



## ABA Grassroots Action Alert

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# Urge Congress to Include a Broad Practice of Law Exclusion in the Consumer Financial Protection Act

We need your help to convince the House-Senate Conference Committee for the proposed Consumer Financial Protection Act (CFPA) to include the broad “practice of law” exclusion previously approved by the House in the final version of the CFPA so lawyers engaged in the practice of law will not be subject to the expanded regulatory powers of the new federal agency or bureau created by the bill. Unless language similar to the House-passed exclusion is included in the final bill, the legislation will interfere with the confidential attorney-client relationship, undermine traditional state court regulation and supervision of lawyers, and discourage many lawyers from providing essential legal services to their consumer clients.

### BACKGROUND

Congress is nearing final action on the CFPA, which would create a new federal entity with sweeping powers to regulate anyone providing a “consumer financial product or service” or engaging in any related “financial activity,” including many lawyers engaged in the practice of law. The bill approved by the House last December (Title IV of H.R. 4173) would create a stand-alone “Consumer Financial Protection Agency” while the bill passed by the Senate on May 20 (Title X of H.R. 4173, formerly 3217) would create a similar “Bureau of Consumer Financial Protection” within the Federal Reserve.

While the House bill contains a broad exclusion for lawyers engaged in the practice of law, the Senate bill does not contain a comparable exclusion. Instead, the Senate bill would grant the new entity extensive authority to regulate all lawyers who provide any “consumer financial product or service,” as that term is broadly defined in the bill. Because the term includes assisting a consumer with “debt management...debt settlement...modifying the terms of any extension of credit...(or) avoiding foreclosure,” as well as “acting as a custodian of funds,” the Senate bill would authorize the entity to impose burdensome new federal regulations not only on bankruptcy lawyers, litigators, tax lawyers, family lawyers, real estate lawyers, and general practitioners who represent consumer clients, but also on virtually any lawyer or law firm with client trust accounts.

As explained more fully in the [ABA Fact Sheet](#) on this issue, the ABA is urging the House-Senate Conference Committee to include language similar to the House-passed “exclusion for practice of law” in the final version of the CFPA that Congress is expected to vote on soon.

### URGENT ACTION REQUESTED

The ABA **needs your help** to persuade Congress to include a broad exclusion in the final version of the CFPA that would exempt lawyers engaged in the traditional practice of law, and those acting under the lawyer’s direction, from the expanded regulatory powers of the new agency or bureau.

**The ABA encourages State Bars to e-mail a short letter to each member of their State Delegation (all U.S. Representatives and both Senators from that state) and Local Bars to e-mail a letter to their respective U.S. Representatives and both Senators** urging them to encourage the Conference Committee to include language similar to the House’s practice of law exclusion in the final bill. For your convenience, click here for an updated [sample bar letter to Congress](#).

If you need contact information and e-mail addresses for your State Delegations, or if you have any other questions, please contact Larson Frisby in the ABA Governmental Affairs Office at (202) 662-1098 or [frisbyr@staff.abanet.org](mailto:frisbyr@staff.abanet.org). Otherwise, please email Larson a copy of any letter you send to Congress on this issue (or fax the copy to 202-662-1762). This will help us to coordinate and follow up on your efforts.

Thank you for your assistance on this important matter.