case of a vacancy in the office of the Chairperson.

(e) Offices- The Commission shall maintain a principal office and such field offices as it determines necessary, and may meet and exercise any of its powers at any other place.

(f) Functions of Chairperson; Request for Appropriations-

(1) DUTIES- The Chairperson shall be the principal executive officer of the Commission, and shall exercise all of the executive and administrative functions of the Commission, including functions of the Commission with respect to--

(A) the appointment and supervision of personnel employed by the Commission (and the Commission shall fix their compensation at a level comparable to that for employees of the Securities and Exchange Commission);

(B) the distribution of business among personnel appointed and supervised by the Chairperson and among administrative units of the Commission; and

(C) the use and expenditure of funds.

(2) GOVERNANCE- In carrying out any of the functions of the Chairperson under this subsection, the Chairperson shall be governed by general policies of the Commission and by such regulatory decisions, findings, and determinations as the Commission may, by law, be authorized to make.

(3) REQUESTS FOR APPROPRIATIONS- Requests or estimates for regular, supplemental, or deficiency appropriations on behalf of the Commission may not be submitted by the Chairperson without the prior approval of a majority vote of the Commission.

(g) Agenda and Priorities; Establishment and Comments- Not later than 30 days before the beginning of each fiscal year, the Commission shall establish an agenda for Commission action under its jurisdiction and, to the extent feasible, shall establish priorities for such actions. Before establishing such agenda and priorities, the Commission shall conduct a public hearing on the agenda and priorities, and shall provide reasonable opportunity for the submission of comments.

## **SEC. 5. OBJECTIVES AND RESPONSIBILITIES.**

(a) Objectives- The objectives of the Commission are--

(1) to minimize unreasonable consumer risk associated with buying and using consumer financial products;

(2) to prevent and eliminate practices that lead consumers to incur unreasonable, inappropriate, or excessive debt

(2) to prevent and eliminate practices that lead consumers to incur unreasonable, inappropriate, or excessive debt, or make it difficult for consumers to repay existing debt, including practices or product features that are abusive, fraudulent, unfair, deceptive, predatory, anticompetitive, or otherwise inconsistent with consumer protection;

(3) to promote practices that assist and encourage consumers to use credit and consumer financial products responsibly, avoid excessive debt, and avoid unnecessary or excessive charges derived from or associated with consumer financial products;

(4) to ensure that providers of consumer financial products provide credit based on the ability of the consumer to repay the debt incurred;

(5) to ensure that consumer credit history is maintained, reported, and used fairly and accurately;

(6) to maintain strong privacy protections for consumer transactions, credit history, and other personal information associated with the use of consumer financial products;

(7) to collect, investigate, resolve, and inform the public about consumer complaints regarding consumer financial products;

(8) to ensure a fair resolution of consumer disputes regarding consumer financial products; and

(9) to take such other steps as are reasonable to protect users of consumer financial products.

(b) Responsibilities- The Commission shall--

(1) promulgate consumer financial product safety rules that--

(A) ban abusive, fraudulent, unfair, deceptive, predatory, anticompetitive, or otherwise anticonsumer practices, products, or product features;

(B) place reasonable restrictions on consumer financial products, practices, or product features to reduce the likelihood that they may be provided in a manner that is inconsistent with the objectives specified in subsection (a); and

(C) establish requirements for such clear and adequate warnings or other information, and the form and manner of delivery of such warnings or other information, as may be appropriate to advance the objectives specified in subsection (a);

(2) establish and maintain a best practices guide for all providers of consumer financial products;

(3) conduct such continuing studies and investigations of consumer financial products industry practices as it determines necessary;

(4) award grants or enter into contracts for the conduct of such studies and investigations with any person (including a governmental entity), as necessary to advance the objectives specified in subsection (a);

(5) following publication of a rule, assist public and private organizations or groups of consumer financial product providers, administratively and technically, in the development of safety standards or guidelines that would assist such providers in complying with such rule;

(6) comment on selected rulemakings of agencies designated in section 6(d) affecting consumer financial products; and

(7) establish and operate a consumer financial product customer hotline which consumers can call to register complaints and receive information on how to combat anticonsumer products or practices.

