

September 9, 2009
Consumer Financial Protection Agency
H.R.3126

- The American Institute of Certified Public Accountants (“AICPA”) supports the House Financial Services Committee’s commitment to enhancing public protection for consumers of financial services, closing gaps in current regulations, and targeting those who use unscrupulous practices to prey on consumers.
- H.R. 3126, the “Consumer Financial Protection Agency Act”, was introduced on July 9 by House Financial Services Committee Chairman Barney Frank.
- As part of its broad reach, H.R. 3126 would give regulatory power to the Consumer Financial Protection Agency (CFPA) that would cover the CPA – client relationship when providing financial services primarily for personal, family or household purposes, including:
 - tax preparation
 - tax planning
 - personal financial planning services
 - pro bono efforts by CPAs across the country to raise the financial literacy of Americans.
- CPA services are unlike many other financial services in that they are not generic products that can be sold or performed broadly; rather, they are tailored individually to each client based on their specific circumstances and financial facts.
- In particular, the CPA’s customary and usual professional relationship with clients does not include the sale or provision of financial products, such as loans or investments. The provision of investment products and advice is regulated by the SEC, and the CFPA bill retains that regulatory authority. On those rare occasions where CPAs offer loan products, regulatory authority over that activity should be included under the CFPA.
- Providing any material service to a covered person makes a CPA a covered person under the bill as well. This provision goes beyond regulating consumer financial products and would include regulating customary and usual professional accounting and auditing services provided to a client that is a covered person. This provision in the bill should be narrowed so it does not include such customary and usual services.

- In providing various services to the public, CPAs are currently guided not only by professional ethics and required to act in the public interest, but also are subject to intense oversight, scrutiny, and discipline from each state's board of accountancy that enforces state laws and regulations applicable to the CPA profession and from the AICPA. With regard to federal tax related services, CPAs have to meet the strict regulatory requirements of the Treasury Department and the Internal Revenue Service.
- H.R. 3126 has been described as a bill that consolidates the enforcement of a number of federal consumer protection laws into one federal agency. In many respects this is true. However, it adds another layer of regulation on the accounting profession and does not consolidate any regulation.
- The additional, redundant regulation of the customary and usual services and advice provided by CPAs would impose unnecessary costs on the clients of CPAs and an enormous burden on the Agency as it attempts to provide oversight of CPAs.
- CPAs are not asking for an exemption from the bill when they are offering consumer financial products, such as loan or investment products. In fact, areas of potential abuse, such as offering refund anticipation loans, are covered by other provisions of H.R. 3126.
- Please exempt CPAs and certified public accounting firms who provide straightforward, valuable services to Americans from the duplicative regulations included in H.R. 3126.
- The American Institute of Certified Public Accountants (www.aicpa.org) is the national, professional association of CPAs, with more than 360,000 CPA members in business and industry, public practice, government, education, student affiliates, and international associates. It sets ethical standards for the profession and U.S. auditing standards for audits of private companies, non-profit organizations, federal, state and local governments. It develops and grades the Uniform CPA Examination.