

Acting Director Mick Mulvaney
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552

May 25, 2018

Dear Acting Director Mulvaney,

The undersigned members of the Consumer Financial Protection Bureau's (CFPB) Consumer Advisory Board (CAB) are writing to express their collective concern over the cancellation of yet another of our statutorily-required meetings. Several of us have been informed, when we inquired about travel arrangements for the June 6 and 7 meeting, that the meeting will likely be canceled. Canceling the meeting raises significant issues regarding compliance with legal obligations related to the CAB and CAB service.

Specifically, Section 1014(a) of the Dodd-Frank Act requires the CAB to convene two times a year to fulfill its purpose to "advise and consult with the Bureau in the exercise of its functions under the Federal consumer financial laws and to provide information on emerging practices in the consumer financial products and services industry, including regional trends, concerns and other relevant information." 12 U.S.C. §5494. Yet we have had no in-person meetings this year, or indeed since you assumed the office of Acting Director.

The cancellation of our already truncated meeting scheduled for June 6 and 7, 2018, is another troubling sign. It follows on your decision to cancel our February meeting, which had been scheduled for months. In addition, numerous monthly telephone meetings have been cancelled. The one opportunity we have had to speak to you as a body was a phone call that was scheduled to last one hour but ended up with your speaking with us for less than twenty (20) minutes. The undersigned members of the CAB are extremely concerned that that our collective input is not valued.

Members of the CAB are from all aspects of the consumer financial products and services spectrum. There are members from banks, credit card providers, mortgage lenders, educators, community-based non-profit consumer financial service counselors, fintech companies, debt collectors and consumer advocates of all types. It has been remarkable how open and honest the discussions among the members from all of these sectors have been during our time on the Board. It is also important to know that members of the committee come from all sections of the United States, urban and rural, and represent all consumers and consumer financial service providers, without regard to race, ethnicity, age or sex. This diverse group is able to inform the Bureau of trends in financial products occurring across industries, demographics and geography. This vital information from diverse groups is really unavailable in any other manner and can lead to important interventions before serious harm has been done to consumers.

Because of your lack of familiarity with the CAB, we thought it would be instructive for you to describe what we have achieved at our meetings. The following is a non-exclusive list of some of the topics we have discussed at our meetings:

Debt Collection: The members of the CAB have discussed problems with debt collection from all perspectives in an effort to advise the CFPB how best to develop regulations to govern the industry. In our group meetings, the consumer advocates were able to come face-to-face, colleague-to-colleague with individuals who collect debts and their counsel. These open and frank discussions have opened the eyes of each of the participants, no matter the “side” as to the problems and potential solutions that should or should not be addressed through the rule-making process.

Small Business Lending Markets: One of our members provided an eye-opening presentation to the CAB highlighting the lack of meaningful and affordable credit opportunities for small businesses, particularly in majority-minority communities. A typically lively discussion ensued with industry and consumer advocates about nationwide problems arising from the lack of access to credit and potential solutions for communities around the United States.

Mortgage Lending/Servicing: Often CFPB staff introduce new educational materials to the CAB for input. At our November, 2017 meeting, each member of the CAB had an opportunity to review and provide comment on educational materials created for those contemplating a reverse mortgage. The CAB also learned of some of the problems with the servicing of reverse mortgages secured by the homes of senior citizens.

Credit Reporting: The members of the CAB also had an opportunity to listen to a FICO representative and a consumer advocate discuss credit scoring models and how these models affect all consumers. The presenters, also members of the CAB, each provided suggestions from an industry and consumer perspective as to how best to reflect someone’s credit abilities through scoring.

Despite the fact that we have been disappointed at the lack of in-person meetings and repeated meeting cancellations, we have continued our efforts to hold subcommittee meetings by telephone, and to provide advice and information to the CFPB, as is our statutory mission and charge. We urge you not to cancel the June 6 and 7 meeting, not only because we are legally required to meet, but also because we want the opportunity to share our work with you and have a conversation about how we can better work together for the benefit of the CFPB, American people, and well-intentioned financial service and product providers.

Sincerely,

Ann Baddour
Texas Appleseed
Chair, Consumer Advisory Board
abaddour@texasappleseed.net

Lynn Drysdale
Jacksonville Area Legal Aid, Inc.
Vice Chair, Consumer Advisory Board
lynn.drysdale@jaxlegalaid.org

Seema M. Agnani
National CAPACD

Neil F. Hall
PNC Financial Services (Retired)

Sylvia Alvarez
Housing and Education Alliance

Ruhi Maker
Empire Justice Center

Patricia Arvielo

Lisa Servon
University of Pennsylvania

Tim Chen
CEO, NerdWallet

Dr. Howard B. Slaughter, Jr.
Habitat for Humanity of Greater Pittsburgh

Kathleen Engel
Suffolk University Law School

Chi Chi Wu
National Consumer Law Center

Judith Fox
Notre Dame Law School

Josh Zinner
Interfaith Center on Corporate Responsibility

Paulina Gonzalez
California Reinvestment Coalition

Note: Affiliations for Informational Purposes Only