

Consumer Advocates File in Support of Acting CFPB Director Leandra English

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Agency's Independence Is Necessary to Its Mission, Groups Say

WASHINGTON, D.C. – The U.S. Consumer Financial Protection Bureau's (CFPB or Consumer Bureau) independence from external political influence is crucial to the agency's mission of protecting consumers, 10 groups told a court today in an amicus brief filed in the U.S. District Court for the District of Columbia.

The groups are Public Citizen, Americans for Financial Reform, Center for Responsible Lending, Consumer Action, National Association of Consumer Advocates (NACA), National Consumer Law Center (NCLC), National Consumers League, National Fair Housing Alliance (NFHA), Tzedek DC and U.S. Public Interest Research Group Education Fund (U.S. PIRG Education Fund).

In the case, Deputy CFPB Director Leandra English is seeking a preliminary injunction allowing her to serve as acting director of the CFPB while litigation over the lawful acting director – herself or U.S. Office of Management and Budget Director Mick Mulvaney – proceeds. In their amicus filing, the groups explain that the public has a strong interest in English serving as the acting director while the court further considers the legal issues.

“If there is any doubt about why Congress protected the CFPB's independence, look no further than the present,” said Robert Weissman, president of Public Citizen. “Leandra English, an experienced CFPB senior official, has directed the agency to continue pursuing its important mission. Mick Mulvaney has shown that he neither supports the agency's mission nor values its independence. In his short time at the CFPB, he has tried to freeze the agency's work and to tie it to the White House's political priorities.”

“This case involves more than the simple question of who gets what job. It's about whether the Trump administration has to respect the plan Congress set up for an independent regulator that is shielded from the influence of Wall Street, so it can effectively protect the public interest,” said Lisa Donner, executive director of Americans for Financial Reform. “Mick Mulvaney plainly wants to subvert congressional intent. Leandra English is a professional who would continue the important, mandated work of protecting consumers in the financial services marketplace.”

“The Consumer Financial Protection Bureau, as an independent agency, can't be run by someone who takes orders from the payday lenders and from the president – that defeats its entire purpose. The consumer bureau, like the other financial regulatory agencies, is supposed to be insulated from daily political interference and influence. That makes Mulvaney unfit to head the agency, especially given his commitment to undermine the agency's recent rule on payday and car title lending,” said Mike Calhoun, president of the Center for Responsible Lending. “The president should follow regular order and nominate a director who can gain support from both parties, not circumvent the confirmation process. It's time to start calling the appointment of Mulvaney for what it really is: the beginning of an attempt, driven by the payday lenders, to eliminate the consumer agency.”

“Consumers rely on a strong, responsible, independent CFPB to alert them, protect them and hold corporations accountable for their actions,” said Linda Sherry, Consumer Action’s director of national priorities. “The bureau needs leaders, like Leandra English, who support its consumer protection mission, not those who seek to destroy it from within.”

“The CFPB was created because of the regulatory capture of the existing bank regulators and their complete failure to stop Wall Street banks’ predatory behavior that caused such enormous damage to American consumers and our economy,” said Ira Rheingold, executive director of NACA.

“Allowing the foxes - in the guise of Mick Mulvaney - to run the consumer protection henhouse is something that should not happen without the full consent of the U.S. Senate.”

“Both consumers and law-abiding companies engaged in fair and honest competition benefit from having an independent enforcement agency like the consumer bureau that impartially ensures that everyone follows the same rules and creates a level playing field,” said National Consumer Law Center Director of Litigation Stuart Rossman. “American families need a tough ‘cop on the beat’ that is dedicated to protecting and preserving marketplace justice for all.”

“The National Consumers League believes it is clear where the public interest lies in this case. The CFPB is an independent federal consumer protection agency, and any new director of the Bureau must be nominated and approved by the Senate for this specific job before taking the reins at the CFPB. In the interim, the CFPB must be led by an acting director dedicated to the agency’s mission and its independence,” said Sally Greenberg, executive director of the National Consumers League.

“A major goal of the CFPB is to enforce the nation’s fair lending laws with financial institutions like payday lenders and auto dealers,” stated Lisa Rice, executive vice president of NFHA. “These are entities that had very little or no regulatory oversight before the passage of Dodd-Frank. Leandra English wants to make sure the markets are free from discrimination. When he was a congressman, Mick Mulvaney sponsored legislation to eliminate the bureau; now he wants to limit the agency’s authority to pursue those who break the law.”

“The CFPB’s independence is critical to its effectiveness in protecting our client community of low-income D.C. residents, who often face debt, credit and predatory lending crises, as well as unjust debt collection activities,” said Ariel Levinson-Waldman, president and director-counsel of Tzedek DC. “The bureau, to say the least, should not be run by a member of the president’s Cabinet. The court should act to ensure compliance with Congress’s intent in Dodd-Frank of having an independent CFPB.”

“The Dodd-Frank Act clearly anticipated the idea of a hostile administration hijacking the CFPB without the Senate confirmation of a qualified director,” said Ed Mierzwinski, the Consumer Program Director for U.S. PIRG Education Fund. “The court should grant the preliminary injunction and let the independent bureau go back to doing its only job, protecting consumers.”

The organizations’ amicus brief is here.