## **SEC. 6. COORDINATION OF ENFORCEMENT.**

(a) In General- Notwithstanding any concurrent or similar authority of any other agency, the Commission shall enforce the requirements of this Act.

(b) Rule of Construction- The authority granted to the Commission to make and enforce rules under this Act shall not be construed to impair the authority of any other Federal department or agency to make and enforce rules under any other provision of law, provided that any portion of any rule promulgated by any other such department or agency that conflicts with a rule promulgated by the Commission and that is less protective of consumers than the rule promulgated by the Commission shall be superseded by the rule promulgated by the Commission, to the extent of the conflict. Any portion of any rule promulgated by any other such department or agency that is not superseded by a rule promulgated by the Commission shall remain in force without regard to this Act.

(c) Agency Authority- Any department or agency designated in subsection (d) may exercise, for the purpose of enforcing compliance with any requirement imposed under this Act, any authority conferred on such department or agency by any other Act.

(d) Designated Departments and Agencies- The departments and agencies designated in this subsection are--

- (1) the Board of Governors of the Federal Reserve System;
- (2) the Federal Deposit Insurance Corporation;
- (3) the Office of the Comptroller of the Currency;
- (4) the Office of Thrift Supervision;
- (5) the National Credit Union Administration;
- (6) the Federal Housing Finance Authority;
- (7) the Federal Housing Administration;
- (8) the Department of Housing and Urban Development;
- (9) the Federal Home Loan Bank Board;
- (10) the Federal Trade Commission; and
- (11) any successor to the agencies, referred to in paragraphs (1) through (10), as may be constituted.

(e) Coordination of Rulemaking- Any department or agency designated in subsection (d) that engages in a rulemaking affecting consumer financial products shall consult with the Commission in the promulgation of such rules.

## **SEC. 7. AUTHORITIES.**

### (a) Authority To Conduct Hearings or Other Inquiries-

(1) IN GENERAL- The Commission may, by one or more of its members, or by such agents or agency as it may designate, conduct any hearing or other inquiry necessary or appropriate to its functions anywhere in the United States.

(2) MEMBER PARTICIPATION- A Commissioner who participates in a hearing, or other inquiry described in paragraph (1), shall not be disqualified solely by reason of such participation from subsequently participating in a decision of the Commission in the same matter.

(3) NOTICE REQUIRED- The Commission shall publish notice of any proposed hearing in the Federal Register, and shall afford a reasonable opportunity for interested persons to present relevant testimony and data.

### (b) Commission Powers; Orders- The Commission shall have the power--

(1) to require, by special or general orders, any person to submit in writing such reports and answers to questions as the Commission may prescribe to carry out a specific regulatory or enforcement function of the Commission, and such submission shall be made within such reasonable period and under oath or otherwise as the Commission may determine, and such order shall contain a complete statement of the reasons that the Commission requires the report or answers specified in the order to carry out a specific regulatory or enforcement function of the Commission;

(2) to administer oaths;

(3) to require by subpoena the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

(4) in any proceeding or investigation to order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3);

(5) to pay witnesses the same fees and mileage costs as are paid in like circumstances in the courts of the United States;

(6) to accept voluntary and uncompensated services relevant to the performance of the duties of the Commission, notwithstanding the provisions of section 1342 of title 31, United States Code, and to accept voluntary and uncompensated services (but not gifts) relevant to the performance of the duties of the Commission provided that any such services shall not be from parties that have or are likely to have business before the Commission;

(7) to--

(A) issue an order requiring compliance with applicable legal requirements;

(B) issue a civil penalty order in accordance with section 10(b);

(C) initiate, prosecute, defend, intervene in, or appeal (other than to the Supreme Court of the United States), through its own legal representative and in the name of the Commission, any civil action, if the Commission makes a written request to the Attorney General of the United States for representation in such civil action and the Attorney General does not, within the 45-day period beginning on the date on which such request was made, notify the Commission in writing that the Attorney General will represent the Commission in such civil action; and

(D) whenever the Commission obtains evidence that any person has engaged in conduct that may constitute a violation of Federal criminal law, including a violation of section 9, transmit such evidence to the Attorney General of the United States; and

(8) to delegate any of its functions or powers, other than the power to issue subpoenas under paragraph (3), to an officer or employee of the Commission.

