

Financial lobbyists are closely watching two key amendments that could dramatically reshape financial overhaul legislation and the proposed consumer protection agency.

The House Rules Committee was scheduled to vote by Wednesday afternoon on whether to allow floor debate on amendments backed by Reps. Walt Minnick (D-Idaho) and Melissa Bean (D-Ill.).

Centrist House Democrats, including Minnick and Bean, are wary of the scope of proposed powers under the Consumer Financial Protection Agency (CFPA). The agency is one of the centerpieces of the wide-ranging financial bill up for debate this week.

The Minnick amendment would cut out the new agency and replace it with a council of existing regulators that would focus on consumer protection. Bean's amendment on pre-emption would limit the ability of state officials to pursue tougher regulations than the federal government.

As of Tuesday afternoon, lobbyists and aides were not certain either amendment would head to the floor.

"He is hopeful that the policy substance will be considered, but he doesn't have any firm expectations because it is in the hands of Rules," said John Foster, Minnick's spokesman.

The amendments would substantially change the bill pushed by powerful House Financial Services Committee Chairman Barney Frank (D-Mass.) and backed by the Obama administration. The votes on each would likely be close, splitting liberal and more conservative Democrats.

Minnick is a member of the Blue Dog conservative Democrats. A pairing of Blue Dogs and New Democrats, a group of centrists, could shift the debate. But the 68-member New Democrat coalition as a whole has not taken a public position on the Minnick amendment.

New Democrats have been longstanding supporters of federal pre-emption. The policy was one of their principles for financial reform earlier this year.

Minnick was joined on his amendment by Reps. Aaron Schock (R-Ill.), Heath Shuler (D-N.C.), Mike Castle (R-Del.), Travis Childers (D-Miss.), John Campbell (R-Calif.), Betsy Markey (D-Colo.), Dave Reichert (R-Wash.), Harry Teague (D-N.M.) and Bobby Bright (D-Ala.).

Bean was joined on her pre-emption amendment by Reps. Castle, Joseph Crowley (D-N.Y.), Ed Royce (R-Calif.), Stephanie Herseth Sandlin (D-S.D.), Leonard Lance (R-N.J.) and John Adler (D-N.J.).

The Financial Services Roundtable, a large financial lobbying interest, supports the Minnick amendment.

“The council is the most effective way to protect consumers,” said Scott Talbott, senior vice president at the Roundtable. “It utilizes existing regulators and avoids creating a new government agency.”

The Chamber on Tuesday unveiled a new advertising push against CFPA. “The CFPA simply adds a new agency with unprecedented power on top of a broken regulatory system,” said David Hirschmann, president and CEO of the Chamber’s Center for Capital Markets Competitiveness.

But some powerful lobbying interests are taking a more lukewarm or neutral approach to the Minnick amendment in particular.

“We’re not going all out for Minnick at this point, but we’re encouraging him in the next steps in the process,” said Steve Verdier, senior vice president at the Independent Community Bankers of America (ICBA). The association sent a letter to Capitol Hill this week urging lawmakers to pass financial legislation.

“At this juncture, I wanted our main message to be crystal-clear: ICBA strongly supports enactment of meaningful financial reform,” said Camden Fine, president of ICBA. The American Bankers Association (ABA), meanwhile, sent a letter stating its opposition to the bill.

Pat Keefe, spokesman at the Credit Union National Association (CUNA), said the group is still looking at the Minnick measure.

“We continue to analyze the Minnick amendment, as well as the other 230-plus amendments that have been filed at the Rules Committee,” Keefe said. “On our initial review, we had a concern that the amendment may include a ‘plain vanilla’ provision, which would not be something we could support.”

The Consumer Bankers Association and other financial lobbying interests have been pushing for federal pre-emption language all year.

The administration, Frank and consumer allies have pushed to ensure that states can pursue additional regulations on top of federal efforts.