



## New Poll Shows Continued Strong Support for Financial Reforms and Consumer Protections

CRL Research Brief

July 2012

With the second anniversary of the signing of the Dodd-Frank Wall Street Reform Act approaching, a new poll reveals that American voters overwhelmingly support consumer protections enacted as part of that law. In particular, the poll—conducted by Lake Research Partners on behalf of the Center for Responsible Lending (CRL), AARP, National Council of La Raza, and Americans for Financial Reform—reveals strong, bipartisan support for the Consumer Finance Protection Bureau (CFPB) and other consumer protection provisions of the Wall Street Reform law. Overall support for CFPB and the consumer protections is very similar to a poll taken in July 2011.<sup>1</sup>

Some key findings of the poll:

- 1. Large majorities of Americans support greater federal oversight of financial institutions:**
  - 73 percent of likely voters support Dodd-Frank’s expansion of federal oversight to include mortgage brokers, payday lenders and other financial entities not previously subject to federal regulation, versus 20 percent who oppose it;
  - 60 percent favor more oversight of financial companies such as banks, mortgage lenders, payday lenders and credit card companies, compared to 29 percent who think there should be less oversight.
  - 73 percent of favor tougher rules for Wall Street financial companies, versus 17 percent who oppose further regulation.
  
- 2. 74 percent of Americans favor the CFPB generally, compared to just 19 percent who oppose it. In addition,**
  - 92 percent favor CFPB’s decision to require clearer explanations of loan terms;
  - 88 percent favor CFPB’s creation of a searchable consumer complaint system;
  - 93 percent favor CFPB’s establishment of additional mortgage and foreclosure protections for military service members;
  - By a 3 to 1 margin, Americans want CFPB to retain oversight over payday lenders and other consumer loan companies rather than giving this authority to a different bank regulator (63 percent vs 21 percent);
  
- 3. Even when presented with opposing views about whether the CFPB is needed to prevent predatory financial practices or is an example of federal overreach impeding economic recovery, Americans believe the CFPB is needed (66 to 26 percent).**

- 4. **Americans do not want federal law to preempt stronger state consumer protections.** 66 percent of voters want states to be able to enact stronger consumer protections, versus 24 percent who want federal laws to override state laws when state laws are stronger.

**Background:**

The 2010 Dodd-Frank Wall Street Reform law was enacted in the wake of the economic meltdown and subsequent Great Recession as an overhaul of the financial regulatory system. The law created the Consumer Finance Protection Bureau, which consolidates the consumer finance protection authority previously scattered among seven different agencies into a single entity whose mission is to protect consumers from deceptive practices by banks, credit card companies and other institutions. Prior polling has shown that the Wall Street reform law is the single most popular major piece of legislation passed by Congress in recent years.<sup>2</sup>

On July 21<sup>st</sup>, 2011 regulatory authority of already-existing consumer protection rules were transferred to the CFPB. In January 2012, President Obama appointed a director to head the CFPB, which enabled the agency to establish and enforce new protections. With the second anniversary of the passage of the Wall Street Reform Act approaching, CRL, AARP and AFR engaged Lake Research Partners to conduct a poll of 800 likely voters to assess the public’s perception of the CFPB.

**Key Questions and Results:**

Q2. Generally speaking, do you think there should be more government oversight of financial companies, such as Wall Street banks, mortgage lenders, payday lenders, and credit card companies, or less oversight of these companies?

**Much /somewhat more ..... 60**  
**Much /somewhat less ..... 29**

Q3. Should Wall Street financial companies be held accountable with tougher rules and enforcement for the practices that caused the financial crisis, or have their practices changed enough that they don’t need further regulation?

**Should be held accountable ..... 73**  
**Don’t need further regulation ..... 17**

Q4. As you may know, a new Wall Street reform law was passed in 2010. This law requires federal oversight of certain types of financial companies that were not previously subject to federal regulation, including mortgage brokers, payday lenders, debt collectors, and companies that create credit scores and reports. Please tell me whether you favor or oppose requiring federal oversight of these financial companies.

<b>Favor – strongly /somewhat .....</b>	<b>73</b>
<b>Oppose – strongly /somewhat .....</b>	<b>20</b>

Q5. Part of the Wall Street Reform law was the establishment of the Consumer Financial Protection Bureau, or CFPB. It is responsible for consumer protection, for enforcing clear rules for financial companies that sell mortgages and other loans, and for preventing abusive lending and collection practices. I'm going to read you some policies the CFPB has created, and for each one, please tell me whether you favor or oppose it. Do you favor/oppose that strongly or just somewhat?

a. Require banks, mortgage lenders, credit card companies, student loan and auto lenders to provide clearer explanations of their rates, terms and fees.

<b>Strongly /somewhat favor .....</b>	<b>92</b>
<b>Strongly /somewhat oppose .....</b>	<b>6</b>

b. Establish a consumer complaint system with a searchable database so that consumers can report unfair financial practices and view complaints made by others.

<b>Strongly /somewhat favor .....</b>	<b>88</b>
<b>Strongly /somewhat oppose .....</b>	<b>9</b>

c. Establish additional mortgage and foreclosure protections so that military service members who have been deployed to new locations are protected.

<b>Strongly /somewhat favor .....</b>	<b>93</b>
<b>Strongly /somewhat oppose .....</b>	<b>5</b>

Q6. Now I'd like to read you a pair of statements about the Consumer Financial Protection Bureau. Of the two, please tell me which statement is closer to your own views.

Statement A. For far too long, Wall Street banks and financial companies wrote their own rules and nobody was watching out for regular Americans. The CFPB is needed because its sole mission is to prevent confusing and predatory financial practices and to ensure that all financial institutions—from mortgage lenders and credit card companies to payday lenders and auto lenders—are treating consumers fairly.

Statement B. The CFPB is another unaccountable bureaucracy we don't need. The financial crisis was caused by too much regulation and imposing even more regulation just hurts small businesses and impedes economic recovery. The CFPB is yet another example of out of control, big government.

<b>Statement A – much /somewhat closer .....</b>	<b>66</b>
<b>Statement B – much /somewhat closer .....</b>	<b>26</b>

Q9. The CFPB was given authority to oversee payday lenders and other consumer loan companies, and it has started reviewing these companies' practices. Now these companies are asking Congress to take away much of this oversight and give it to the regulator that was in charge of the big banks before and during the financial crisis. Do you support having the CFPB in charge of this oversight or do you support taking this from the CFPB and giving it to the bank regulator?

<b>CFPB in charge .....</b>	<b>63</b>
<b>Bank regulators in charge .....</b>	<b>21</b>

Q10. Some members of Congress are sponsoring legislation that would allow federal laws to override stronger state financial protection laws so that those state consumer protections would no longer be in place. Are you in favor of federal law overriding state law or do you think that states should be able to pass and enforce stronger consumer protections?

**Override state law ..... 24**

**States should be able to enforce ..... 66**

## NOTES

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<sup>1</sup> *New Poll: Broad Bipartisan Support for Financial Reform and Consumer Protections*. Available at <http://www.responsiblelending.org/other-consumer-loans/consumer-financial-protection-bureau/research-analysis/new-poll-broad-bipartisan.html>

<sup>2</sup> *From Among Recent Bills Financial Reform a Lone Plus for Congress*, based on USA/Today/Gallup poll, August 27-30, <http://www.gallup.com/poll/142967/among-recent-bills-financial-reform-lone-plus-congress.aspx>