



Consumer Federation of America

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Comments from
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Consumer Federation of America
in Response to the
Request for Information from Taskforce on Federal Consumer Financial Law, Docket No.
CFPB-2020-0013

The Consumer Federation of America writes in response to the request for information from the Taskforce on Federal Consumer Financial Law (Taskforce).

The COVID-19 emergency has caused unprecedented financial challenges for American consumers. With staggering unemployment rates, Americans are struggling to pay rent and mortgages, feed their families, and keep up with basic expenses. The Consumer Financial Protection Bureau (CFPB) reported record setting complaint volume for March and April.¹ Throughout the financial marketplace, there is widespread consumer confusion about rights and protections during this national emergency. Not only has the CFPB's response to the COVID-19 crisis been perfunctory, the request for information on the structure and function of the CFPB in the midst of a financial crisis is out of touch with consumer needs.

Consumer Federation of America is working tirelessly to advocate for pro-consumer policies and investigate rising consumer concerns in this unprecedented time. This comment process is not focused on the issues that truly matter to American consumers during the COVID-19 crisis. The questions posed by the Taskforce are broad, far-reaching, and fundamentally question the CFPB's approach to consumer protection. The Bureau has only provided a short 60-day comment window and has failed to extend this process despite extending another, far more narrow comment request citing that "the pandemic makes it difficult to respond to the [proposed rule] thoroughly and to determine when stakeholders will be able to do so."² In addition the difficult circumstances cited by the Bureau itself, stakeholders, including advocates, industry, and the public, should be focused on the consumer impacts of the COVID-19 financial and public health crisis. This exercise is diverting resources from consumers during this difficult time.

¹ CFPB, *Complaint Bulletin* (Washington D.C., 2020), 5, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-issues-consumer-complaint-bulletin/>.

² CFPB, Extension of Comment Period, "Supplemental notice of proposed rulemaking; extension of comment period." *Federal Register* Vol. 85, No. 99 (May 21, 2020): 30890, 30891, <https://www.govinfo.gov/content/pkg/FR-2020-05-21/pdf/2020-10966.pdf>



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Additionally, we are concerned that the Taskforce is not balanced, but rather is a one-sided group charged with a mission that is fundamentally problematic. Made up of five outside conservative academics and industry lawyers, the Taskforce notably lacks any consumer representatives or advocates. Members of the Taskforce have a track record of pushing for de-regulation, counseling financial institutions in government investigations, and even representing payday lenders in CFPB enforcement actions.³ During its year-long appointment, the Taskforce requests information on areas that “might benefit from regulatory changes that could facilitate competition.”⁴ Although competition can result in meaningful financial options for consumers, it is insufficient, even coupled with education, as the only means to protect consumers in the financial marketplace. Consumers lack the ability to choose their mortgage servicers, student loan servicers, debt collectors, and credit reporting agencies. As we learned during the last financial crisis, failures in financial regulation and supervision will only worsen the crisis and weaken the stability of our nation’s economy.⁵ To question whether it should focus on education or enforcement, fundamentally questions the CFPB’s mandate as a consumer finance regulator and enforcement agency per the Dodd-Frank Wall Street Reform and Consumer Protection Act in 2010 (“Dodd-Frank Act”).⁶ The CFPB has the power to hold financial service providers accountable for corporate wrongdoing and strengthen regulatory oversight of financial institutions. Although it is clear that the activities of the CFPB’s law enforcement division have declined substantially during your tenure,⁷ the middle of a financial crisis is not the time to further stray from the CFPB’s mission.

Further, the Consumer Federation of America has already joined with our coalition partners to respond to many of these same questions in numerous requests for information put out by then acting CFPB Director Mick Mulvaney on a wide range of the Bureau’s operations and laws and regulations it oversees. Instead of focusing on this repetitive exercise, the CFPB needs to focus on its mission, to protect consumers in the financial marketplace through education, regulation, supervision, and enforcement. The CFPB has historically proven itself to be a data-driven, transparent, and deliberative agency; the agency should not be led away from this mission by the Taskforce.

³ Evan Weinberger, “Financial Watchdog’s Conflicted Task Force Earning Top Dollar,” Bloomberg Law, May 11, 2020, <https://news.bloomberglaw.com/banking-law/financial-watchdogs-conflicted-task-force-earning-top-dollar>.

⁴ CFPB, Request for Information, “Request for Information to Assist the Taskforce on Federal Consumer Financial Law,” *Federal Register* Vol. 85, No. 63 (April 1, 2020): 18214-18217, <https://www.govinfo.gov/content/pkg/FR-2020-04-01/pdf/2020-06749.pdf>.

⁵ Financial Crisis Inquiry Commission, *The Financial Crisis Inquiry Report* (Washington D.C., 2011), xviii, <https://www.govinfo.gov/content/pkg/GPO-FCIC/pdf/GPO-FCIC.pdf>.

⁶ *Dodd-Frank Wall Street Reform and Consumer Protection Act*, Public Law No. 111-203, 124 Stat. 1376 (2010) (codified as amended in scattered sections of 7, 12, 15, 22, 31, and 42 U.S.C. (2018)).

⁷ Christopher Peterson, “Dormant: The Consumer Financial Protection Bureau’s Law Enforcement Program in Decline,” Consumer Federation of America, March 12, 2019, <https://consumerfed.org/wp-content/uploads/2019/03/CFPB-Enforcement-in-Decline.pdf>.



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The CFPB can, and must, ensure that financial products are safe for consumers from the outset, educate consumers about their rights in the financial marketplace, and provide thoughtful and rigorous enforcement to keep companies from partaking in deceptive or abusive practices. The Bureau has a strong history of protecting consumers—now is not the time to move away from this mission. The CFPB should focus on education, enforcement, and regulation in the financial services market, rather than broadly rethinking its mission.