

May 22, 2020

Director Kathleen L. Kraninger
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552

Re: Protecting Consumers During the COVID-19 Pandemic

Dear Director Kraninger,

Over the past two months, we have seen the COVID-19 pandemic wreak havoc on millions of people all across the United States. Unemployment is near Great Depression levels and continuing to climb as families are struggling to pay their bills and put food on the table. To make matters worse, debt collectors are seizing stimulus checks, and there is widespread consumer confusion and uncertainty about their rights under federal and state law.

Formed in the wake of the last financial crisis, the Consumer Financial Protection Bureau (CFPB or the Bureau) is the one federal agency tasked solely with protecting the consumers who are hurting the most from the economic fallout of this public health emergency. But the CFPB's COVID-19 response to date has been tepid and primarily focused on reducing accountability and transparency for the financial industry instead of addressing the very real dangers that consumers are facing. This weak response by the nation's lead consumer protection agency is deepening the damage to vulnerable communities and families, exacerbating the economic fallout of the crisis, and wasting precious time and taxpayer resources. The CFPB must step up to the task of fulfilling its critical mission of protecting consumers in the financial marketplace.

I. Suspension of All Regulatory Actions Unrelated to COVID-19

We urge the CFPB to suspend any and all pending, upcoming, or new rulemaking and other regulatory actions, including requests for information (RFI), notices under the Paperwork Reduction Act, notices of proposed rulemaking, advance notices of proposed rulemaking, ongoing development of potential regulations, or issuing final interpretive or legislative rules until at least 90 days after the national emergency has been lifted, unless those actions are responsive to the needs of consumers during the pandemic, necessary to maintain the status quo during the pandemic, or implementing pandemic-related congressional directives. We further ask that the CFPB not issue any new RFIs or proposed rules for comment, including any action on the payment provisions of the 2017 payday rule, that are unrelated to addressing COVID-19, the health and safety of the U.S. population, or the collateral financial damage of the public health crisis until at least 90 days after the end of the emergency declaration, and divert all of its resources to mitigating the economic damage from COVID-19.

In particular, we ask that the Bureau extend the comment deadlines for its two open comment requests, the Request for Information (RFI) to Assist the Taskforce on Federal Consumer Financial Law and the Debt Collection Practices (Regulation F) Supplemental Proposal on Time-Barred Debt to at least 90 days after the declared end of our current public health emergency.¹ The dangerous and rapid spread of COVID-19 and the unprecedented cautionary measures we are all taking to protect our families and communities have caused major unexpected disruptions in our lives and organizations, presenting challenges to all sides for providing meaningful input within the allotted timeframes. If these deadlines are not extended, the administrative record will lack the breadth of expert, stakeholder, and public perspectives necessary to formulate rules and policies that effectively and fairly accomplish their intended purpose. It is questionable whether, under the present circumstances, the CFPB can develop an adequate administrative record on any issue not directly related to COVID-19. Proceeding with unrelated rulemaking signals disinterest in meaningful public engagement and is not consistent with the CFPB's statutory mandate to engage with all stakeholders, including traditionally underserved communities.

In addition, we write to express our concern that the CFPB has finalized rules without consideration for the drastically changed context in light of COVID-19, such as its recent issuance of the final Home Mortgage Disclosure Act (HMDA) rule on reporting thresholds and continued insistence on moving forward with finalizing the payday underwriting rescission rule. Continuing work on unrelated non-essential matters during the national emergency diverts Bureau resources away from providing a prompt and effective response to COVID-19, which will cause greater collateral damage to consumers, financial institutions, and the economy. We urge the CFPB to pause ongoing rulemaking processes and refrain from issuing any other final rules, including the payday underwriting repeal and the debt collection rule.

We are all facing a dramatically different and uncertain world than when the CFPB first issued these proposals for notice and comment and began the rulemaking process. Two months after the emergency declaration, it is becoming increasingly clear that the economic impacts of the COVID-19 pandemic will likely affect families for a considerable period of time. It is critical that the CFPB take into account the need to incorporate the changed circumstances and reassess pending regulatory actions in light of the drastically different current context and its implications, especially for proposed rules and actions that were far along in the rulemaking process before the crisis hit. We ask that the Bureau gather and process additional public input before proceeding with any pending or new regulatory actions until after the CFPB has had sufficient time to analyze the impact of COVID-19 on consumers and post-crisis conditions.

¹ The deadline for comments on the Supplemental Notice of Proposed Rulemaking on time-barred debt disclosures was recently extended, but not to the extent as we request here. In consideration of ongoing and rapidly changing COVID-19 developments, we ask that the CFPB extend the deadline beyond the end of the emergency to give stakeholders the time necessary to provide meaningful feedback after the crisis has abated.

II. Protecting Consumers Through the COVID-19 Pandemic

As the financial regulatory agency whose primary mission is protecting consumers, it is crucial that the CFPB dedicate all of its resources to mitigating harms to individuals, families, and communities due to problems or abuses in financial services during this crisis. With the increasing evidence of the particularly severe impacts of COVID-19 on African-Americans, low-income people, and immigrants - underserved communities to which the CFPB has special statutory obligations - it is particularly important that the agency take robust actions to defend civil rights and stand up for economically vulnerable populations. There is a long list of actions the CFPB can and should be taking that would make an enormous difference in enhancing people's economic security during this crisis. Many such actions are laid out [here](#); below we focus on a few crucial ones. Unless the Bureau's staff time and resources are focused on using all of the many tools at its disposal to protect the public, it is failing to fulfill its mission, increasing the suffering that results from the COVID-19 pandemic, and setting back economic recovery.

