

December 1, 2022

U.S. Chamber of Commerce
1615 H Street, NW
Washington, DC 20062-2000

Longview Chamber of Commerce
410 N Center St,
Longview, TX 75601

American Bankers Association
1333 New Hampshire Avenue NW
Washington, DC 20036

Consumer Bankers Association
1225 New York Avenue, NW
Suite 1100
Washington, DC 20005

Independent Bankers Association of Texas
1700 Rio Grande Street
Suite 100
Austin, TX 78701

Texas Association of Business
316 W 12th St #200
Austin, TX 78701

Texas Bankers Association
PO Box 162407
Austin, TX 78716

Dear U.S. Chamber and Banking Associations,

The below list of consumer, civil rights, labor, faith-based, and community groups call on you to drop your lawsuit against Rohit Chopra and the Consumer Financial Protection Bureau (CFPB). The lawsuit focuses on the Bureau's warning that the federal prohibition on unfair practices covers discrimination, and that the Bureau will be using its examination authority to look for and address unlawful discrimination in financial services, including in areas outside of lending. The CFPB was well within its authority to take these actions. Discrimination is unfair and unlawful, and it should have no place in our financial system. This suit attacks the CFPB's ability to identify discriminatory practices and to provide consumers with much-needed protection against discrimination. The lawsuit goes against the promises that the plaintiffs and big banks across the nation made to commit themselves to racial equity. We call on you to match your words with action and drop the suit.

CFPB's efforts to combat discrimination in the financial system are desperately needed. Wall Street has benefited from racism throughout its history. Investors once generated wealth by selling "securitized slave bonds," and modern big banks including JP Morgan Chase and Bank of America have profited from ties to slavery.¹ The effects of this history continue today. Just this year the CFPB took action against Trident Mortgage company for redlining.² This type of discrimination in the financial system has contributed to the racial wealth gap, which between Black and white families has hardly changed over the past 20 years and between Latinx and white families has improved only slightly and remains large.³ Racial discrimination in the financial system also makes Black and Latinx families significantly more likely than white families to be unbanked or underbanked.⁴ Lack of access to financial services impedes economic mobility, leaves families with fewer choices of housing and employment and often forces people to turn to predatory lenders in times of emergency. All of these things then in turn worsen the racial wealth gap. If the plaintiffs stand against efforts to detect and combat discrimination in the financial system, they stand for the persistence of this systemic racism.

Nearly all of the plaintiffs have made public statements against racism in the last two years. In direct response to the murders of George Floyd and Breonna Taylor, the American Bankers Association wrote: "Unacceptable racial disparities in health, wealth, income, education and other measures of opportunity continue to grow... We cannot look away from these facts, we cannot declare them someone else's problem, we cannot fail to engage. We must be part of the solution."⁵ Yet the lawsuit attempts to force the CFPB to look away. In the wake of John Lewis's passing The U.S. Chamber of Commerce wrote: "Rep. Lewis devoted his life to ending systemic inequalities and we must do our part to address these issues."⁶ Longview Chamber⁷ and Consumer Bankers Association⁸ have made similar public statements opposing discrimination. We call on you to show that your words are not empty.

¹ *Is Our Economy Fair?* Take On Wall Street. (2021, April 9). Retrieved November 2, 2022, from <https://isoureconomyfair.org/>

² *CFPB, DOJ order Trident Mortgage Company to pay more than \$22 million for deliberate discrimination against minority families.* Consumer Financial Protection Bureau. (2022, July 27). Retrieved November 2, 2022, from <https://www.consumerfinance.gov/about-us/newsroom/cfpb-doj-order-trident-mortgage-company-to-pay-more-than-22-million-for-deliberate-discrimination-against-minority-families/>

³ *Racial differences in economic security: The Racial Wealth Gap.* U.S. Department of the Treasury. (2022, September 15). Retrieved November 2, 2022, from <https://home.treasury.gov/news/featured-stories/racial-differences-economic-security-racial-wealth-gap>

⁴ *2021 FDIC National Survey of unbanked and underbanked households.* FDIC. (n.d.). Retrieved November 2, 2022, from <https://www.fdic.gov/analysis/household-survey/index.html>