(c) Noncompliance With Subpoena or Commission Order- If a person refuses to obey a subpoena or order of the Commission issued under subsection (b), the Commission (subject to subsection (b)(7)) or the Attorney General of the United States may bring an action in the United States district court for the district and division in which the inquiry is carried out or any other appropriate United States district court seeking an order requiring compliance with the subpoena or order.

(d) Disclosure of Information- No person shall be subject to civil liability to any person (other than the Commission or the United States) for disclosing information to the Commission.

(e) Customer and Revenue Data- The Commission may, by rule, require any provider of consumer financial products to provide to the Commission such customer and revenue data as may be required to carry out this Act.

(f) Purchase of Consumer Financial Products by Commission- For purposes of carrying out this Act, the Commission may purchase any consumer financial product and it may require any provider of consumer financial products to sell the product to the Commission at cost.

(g) Contract Authority- The Commission is authorized to enter into contracts with governmental entities, private organizations, or individuals for the conduct of activities authorized by this Act.

(h) Budget Estimates and Requests; Legislative Recommendations; Testimony; Comments on Legislation-

(1) BUDGET COPIES TO CONGRESS- Whenever the Commission submits any budget estimate or request to the President or the Office of Management and Budget, it shall concurrently transmit a copy of that estimate or request to the appropriate committees of Congress.

(2) LEGISLATIVE RECOMMENDATION- Whenever the Commission submits any legislative recommendations, testimony, or comments on legislation to the President or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the appropriate committees of Congress. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, testimony, or comments on legislation, to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the appropriate committees of Congress.

## **SEC. 8. COLLABORATION WITH FEDERAL AND STATE ENTITIES.**

(a) Preemption- Nothing in this Act or any rule promulgated under this Act may be construed to annul, alter, affect, or exempt any person from complying with the laws of any State, except to the extent that those laws are inconsistent with a consumer financial product safety rule promulgated by the Commission, and then only to the extent of the inconsistency. For purposes of this section, a State law is not inconsistent with this Act or a consumer financial product safety rule, or the purposes of the Act or rule, if the protection afforded by such State law to any consumer is greater than the protection provided by the consumer financial product safety rule or this Act. Nothing in this Act or any rule promulgated under this Act precludes any remedy under State law to or on behalf of a consumer.

(b) Programs To Promote Federal-State Cooperation-

(1) IN GENERAL- The Commission shall establish a program to promote cooperation between the Federal Government and State governments for purposes of carrying out this Act.

(2) AUTHORITIES- In implementing the program under paragraph (1), the Commission may--

(A) accept from any State or local authority engaged in activities relating to consumer protection assistance in such functions as data collection, investigation, and educational programs, as well as other assistance in the administration and enforcement of this Act which such States or local governments may be able and willing to provide and, if so agreed, may pay in advance or otherwise for the reasonable cost of such assistance; and

(B) commission any qualified officer or employee of any State or local government agency as an officer of the Commission for the purpose of conducting investigations.

(c) Cooperation of Federal Departments and Agencies- The Commission may obtain from any Federal department or agency such statistics, data, program reports, and other materials as it may determine necessary to carry out its functions under this Act. Each such department or agency shall cooperate with the Commission and, to the extent

permitted by law, furnish such materials to the Commission. The Commission and the heads of other departments and agencies engaged in administering programs relating to consumer financial product safety shall, to the maximum extent practicable, cooperate and consult in order to ensure fully coordinated efforts.

## **SEC. 9. PROHIBITED ACTS.**

It shall be unlawful for any person--

(1) to advertise, offer, or attempt to enforce any agreement, term, change in term, fee, or charge in connection with any consumer financial product, or engage in any practice, that is not in conformity with this Act or an applicable consumer financial product safety rule under this Act; or

(2) to fail or refuse to permit access to or copying of records, or fail or refuse to establish or maintain records, or fail or refuse to make reports or provide information to the Commission, as required under this Act or any rule under this Act.

