

Acting Director Mulvaney Fires Members of Advisory Board of Consumer Financial Protection Bureau, Endangering Financial Well-Being of American Families

FOR IMMEDIATE RELEASE: June 6, 2018 || Media Contacts: Jan Kruse, National Consumer Law Center, (617) 542-8010, jkruse@nclc.org, Kelli Johnson, Texas Appleseed, (512) 473-2800, x103, kjohnson@texasappleseed.net, Nehama Rogozen, California Reinvestment Coalition, (415) 676-1320, nrogozen@calreinvest.org

WASHINGTON - Today marked another in a series of unilateral moves that signal the destruction from within of the Consumer Financial Protection Bureau's (Bureau). The Bureau informed Consumer Advisory Board (CAB) members and members of two other CFPB Advisory Boards that their terms were terminated and that they were not permitted to re-apply. This action takes place two days after 11 consumer advocates and academics* shared their concern over the cancellation of the only two CAB meetings scheduled for this year, as well as the direction of the Bureau away from helping everyday Americans. "Firing the current CAB members is another move indicating Acting Director Mick Mulvaney is only interested in obtaining views from his inner circle, and has no interest in hearing the perspectives of those who work with struggling American families," said Ann Baddour, CAB chair.

In a call with advisory board members this morning, Anthony Welcher, a political hire brought in by Acting Director Mick Mulvaney, cited these reasons for the termination:

- The Bureau wanted to save a few hundred thousand dollars, which is estimated to be less than .08 percent of the agency's overall budget. This is despite the fact that members on today's call offered to pay to attend meetings from their own budgets.
- The Bureau cited responses to a Request for Information (RFI) on External Engagement as a justification for the change. When pressed, Welcher admitted that the decision was made before the Request for Information had closed, and he could point to no RFI response calling for dissolving the advisory boards. A review of the RFI responses reveals there was no response calling for a restructuring or dissolution of the current advisory boards.
- The Bureau cited wanting a more diverse, smaller and inclusive group of people involved. Yet, the advisory groups are inherently a small, diverse group of members, based on the Dodd-Frank Act. Members questioned how Acting Director Mulvaney could have come to this conclusion based on the fact that there had been no meaningful interaction with members.
- One of the additional explanations for the firing of the Advisory Board members is a "new" plan to hold Town Hall meetings and intimate roundtable discussions — two long-standing practices of the CFPB — and therefore not a justification for firing over 60 committed and diverse volunteers.

This past Monday, 11 CAB members* stated their concern that Mulvaney was sidelining the talented, committed, and hard-working CAB members whose diversity of membership and perspectives has informed the CFPB's work for years. With today's action, Acting Director Mulvaney now has the opportunity to stack the board with new CAB members who likely will embrace his deregulatory efforts. "This partisan act will endanger families across the nation as well as our economy," said

Lynn Drysdale, CAB vice chair. "Federal law requires that the CAB be a well-balanced entity in terms of point of view and that it not be 'inappropriately influenced by' the Bureau director. Any other composition goes against the standards of the law."

On May 18, the chair of the CAB sent a letter to Acting Director Mick Mulvaney regarding their concerns, and on May 25, 15 members of the CAB sent a follow-up letter to Mulvaney urging him to hold the June 6-7 meeting (which was subsequently cancelled). Acting Director Mick Mulvaney provided a response to the May 25 letter after a press call on Monday, June 4. The letter outlined that there is "no cause for concern" related to the cancelled meetings but did not address the many other Bureau actions that are undermining consumer protections for the American people.

Apparently there was "cause for concern" as all of the current members on all three Advisory Boards have been fired.

In reaching its decision, Welcher admitted that the Bureau had relied on conversations and roundtables that were not part of the official record for the RFI for External Engagement. The 11 members demand that the records of these conversations and roundtables be publicly released.

"Firing current members of the advisory board is a huge red flag in this administration's ongoing erosion of critical consumer financial protections that help average families. Apparently Acting Director Mulvaney is willing to listen to industry lobbyists who make campaign contributions, but not the statutorily appointed Consumer Advisory Board members," **said National Consumer Law Center attorney Chi Chi Wu and member of the Bureau's Consumer Advisory Board.**

*The 11 members (affiliations for informational purposes only) are:

Ann Baddour, Texas Appleseed; Consumer Advisory Board Chair

Lynn Drysdale, Jacksonville Area Legal Aid, Inc. Consumer Advisory Board Vice Chair

Seema M. Agnani, National CAPACD-National Coalition for Asian Pacific American Community Development

Sylvia Alvarez, Housing and Education Alliance

Kathleen Engel, Suffolk University Law School

Judith Fox, Notre Dame Law School

Paulina Gonzalez, California Reinvestment Coalition

Julie Kalkowski, Creighton University

Ruhi Maker, Empire Justice Center

Lisa Servon, University of Pennsylvania

Chi Chi Wu, National Consumer Law Center

Josh Zinner, Interfaith Center on Corporate Responsibility