June 15, 2010

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

Re: Need to Include the House-Passed Exclusion for Practice of Law in the Final Version of the Consumer Financial Protection Act (H.R. 4173)

Dear Madam Speaker:

On behalf of the American Bar Association, which has nearly 400,000 members, I write to express our concerns regarding provisions in the “Consumer Financial Protection Act” (CFPA) contained in H.R. 4173 that would create a new federal agency or bureau with sweeping powers to regulate anyone providing a "consumer financial product or service," including lawyers who represent consumer clients with debt problems and most other lawyers with a traditional legal practice.

While the House-passed version of the bill contains an appropriate exclusion for lawyers who are licensed and regulated by their state supreme court and engaged in the practice of law, the Senate bill does not contain a comparable exclusion. Therefore, the Senate bill would allow the new entity to impose burdensome new federal regulations on lawyers who help consumer clients to modify or settle their debts or avoid foreclosure. This, in turn will adversely affect thousands of bankruptcy lawyers, litigators, tax lawyers, family lawyers, real estate lawyers and general practitioners, and their ability to properly represent their clients. In addition, language in the Senate bill authorizing the entity to regulate anyone acting as a “custodian of funds” would allow the entity to regulate hundreds of thousands of other lawyers with client trust accounts. As the Conference Committee works to reconcile the differences in the House and Senate-approved versions of the CFPA, we urge you to encourage the Committee to include language in the final bill that is similar to the House-passed “exclusion for practice of law.”

The ABA does not object to provisions in both versions of the CFPA that would allow the new entity to regulate lawyers who are engaging in various commercial activities that do not constitute the practice of law, as well as other provisions that would simply transfer current federal regulatory authority from existing agencies to the new entity. At the same time, we have very serious concerns over the provisions in the Senate-passed bill that would grant the entity broad new powers to regulate lawyers engaged in the practice of law for several important reasons.
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To avoid these problems, we urge you to encourage the Conference Committee to include language similar to the House-passed "exclusion for practice of law" in the final version of the CFPA. Unlike the ineffective "exclusion for attorneys" language contained in the Senate bill, the House language will protect consumers while preserving the confidential attorney-client relationship, traditional state court regulation and supervision of lawyers, and the continued availability of quality legal services that consumer clients need.

Thank you for considering our views on this issue, which is of critical importance to many thousands of attorneys and the consumer clients that they represent throughout the United States. If you would like more information regarding the ABA’s proposed amendment, please contact our Director of Governmental Affairs, Tom Susman, at (202) 662-1765 or our Senior Legislative Counsel, Larson Frisby, at (202) 662-1098.

Sincerely,

Carolyn B. Lamm

Carolyn B. Lamm
June 15, 2010

The Honorable Steny Hoyer
Majority Leader
U.S. House of Representatives
Washington, D.C. 20515

Re: Need to Include the House-Passed Exclusion for Practice of Law in the Final Version of the Consumer Financial Protection Act (H.R. 4173)

Dear Mr. Majority Leader:

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Sincerely,

Carolyn B. Lamm
June 15, 2010

The Honorable John A. Boehner
Minority Leader
U.S. House of Representatives
Washington, D.C.  20515

Re: Need to Include the House-Passed Exclusion for Practice of Law in the Final Version of the Consumer Financial Protection Act (H.R. 4173)

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Sincerely,

Carolyn B. Lamm
June 15, 2010

The Honorable Eric I. Cantor
Minority Whip
U.S. House of Representatives
Washington, D.C. 20515

Re: Need to Include the House-Passed Exclusion for Practice of Law in the Final Version of the Consumer Financial Protection Act (H.R. 4173)

Dear Representative Cantor:

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Sincerely,

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June 15, 2010

The Honorable Harry Reid  
Majority Leader  
United States Senate  
Washington, D.C.  20510  

Re:  Need to Include the House-Passed Exclusion for Practice of Law in the Final  
Version of the Consumer Financial Protection Act (H.R. 4173)

Dear Mr. Majority Leader:

On behalf of the American Bar Association, which has nearly 400,000 members, I write to express  
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Sincerely,

Carolyn B. Lamm
June 15, 2010

The Honorable Richard J. Durbin  
Majority Whip  
United States Senate  
Washington, D.C.  20510

Re: Need to Include the House-Passed Exclusion for Practice of Law in the Final Version of the Consumer Financial Protection Act (H.R. 4173)

Dear Senator Durbin:

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Sincerely,

Carolyn B. Lamm
June 15, 2010

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, D.C.  20510

Re:  Need to Include the House-Passed Exclusion for Practice of Law in the Final Version of the Consumer Financial Protection Act (H.R. 4173)

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Carolyn B. Lamm
June 15, 2010

The Honorable Jon Kyl
Ministry Whip
United States Senate
Washington, D.C.  20510

Re:  Need to Include the House-Passed Exclusion for Practice of Law in the Final
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Dear Senator Kyl:

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