

CFPB Should Not Weaken its Investigations of Wrongdoing

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Advocates Urge the Consumer Bureau to Retain a Robust Process to Investigate Potential Violations of the Law and Consumer Harm

WASHINGTON- More than 50 consumer, community, civil rights and legal services groups urged the Consumer Financial Protection Bureau (CFPB) to “retain broad, flexible and nimble authority to investigate potential violations of the law and consumer harm,” in comments submitted in response to the consumer bureau’s Request for Information (“RFI”) regarding Civil Investigative Demands and associated processes used to investigate wrongdoing.

“The consumer bureau should remain focused on doing the important work of enforcing our nation’s consumer financial protection laws,” **said Christopher Peterson, consumer finance director and senior fellow at the Consumer Federation of America.** “The American public deserves an agency that will take the gripe list of the banking industry’s lobbyists with a grain of salt.”

A Civil Investigative Demand is similar to a subpoena, and is issued by a government agency that is seeking information in a civil, not criminal, matter.

“Companies that have violated the law and abused the public trust will be eager to exploit any changes that the bureau makes to its investigation process,” **said Lauren Saunders, associate director of the National Consumer Law Center.** “Maintaining a robust, flexible and efficient investigation process is essential to the consumer bureau’s mission,” she added.

“The consumer bureau was created after other regulators failed to react swiftly and appropriately to severe consumer protection problems in the financial marketplace,” **said Lisa Donner, executive director of Americans for Financial Reform.** “The bureau has returned nearly \$12 billion in relief to 29 million Americans; weakening its investigation process would make it easier for big banks and predatory lenders to get away with ripping off their customers.”

“In the wake of the 2008 financial crisis, Congress created the Consumer Financial Protection Bureau to reestablish basic rules of the road, so abusive financial companies could no longer fleece consumers,” **said Will Corbett, litigation counsel at the Center for Responsible Lending.** “To fulfill this mission, the consumer bureau’s professional investigators have to be nimble and flexible. They must be able to initiate investigations of misconduct, seek new information, and prevent companies from delaying or hiding evidence. Constraining investigators’ ability to issue demands for information or use other crucial legal tools will only serve to harm consumers and those companies that comply with the law.”

The CFPB’s RFI on civil investigative demands is the first in a series of 12 “Calls for Evidence” that the bureau has issued about its work since Mick Mulvaney took control of the bureau.

The group letter elaborated on these points:

- The severe consumer protection failures that led to the creation of the Consumer Financial Protection Bureau are strong evidence why the Bureau must retain broad, flexible and nimble

authority to investigate potential violations of the law and consumer harm.

- The ability to initiate investigations and to promulgate investigative demands must remain in the hands of senior professional staff and must not be subject to political calculations.
- Speed can be important when there is ongoing consumer harm or a fast-spreading new problem, and staff must retain the authority to initiate demands quickly and expect quick responses, without front-office bottlenecks.
- The Bureau's investigation procedures should not provide opportunities for lawbreakers to delay, limit or hide evidence, or hamstring the Bureau.

The full comments submitted by 53 groups are available [here](#). A more detailed set of comments was submitted by Americans for Financial Reform, Center for Responsible Lending, the Consumer Federation of America, National Consumer Law Center (on behalf of its low income clients), and U.S. Public Interest Research Group.

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