

# Advocates from 36 States Head to Congress To Counter Unprecedented Attack On Consumer Protections

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## *Congress Considering Bills to Gut the CFPB & Roll Back Essential Consumer Safeguards*

**Washington, D.C.** – Over 100 consumer advocates from 36 states across the country are coming to Washington, D.C. this week to urge lawmakers in Congress to oppose legislation that would harm consumers in their communities. In particular, the advocates are calling on Congress to reject legislation that would weaken the Consumer Financial Protection Bureau and undermine its proposed rules to limit high-cost payday loans and forced arbitration. The advocates are also urging opposition to the Regulatory Accountability Act which will cause agency paralysis by analysis and make it extremely difficult to enact important new health, safety, and pocketbook protections.

The effort is being coordinated by the **Consumer Federation of America** and is co-sponsored by **National Consumer Law Center, Consumers Union, U.S. PIRG, Public Citizen, National Consumers League, National Association Consumer Advocates, and Americans for Financial Reform**. “We’re facing an unprecedented attack in Congress on sensible consumer protections that help protect our wallets and keep us safe,” said Stephen Brobeck, Consumer Federation of America’s Executive Director. “Lawmakers should stand with consumers and reject proposals that threaten to weaken the CFPB and block essential safeguards for working families.”

Last week, the House Financial Services Committee approved the Financial CHOICE Act, which would essentially gut the CFPB by eliminating much of its authority and enforcement powers. Under the bill, the CFPB would lose its ability to stop unfair, deceptive, and abusive practices, and would no longer have the power to fine companies for breaking the law or order them to provide refunds to consumers cheated out of their money. The bill blocks the CFPB’s authority to conduct financial education campaigns and would do away with the CFPB’s public complaint database. If the bill is approved, the CFPB’s director could be fired at will by the President, unlike other banking regulators, and the agency’s budget would be subject to the congressional appropriations process, opening it up to further attack by financial industry opponents determined to shrink its budget.

In January of this year, the House passed numerous bills that would make it more difficult for necessary consumer protections to be finalized. One of these bills, the Regulatory Accountability Act, passed the House in January and was recently introduced in the Senate. Consumers expect that their food and products will be safe and that the financial marketplace will be fair but these bills would make it almost impossible for these rules to ever be finalized. The Regulatory Accountability Act would grind proposed consumer protections to a halt by requiring extensive time-consuming analysis that prioritizes costs over benefits, providing more opportunities for litigation, and undermining the expertise and independence of federal agencies.

Consumer Federation of America’s partners and co-sponsors of Consumer Lobby Day discuss why it is so important that Congress hears and heeds the concerns and needs of consumers.

## **Consumers Union, the Policy and Mobilization Division of Consumer Reports**

“The CHOICE Act is the wrong choice for consumers because it strips the CFPB of most of its power

to take on banks and other financial firms that engage in unfair and predatory practices,” said Pamela Banks, senior counsel for Consumers Union, the policy and mobilization division of Consumer Reports. “This bill neuters this critical consumer watchdog and would leave Americans more vulnerable to getting hit with hidden fees, costly scams, and financial fraud.”

Among those coming to D.C. to urge Congress to defend the CFPB are consumers who have been harmed by unfair mortgage foreclosure, payday loan and student loan practices. Consumers Union can connect reporters with these consumers and others who have filed complaints with the CFPB about the problems they’ve encountered and gotten assistance resolving those issues.

### **Americans for Financial Reform**

“Across the country, communities have mobilized to stand up to Wall Street and predatory lenders,” said José Alcoff, Campaign Organizer at Americans for Financial Reform. “People have come to Washington today to let their congress members know that if they choose to sell out to Wall Street, people will be paying attention back home.”

### **National Association of Consumer Advocates**

“Memories of the dramatic losses of U.S. jobs, homes, and economic security caused by the 2008 financial crisis seem to have faded in Congress,” said Christine Hines, legislative director of the National Association of Consumer Advocates. “Thankfully, consumers and advocates across the country are committed to reminding lawmakers that we need an independent Consumer Financial Protection Bureau to fight for a fair and open marketplace that protects our rights and interests.”

### **National Consumer Law Center**

“The CFPB is incredibly effective at protecting military servicemembers, seniors, working families, students and other consumers,” said National Consumer Law Center Associate Director Lauren Saunders. “Congress should not carry water for Wall Street and predatory lenders by pushing to gut the consumer watchdog.”

### **National Consumers League**

“NCL fully supports sensible rules and regulations for companies doing business in the US and reaping profits from American consumers. Without rules of the road, consumers will be further victimized by false and deceptive tactics, rip offs, unsafe financial and consumer products,” said Sally Greenberg, Executive Director of the National Consumers League. “The CFPB and our carefully crafted regulatory system makes the US a good place to do business and offer critical consumer protections. History has shown that we must preserve these institutions and uphold these rules to avoid economic disaster.”

### **Public Citizen**

“It’s outrageous that some members of Congress are attempting to strip critical consumer financial regulations,” said Lisa Gilbert, Public Citizen’s vice president of legislative affairs. “That’s why Public Citizen is proud to join with partner groups and activists from around the country to strengthen the unified front defending these essential government safeguards that stabilize markets and provide needed relief to Americans who are ripped-off by unscrupulous financial actors.”

### **U.S. PIRG**

“Consumer leaders from around the country are bringing members of Congress a strong message,” said Janet Domenitz, MASSPIRG Director (and CFA president). “Don’t weaken the CFPB and don’t roll back our financial and public health protections.”

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Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has worked for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the U.S. through its expertise in policy analysis and advocacy, publications, litigation, expert witness services, and training. [www.nclc.org](http://www.nclc.org)