



## Social Investment Forum

August 12, 2009

Representative Barney Frank  
Chairman

Representative Spencer Bachus  
Ranking Member

House Financial Services Committee  
2129 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Frank and Ranking Member Bachus:

On behalf of the Social Investment Forum (SIF), I am writing in support of H.R. 3126, the Consumer Financial Protection Agency Act of 2009.

**The Social Investment Forum** is the U.S. national nonprofit membership association for professionals, firms and organizations dedicated to advancing the practice and growth of socially responsible investing (SRI). Critical to responsible investment practice is the consideration of environmental, social and corporate governance criteria in addition to standard financial analysis. Forum members support SRI through portfolio selection analysis, shareholder advocacy and community investing.

The 400 members of the Social Investment Forum include investment management and advisory firms, mutual fund companies, research firms, financial planners and advisors, broker-dealers, banks, credit unions, community development organizations, non-profit associations, and pension funds, foundations, Native American tribes and other asset owners.

For more than 30 years, socially responsible investors have advocated for greater corporate social responsibility. Our members engage in shareholder advocacy, direct capital to companies that pursue sustainable business practices, and invest in communities, particularly low-income communities that are underserved by traditional financial institutions.

The Social Investment Forum is proud to have community investing financial institutions within our membership, a sector that has responsibly and successfully loaned money in low-income communities for decades. These loans have been used for home mortgages, the development of affordable housing, the growth of small businesses, and the support of nonprofit facilities such as child care centers. Because of their fair lending practices, community development financial institutions have not suffered the record foreclosures and losses of many commercial lenders, some of which participated in unscrupulous practices. Instead of stripping communities of wealth through predatory lending, community development financial institutions help communities build wealth. We believe that the Consumer Financial Protection Agency will help ensure that consumers will be protected from products such as predatory loans.

We also believe that the creation of the Consumer Financial Protection Agency is an important component of the broader overhaul of the financial regulatory system. The creation and sale of trillions of dollars of financial products with inadequate regulation and insufficient transparency has contributed to the recent spectacular market failures. It is clear that allowing portions of the financial services industry to self-police and determine their own risk levels is unacceptable and undermines the financial system for all consumers.

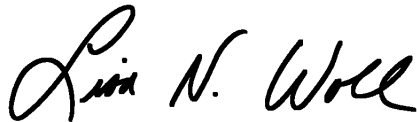
We thus support the general direction, and many of the specifics, of the Obama Administration's *Financial Regulatory Reform: A New Foundation* and believe that H.R. 3126 is a critical piece of legislation within the financial reform framework.

An agency devoted to the regulation of consumer financial products will go a long way towards providing a better mechanism for improving consumer protection and ensuring that consumers have a fair choice in products and services such as home mortgages, credit cards, and credit reports.

We urge you to support H.R. 3126 as a piece of the financial reform necessary to restore trust in our financial markets and help ensure that we take steps to avoid future financial crises.

We look forward to working with you on this legislation as it moves through Congress and invite you to contact the Social Investment Forum if we can be of any assistance.

Sincerely,



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Cheryl Smith  
Board Chair, Social Investment Forum  
President, Trillium Asset Management