⁵ *A message from Laurie Stewart & Rob Nichols: Call for change.* ABA. (n.d.). Retrieved November 2, 2022, from <https://www.aba.com/training-events/career-workforce-development/diversity-equity-inclusion/call-for-change>

⁶ Staff, U. S. C. (2021, October 21). *U.S. Chamber of Commerce Statement on the passing of rep. John Lewis.* U.S. Chamber of Commerce. Retrieved November 2, 2022, from <https://www.uschamber.com/about/us-chamber-of-commerce-statement-the-passing-of-rep-john-lewis>

⁷ East Texas Review. (2020, June 12). *The Longview Chamber partners with the U.S. Chamber to launch a national initiative on Inequality of Opportunity.* East Texas Review. Retrieved November 2, 2022, from <https://easttexasreview.com/the-longview-chamber-partners-with-the-u-s-chamber-to-launch-a-national-initiative-on-inequality-of-opportunity/>

⁸ *CBA, leading financial groups pursue legal action against CFPB for unlawful changes to UDAAP exam manual.* Consumer Bankers Association. (2022, September 28). Retrieved November 2, 2022, from <https://www.consumerbankers.com/cba-media-center/media-releases/cba-leading-financial-groups-pursue-legal-action-against-cfpb>

Furthermore, the legal argument that discrimination is not unfair is simply wrong. An “unfair” practice is defined by both FTC and Dodd Frank statute as something “(1) likely to cause substantial injury to consumers; (2) which is not reasonably avoidable; and (3) that is not outweighed by countervailing benefits to consumers or competition.” Discrimination fits within each of these three prongs of unfairness, and we challenge you to say otherwise. The term “unfair” has been used to describe discrimination based on protected classes for decades.⁹ In plain language, discrimination is unfair and unlawful.

This lawsuit is a wrongful impediment to progress against racism in the financial system. This lawsuit opposes the same values that nearly all of the plaintiffs have proudly asserted they hold over the last two years. We desperately need the CFPB to look for discrimination in financial services wherever it occurs, and to protect consumers against discrimination and it is well within their authority to do so. We call on you to drop this case.

Sincerely,

Americans for Financial Reform Education Fund
Accountable.US
AKPIRG
Alliance for Justice
Association for Neighborhood and Housing Development (ANHD)
California Reinvestment Coalition
Center for Digital Democracy
Center for Economic Integrity
Coalition on Human Needs
Connecticut Legal Services, Inc.
Consumer Action
Consumer Federation of America
Consumers for Auto Reliability and Safety
Center for LGBTQ Economic Advancement & Research (CLEAR)
Consumer Reports
Delaware Community Reinvestment Action Council, Inc.
Demand Progress Education Fund
Empire Justice Center
Fair Housing Center of Central Indiana, Inc.
Fight Corporate Monopolies
Global Capital Funding Group, LLC
Housing Action Illinois
HPP CARES CDE
Indiana Community Action Poverty Institute
Integrated Community Solutions, Inc

⁹ *Discrimination is unfair - student borrower protection center*. (n.d.). Retrieved November 2, 2022, from https://protectborrowers.org/wp-content/uploads/2021/04/Discrimination_is_Unfair.pdf

Legal Services NYC
Maryland Consumer Rights Coalition
Metropolitan Interfaith Council on Affordable Housing
Montana Fair Housing
Mountain State Justice, Inc.
Multicultural Real Estate Alliance
National Association of Consumer Advocates
National Coalition for Asian Pacific American Community Development (National CAPACD)
National Community Reinvestment Coalition
National Consumer Law Center (on behalf of its low income clients)
National Housing Resource Center
New Jersey Citizen Action
Our Spring Lake Store, LLC
Pennsylvania Council of Churches
Prosperity Now
Public Justice
Public Justice Center
Revolving Door Project
South Carolina Appleseed Legal Justice Center
Student Borrower Protection Center
Texas Appleseed
The Greenlining Institute
THE ONE LESS FOUNDATION
Tzedek DC
VOICE (Voices Organized in Civic Engagement)
Virginia Organizing
Virginia Poverty Law Center
Woodstock Institute