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Banks Gave Big to Lawmakers Voting to Weaken Financial, Consumer Protections

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A House committee passed the Financial CHOICE Act today, approving a bill that would gut significant parts of the landmark Wall Street reform law passed in the wake of the financial crisis. The measure now heads to the full House of Representatives for a vote.

A MapLight analysis of campaign contributions found that members of the House Financial Services Committee who voted for the bill received almost 80 percent more money during the 2016 election cycle from commercial banks and holding companies than representatives who voted against it.

Representatives supporting the measure received an average of $72,191 from commercial banks and holding companies. Lawmakers who voted against the measure received an average of $40,437.

Large banks and banking trade associations have been vocal in their support for the Financial CHOICE Act, which would significantly limit the enforcement power of the Consumer Financial Protection Bureau, the agency created as part of the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act.

A letter drafted by the American Bankers Association that was sent to House Financial Services Chairman Jeb Hensarling, R-Texas, and Rep. Maxine Waters, D-Calif., called the bill "vital to ensuring that communities are not left without a regulated financial institution to serve their needs."

A coalition of 79 groups representing community organizations urged members of Congress to oppose the bill, arguing it will increase the power of large banks and "create unprecedented barriers to regulatory action that would effectively give large financial institutions power to overturn or avoid government oversight."

The measure would strip the Consumer Financial Protection Bureau of many of its powers, requiring it to obtain congressional approval before taking enforcement actions against financial institutions; restricting its ability to write rules that regulate financial companies; allowing its director to be fired by the president; and keeping the public from having access to its database of consumer complaints. It would also prevent the bureau from overseeing payday loan companies, remove restrictions on charges by retailers who take debit card payments and allow many banks to opt out of "stress tests" that gauge their ability to weather financial downturns.

The bill was sponsored by Hensarling, the leading recipient of banking industry campaign contributions on the committee at $223,900 since November 2014. It passed on a 34-26 party-line vote.

Methodology: MapLight analysis of campaign contributions to members of Congress from PACs and employees of commercial banks and bank holding companies from November 29, 2014 to November 28, 2016. Contributions data source: OpenSecrets.org.

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