

Director Kathleen Kraninger
Consumer Financial Protection Bureau
1700 G Street, N.W.
Washington, DC 20552

May 1, 2020

Dear Director Kraninger,

We are writing to you in light of new evidence that has emerged that the process of rolling back the mandatory underwriting requirement provisions of the 2017 small-dollar lending rule was, at best, highly improper. We urge you to suspend the finalization of the rule pending a full investigation of the facts. There is a strong case to be made that the CFPB needs to restart the regulatory process entirely.

As *The New York Times* [reported](#) on April 29, career staff at the CFPB repeatedly voiced concerns about the process, and one detailed his concerns in a lengthy memo that is now part of the public record. It documents efforts by political appointees “to selectively cite evidence.” According to *The Times*, you “conducted a single staff-level review of the proposal: a 45-minute meeting in January 2019 that began late and focused on the legal reasoning behind the revised rule.” One political appointee at the CFPB also admitted a year ago that [no new research](#) backed up the draft.

This is not the first time that irregularities with the CFPB’s approach to this repeal have come to light. *The Washington Post* [revealed](#) that the payday lending industry openly boasted that its contributions to President Trump’s re-election campaign bought it access to key decision-makers. *The Post* also [reported](#) that a prominent payday lender hired the former chief of staff and close friend of Mick Mulvaney, your predecessor in an acting capacity, to influence policy.

In light of these revelations, we believe that the only appropriate step would be for the agency to halt the rulemaking process immediately. None of this information points to a process consistent with how an independent financial regulator should proceed with rulemaking.

Sincerely,

Americans for Financial Reform
National Consumer Law Center (on behalf of its low-income clients)
Allied Progress
US-PIRG
Consumer Action
Consumer Federation of America