

CFPB Taps Former Pentagon Legal Official to Head Office of Servicemember Affairs

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Appointment Highlights Consumer Financial Protection Bureau's Continued Focus on Military Families Targeted by Financial Predators

(WASHINGTON) Consumer organizations praised the choice of Colonel Paul Kantwill (U.S. Army, Retired) to lead the Consumer Financial Protection Bureau's (CFPB) Office of Servicemember Affairs. Mr. Kantwill formerly served as director of the Office of Legal Policy in the office of the Under Secretary of Defense for Personnel & Readiness at the Pentagon. He joins the CFPB after a 25-year military career with the U.S. Army Judge Advocate General's Corps, serving in Afghanistan and the Persian Gulf.

Mr. Kantwill's appointment, along with the retirement of Holly Petraeus, who has led the Servicemember Affairs office for the past five years, highlights the CFPB's extensive work on behalf of military personnel, veterans, and their families, long a favorite target demographic for financial predators. (See list of relevant CFPB actions at the end of this release.)

"Mr. Kantwill has deep expertise on the consumer protection needs of servicemembers and their families," said Lauren Saunders, associate director of the National Consumer Law Center. "Serving at the Pentagon, he was one of the leading forces behind new, strong Defense Department rules adopted in 2015 to protect servicemembers from high-cost predatory lending," she added.

"Under Holly Petraeus' leadership, the CFPB's Office of Servicemember Affairs has highlighted the challenges facing servicemembers which prompted CFPB actions that provided millions in relief to servicemembers. We know Mr. Kantwill will continue this excellent work," said Michael Best, senior policy advocate at Consumer Federation of America.

"Mr. Kantwill has served in the Army for 25 years, including in Afghanistan and the Persian Gulf. His service is a reminder that protecting our troops is not a partisan issue," said Ed Mierzwinski, consumer program director at U.S. Pirg. "President-elect Trump is filling his cabinet with generals, but he also shouldn't forget about the enlisted soldiers. We urge him to support the important work of the CFPB to support servicemembers, veterans, and all consumers." Several Republicans in Congress have threatened to weaken the CFPB by changing its structure and funding and by

slashing the salaries of its employees below the levels of other bank regulators.

“Since it opened its doors in 2011, the CFPB has sought to protect servicemembers and their families from unfair and unlawful financial products and services,” said Christine Hines, legislative director of the National Association of Consumer Advocates. “The new Administration should commit to carrying on the agency’s good work.”

“Mr. Kantwill’s expertise and commitment to public service will be important for this role, especially in a time when we need consumer protection the most—particularly for our servicemembers and their families,” said Yana Miles, policy counsel for the Center for Responsible Lending (CRL). “As the new year begins, it will be imperative for the CFPB to continue its important work to protect hardworking people across the country, and to do so undisturbed.”

“Military families have benefited enormously from the work of this office under the leadership of Holly Petraeus, and the choice of Paul Kantwill affirms the Consumer Bureau’s continued commitment to this important part of its mandate,” said Americans for Financial Reform Executive Director Lisa Donner. “It would be a grave disservice to servicemembers and veterans to do anything to weaken the CFPB.”

In its short life, this agency has done a world of good for financial consumers through its rulemaking and enforcement actions and its complaint system. In all, the Consumer Bureau has delivered some \$12 billion in financial relief to nearly 28 million Americans wronged by financial companies large and small.

But in addition – and in keeping with its original mandate – the bureau has been a champion of the rights of service members, veterans, and their families. Among other actions, it has:

- Helped secure tens of millions of dollars in debt relief for 17,000 servicemembers tricked into taking out high-cost loans for computers, videogames, and other electronics purchased at a chain of mall kiosks near military bases;
- Shut down a fee scam in which a retail chain called USA Discounters Ltd. charged tens of thousands of service members for protections that were either guaranteed by law or not actually provided;
- Directed U.S. Bank and a partner company to terminate their deceptive marketing of auto and installment loans and return \$6.5 million in hidden fees to military borrowers;
- Ordered a major national auto lender to return \$3.2 million in payments obtained through illegal debt-collection practices, including threats to report service members to their commanding officers;
- Ordered Navy Federal Credit Union to pay \$28.5 million in penalties and refunds for the use of a variety of illegal debt-collection tactics;
- Worked with the FDIC to provide \$60 million in compensation for more than 77,000 service members charged excess interest on student loans by Sallie Mae and Navient; and
- Helped the Defense Department put teeth into a ten-year-old law setting a 36 percent interest-rate cap on all consumer loans to service members.

Putting the CFPB under the leadership of a polarized commission rather than a strong director, or politicizing its funding through the appropriations process, would allow financial predators — such as those who target our military — a voice at the table when enforcement actions are being considered by the CFPB.

A summary of the CFPB’s extensive work on behalf of service members can be found at <http://www.consumerfinance.gov/servicemembers/>.

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Americans for Financial Reform is a coalition of more than 200 civil rights, consumer, labor, business, investor, faith-based, and civic and community groups working for a strong, stable, and ethical financial system.

Center for Responsible Lending (CRL) is a nonprofit, non-partisan research and policy organization dedicated to protecting homeownership and family wealth by working to eliminate abusive financial practices.

Consumer Federation of America (CFA) is a nonprofit association of more than 250 consumer groups that was founded in 1968 to advance the consumer interest through research, advocacy, and education.

The **National Association of Consumer Advocates** (NACA) is a nonprofit association of more than 1,500 consumer advocates and attorney members who represent hundreds of thousands of consumers victimized by fraudulent, abusive and predatory business practices.

Since 1969, the nonprofit **National Consumer Law Center®** (NCLC®) has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the United States.

U.S. PIRG serves as the federation of state Public Interest Research Groups. PIRGs are non-profit non-partisan public interest organizations that take on powerful interests on behalf of their members.