## **SEC. 10. ENFORCEMENT.**

(a) Criminal Penalties-

(1) KNOWING AND WILLFUL VIOLATIONS- Any person who knowingly and willfully violates section 9 shall be fined not more than \$500,000, imprisoned not more than 1 year, or both for each such violation.

(2) EXECUTIVES AND AGENTS- Any individual director, officer, or agent of a business entity who knowingly and willfully authorizes, orders, or performs any of the acts or practices constituting in whole or in part a violation of section 9 shall be subject to penalties under this section, without regard to any penalties to which that person may be otherwise subject.

(b) Civil Penalties-

(1) IN GENERAL- Any person who violates section 9 shall be subject to a civil penalty in an amount established under paragraph (2). A violation of section 9 shall constitute a separate civil offense with respect to each consumer financial product transaction involved.

(2) PUBLICATION OF SCHEDULE OF PENALTIES- Not later than December 1, 2009, and December 1 of each fifth year thereafter, the Commission shall prescribe and publish in the Federal Register a schedule of the maximum authorized civil penalty that shall apply for any violation of section 9 that occurs on or after January 1 of the year immediately following the date of such publication.

(3) RELEVANT FACTORS IN DETERMINING AMOUNT OF PENALTY- In determining the amount of any civil penalty in an action for a violation of section 9, the Commission--

(A) shall consider--

(i) the nature of the consumer financial product;

(ii) the severity of the unreasonable risk to the consumer;

(iii) the number of products or services sold or distributed;

(iv) the occurrence or absence of consumer injury; and

(v) the appropriateness of such penalty in relation to the size of the business of the person charged; and

(B) shall ensure that penalties in each case are sufficient to induce compliance by all regulated entities.

(4) COMPROMISE OF PENALTY; DEDUCTIONS FROM PENALTY-

(A) IN GENERAL- Any civil penalty under this section may be compromised by the Commission.

(B) CONSIDERATIONS- In determining the amount of such penalty or whether it should be remitted or mitigated and in what amount, the Commission--

(i) shall consider--

(I) the nature of the consumer financial product;

(II) the severity of the unreasonable risk to the consumer;

(III) the number of offending products or services sold;

(IV) the occurrence or absence of consumer injury; and

(V) the appropriateness of such penalty to the size of the business of the person charged; and

(ii) shall ensure that compromise penalties remain sufficient to induce compliance by all regulated entities.

(C) AMOUNT- The amount of a penalty compromised under this paragraph, when finally determined, or the amount agreed on compromise, may be deducted from any sums owing by the United States to the person charged.

(c) Collection and Use of Penalties-

(1) ESTABLISHMENT OF FUND- There is established within the Treasury of the United States a fund, into which shall be deposited all criminal and civil penalties collected under this section.

(2) USE OF FUND- The fund established under this subsection shall be used to defray the costs of the operations of the Commission or, where appropriate, provide restitution to harmed consumers.

(d) Private Enforcement-

(1) IN GENERAL- A person may bring a civil action for a violation of section 9 for equitable relief and other charges and costs in an amount equal to the sum of--

(A) any actual damages sustained by such person as a result of such violation, if actual damages resulted;

(B) twice the amount of any finance charge in connection with the transaction, except that such liability shall not be less than \$1,000, such minimum to be adjusted on an annual basis by the Commission based upon the consumer price index; and

(C) reasonable attorney fees and costs.

(e) Jurisdiction-

(1) IN GENERAL- Any action under this Act may be brought in any appropriate United States district court, or in any other court of competent jurisdiction, not later than 2 years after the date of the discovery of the violation.

(2) RULES OF CONSTRUCTION- This section does not bar a person from asserting a violation of this Act in an action to collect a debt, or if foreclosure has been initiated, as a matter of defense by recoupment or set-off. An action under this Act shall not be the basis for removal of an action to a United States district court. Neither this section nor any other section of this Act preempts or otherwise displaces claims and remedies available under State law, except as otherwise specifically provided in this Act.