We urge the CFPB to reconsider its light touch approach to supervision during the COVID-19 pandemic. While we recognize the need to move to virtual exams and adapt the process to the current crisis, the CFPB must make clear that it will not tolerate consumer abuse and that institutions remain accountable for following the law during this time. It is absolutely critical for the CFPB to exercise strong oversight over mortgage servicers, lenders, debt collectors, credit reporting bureaus, and other financial companies through its supervision and enforcement authority to make sure that they are working with consumers and providing them with available relief in accordance with federal and state law. Ensuring compliance by mortgage servicers, for example, is crucial to prevent avoidable foreclosures and provide homeowners with access to the assistance they need to stay in their homes. Similarly, improper debt collection and garnishment must be stopped so that families are able to use the money they have to pay for necessities, such as food and medicine, during this emergency. Given the disproportionate impact of COVID-19 on the elderly, people of color, and immigrant communities, the Bureau should be particularly vigilant in monitoring fair lending concerns and taking steps to ensure that all consumers are being treated fairly during this crisis regardless of their age, technological access or skills, race, or national origin. The CFPB should [enhance](#) its complaint response system and utilize its special populations offices as important mechanisms to better understand what problems consumers are facing and take steps to address them.

The CFPB's website is already a valuable source for consumers, and during this critical time, it should be expanded to be the main clearinghouse for trusted information on how to navigate COVID -19 response programs and protections, and find answers to frequently asked questions. The [joint agency housing assistance web page](#) is a good start, and similar pages should be created for different financial products and updated with legislative and regulatory changes as they develop so that consumers have a reliable source of information to understand their options and companies have a place to find plain language explanations they can use with their customers.

Finally, the CFPB should use its authority to rein in unfair, deceptive, abusive, and unconscionable practices that prey on consumers during this time of hardship or undermine the goals of actions taken to protect them, such as the garnishment of stimulus checks, abusive debt collection, and predatory lending. The CFPB should immediately follow the lead of states such as [Massachusetts](#) in issuing emergency protections for consumers from overreaching debt collection during a time when it is dangerous for people to leave their homes, many courts are closed, and millions of people - especially those with the least wealth and fewest resources - have seen their incomes slashed. In addition, the Bureau should issue guidance that outlines parameters of acceptable and unacceptable behavior for supervised entities and encourages all companies to provide assistance to struggling consumers, including waiving fees, providing forbearance on payments, and offering flexible repayment plans. Guidance should be focused on enabling effective assistance, increased protection, and clear communications for consumers, not relaxing unrelated regulatory requirements and decreasing transparency for companies, as the CFPB has done by reducing reporting requirements under HMDA and the CARD Act.

We urge the CFPB to stop all non-essential rulemaking and activities unrelated to COVID-19 and direct all of its authority and resources to preventing the financial firms it regulates from worsening the financial pain that millions of American households are experiencing as a result of the ongoing public health emergency. We need the CFPB to do more to protect consumers and enable a swift and widespread recovery at this critical moment in time.

Sincerely,

Americans for Financial Reform Education Fund
Alaska PIRG
Allied Progress
American Family Voices
Arizona PIRG
Arkansans Against Abusive Payday Lending
Brazos Valley Affordable Housing Corp.
California Reinvestment Coalition
CALPIRG
Catholic Charities Archdiocese Oklahoma City
Center for Community Progress
Center for Disability Rights
Center for Economic Integrity
Center for Responsible Lending
Community Legal Services of Philadelphia
Congregation of Our Lady of Charity of the Good Shepherd, U.S. Provinces

Connecticut Fair Housing Center
Connecticut Legal Services, Inc.
ConnPIRG
Consumer Action
Consumer Federation of America
Consumers for Auto Reliability and Safety
Consumers League of New Jersey
CoPIRG
Delaware Community Reinvestment Action Council, Inc.
Empower Missouri
Fellowship Congregational UCC
Florida PIRG
Georgia PIRG
Illinois People's Action
Illinois PIRG
Indiana PIRG
Iowa PIRG
Legal Aid Justice Center
Maine Center for Economic Policy
Maryland Consumer Rights Coalition
Maryland PIRG
MASSPIRG
MHANY Management Inc.
Miami Valley Fair Housing Center, Inc.
Michigan League for Public Policy
Montana Organizing Project
MontPIRG
MoPIRG
NAACP
NAACP LEGAL DEFENSE AND EDUCATIONAL FUND, INC (LDF)
National Advocacy Center of the Sisters of the Good Shepherd
National Association of Consumer Advocates
National Center for Law and Economic Justice
National Community Reinvestment Coalition (NCRC)
National Consumer Law Center (on behalf of its low-income clients)
National Fair Housing Alliance
National Housing Law Project
National Housing Resource Center
NCPIRG
New Georgia Project
New Jersey Citizen Action

NHPIRG
NJPIRG
NMPIRG
North Dakota Economic Security and Prosperity Alliance
Ohio PIRG
OneAmerica
Oregon PIRG (OSPIRG)
PennPIRG
PIRG in Michigan (PIRGIM)
Prospect Church
Prosperity Indiana
Prosperity Now
Public Citizen
Public Justice Center
Public Law Center
RAISE Texas
Recharge Financial Solutions, LLC
Revolving Door Project
RIPIRG
San Francisco Office of Financial Empowerment
SC Appleseed Legal Justice Center
Tennessee Citizen Action
Texas Appleseed
TexPIRG
The Collaborative of NC
The Financial Clinic
THE ONE LESS FOUNDATION
The Volunteer Lawyers Project of Onondaga County, Inc.
Tzedek DC
United Way of Greater Houston
US PIRG
Virginia Organizing
VOICE-OKC
WASHPIRG
WISPIRG