

consumeraction

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

Re: Request for Information from Taskforce on Federal Consumer Financial Law

Docket No. CFPB-2020-0013

May 26, 2020

Dear Director Kraninger:

Consumer Action¹ writes to respond to the RFI regarding the Taskforce on Federal Consumer Financial Law. We find it remarkable that the Consumer Financial Protection Bureau (CFPB) would devote considerable time, effort and money to reevaluate consumer protection laws in the midst of an unprecedented, nationwide medical and financial crisis. It should not be necessary to point out that now is precisely the time for the Consumer Bureau to laser-focus its attention on consumer protection, education, outreach and oversight during this pandemic, making every effort to prevent financial harm for the most vulnerable among us. Admittedly, Consumer Action would not endorse an overhaul of essential consumer protection laws even if we were not in the midst of an unparalleled crisis.

As a national consumer education and advocacy organization for nearly five decades, we strongly support financial education but education-- even with informed choice—does not satisfy the Bureau's mission of consumer protection. Consumer education alone does not provide the necessary oversight and safeguards that the Dodd Frank Wall Street Reform and Consumer Protection Act mandate. It is simply not possible in some markets, such as mortgage servicing, credit reporting and debt collection for consumers to use "informed choice" to protect themselves. There is no choice. Consumer protection must include careful analysis and transparency about the voluminous number of complaints that the Bureau has been receiving during this crisis, and must hold firms that harm consumers accountable for their actions. CFPB consumer protections must include regular and robust supervision of financial firms, rather than a relaxation or suspension of oversight. Consumer protection must include strict

¹ Consumer Action has been a champion of underrepresented consumers since 1971. A national, nonprofit 501(c)3 organization, Consumer Action focuses on financial education that empowers low to moderate income and limited-English-speaking consumers to financially prosper. It also advocates for consumers in the media and before lawmakers and regulators to advance consumer rights and promote industry-wide change particularly in the fields of consumer protection, credit, banking, housing, privacy, insurance and telecommunications. www.consumer-action.org

enforcement of Bureau rules to help dissuade future harmful behavior, and recourse for consumers, financial and otherwise, when financial firms deceive or abuse their customers.

The Task Force is comprised of five members with the same conservative, deregulatory bent, who have a history of representing the perspectives of payday lenders and other large financial institutions' interests. Not one consumer advocate sits on this small, lopsided committee, and a request for input on a set of broad-based questions is wholly inadequate and inappropriate. This task force does not comply with any of the rules that other statutory CFPB boards must follow. Ironically this task force is paid at exorbitant rates, while simultaneously the Bureau has seen fit to cut numerous important staff positions that were liaisons with many of the communities that the Bureau is designed to serve and that advance the Bureau's primary educational objectives. Other CFPB boards are diverse and volunteer their time and effort.

The questions posed by this Task Force and by Bureau leadership are in direct conflict with consumer protection, under the guise of supposing that consumer financial law needs "harmonizing" or "modernizing" at this time.

Consumer groups such as ours have devoted an inordinate amount of time replying to a dozen RFIs, under acting director Mick Mulvaney not too long ago. We would refer you to Consumer Action's comments to those attempts to gather information with the intent to deregulate and emasculate consumer protection. We've attached copies of some of them for your convenience.

If this Task Force is to have any value we suggest that it base its evaluation of the Bureau's rules in supervising and enforcing consumer financial law on how much they have helped consumers by alleviating harm and holding companies accountable for their behavior.

Thank you for considering our comments,

Ruth Susswein
Consumer Action

CFPB Data Collection RFI
CFPB Complaint RFI 1
CFPB Complaint RFI 2
CFPB Consumer Education RFI
CFPB CID RFI
CFPB Supervision RFI
CFPB External Engagement