(f) State Actions for Violations-

(1) AUTHORITY OF STATES- In addition to such other remedies as are provided under State law, if the chief law enforcement officer of a State, or an official or agency designated by a State, has reason to believe that any person has violated or is violating section 9, the State--

(A) may bring an action to enjoin such violation in any appropriate United States district court or in any other court of competent jurisdiction;

(B) may bring an action on behalf of the residents of the State to recover--

(i) damages for which the person is liable to such residents under subsection (d) as a result of the violation; and

(ii) civil penalties, as established under subsection (b); and

(C) in the case of any successful action under subparagraph (A) or (B), shall be awarded the costs of the action and reasonable attorney fees, as determined by the court.

(2) RIGHTS OF FEDERAL REGULATORS-

(A) NOTICE OF STATE ACTION- A State shall serve prior written notice of any action under paragraph (1) upon the Commission and provide the Commission with a copy of its complaint, except in any case in which such prior notice is not feasible, in which case the State shall serve such notice immediately upon instituting such action.

(B) COMMISSION AUTHORIZATION- Upon notice of an action under subparagraph (A), the Commission shall have the right--

(i) to intervene in the action;

(ii) upon so intervening, to be heard on all matters arising therein;

(iii) to remove the action to the appropriate United States district court; and

(iv) to file petitions for appeal.

(3) INVESTIGATORY POWERS- For purposes of bringing any action under this subsection, nothing in this subsection or in any other provision of Federal law shall prevent the chief law enforcement officer of a State, or an official or agency designated by a State, from exercising the powers conferred on the chief law enforcement officer or such official by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

(4) LIMITATION ON STATE ACTION WHILE FEDERAL ACTION PENDING- If the Commission has instituted a civil action or an administrative action for a violation of section 9, a State may not, during the pendency of such action, bring an action under this section against any defendant named in the complaint of the Commission for any violation of section 9 that is alleged in that complaint.

## **SEC. 11. REPORTS.**

(a) Reports to the Public- The Commission shall determine what reports should be produced and distributed to the public on a recurring and ad hoc basis, and shall prepare and publish such reports on a website that provides free access to the general public.

(b) Report to the President and Congress-

(1) IN GENERAL- The Commission shall prepare and submit to the President and the appropriate committees of Congress, at the beginning of each regular session of Congress, a comprehensive report on the administration of this Act for the preceding fiscal year.

(2) REPORT CONTENT- The reports required by this subsection shall include--

(A) a thorough appraisal, including statistical analyses, estimates, and long-term projections, of the incidence and effects of practices associated with the provision of consumer financial products that are inconsistent with the objectives specified in section 5(a), with a breakdown, insofar as practicable, among the various sources of injury, as the Commission finds appropriate;

(B) a list of consumer financial product safety rules prescribed or in effect during such year;

(C) an evaluation of the degree of observance of consumer financial product safety rules, including a list of enforcement actions, court decisions, and compromises of civil penalties, by location and company name;

(D) a summary of outstanding problems confronting the administration of this Act in order of priority;

(E) an analysis and evaluation of public and private consumer financial product safety research activities;

(F) a list, with a brief statement of the issues, of completed or pending judicial actions under this Act;

(G) the extent to which technical information was disseminated to the research and consumer communities and consumer information was made available to the public;

(H) the extent of cooperation between Commission officials, representatives of the consumer financial products industry, and other interested parties in the implementation of this Act, including a log or summary of meetings held between Commission officials and representatives of industry and other interested parties;

(I) an appraisal of significant actions of State and local governments relating to the responsibilities of the Commission;

(J) such recommendations for additional legislation as the Commission deems necessary to carry out the purposes of this Act; and

(K) the extent of cooperation with, and the joint efforts undertaken by, the Commission in conjunction with other regulators with whom the Commission shares responsibilities for consumer financial product safety.

## **SEC. 12. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated to the Commission for purposes of carrying out this Act such sums as may be necessary.

**END**