NCLC Attorney Statement Regarding Challenge to Constitutionality of Consumer Financial Protection Bureau Leadership Structure

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National Consumer Law Center contacts: Lauren Saunders (lsaunders@nclc.org) or (202) 595-7845; Jan Kruse (jkruse@nclc.org) or (617) 542-8010

Washington, D.C. - Late yesterday, the Consumer Financial Protection Bureau joined an appeal by the Trump Administration to the U.S. Supreme Court asserting that the agency’s independent leadership structure is a violation of the U.S. Constitution’s separation of powers. The 9th Circuit case is Seila Law LLC v. CFPB. The National Consumer Law Center, Public Citizen, and other public interest groups laid out the arguments for why the separation of powers principles support the CFPB leadership structure’s constitutionality in amicus briefs filed in similar cases pending in the D.C. Circuit (March 2017), the 5th Circuit (September 2018) and the 2nd Circuit Courts of Appeal (March 2019).

The following is a statement by National Consumer Law Center Associate Director Lauren Saunders.

“More than 80 years ago in the Humphrey’s Executor v United States case involving the FTC, the Supreme Court upheld Congress’s authority to create independent agencies and to limit the president’s ability to dismiss officers for political reasons without cause. The situation today is no different than when President Roosevelt tried to stack the FTC.

“It is shocking to see the head of a consumer protection agency who took the job with eyes open about the baseless claims against the agency suddenly reverse course and decide to undermine her own authority to protect the public. Most courts have rejected the claim that Congress cannot protect an agency from political meddling without cause and we expect the Supreme Court to do so as well.”