

NACA and NCLC: House Moves to Weaken the Consumer Financial Protection Bureau

FOR IMMEDIATE RELEASE: June 17, 2015

Contacts: (NACA): Ellen Taverna, Ellen@consumeradvocates.org, 202.452.1989

(NCLC): Lauren Saunders, lsaunders@nclc.org, or Jan Kruse, jkruse@nclc.org, 617.542.8010

(WASHINGTON) The National Association of Consumer Advocates (NACA) and the National Consumer Law Center (NCLC), on behalf of its low-income clients, strongly oppose the FY16 Financial Services Appropriations bill, which passed through the House Appropriations Committee today by a vote of 30-20. Key elements of this bill undermine the ability of the Consumer Financial Protection Bureau (CFPB) to protect consumers.

"The bill would remove independent funding for the CFPB, which politicizes the CFPB's role and imposes limitations on the CFPB that do not apply to any other banking regulator," said National Consumer Law Center Associate Director Lauren Saunders.

In addition, the Womack-Graves amendment attached as a rider to the bill passed in the Committee today would prohibit the CFPB from issuing rules to ban or limit forced arbitration - clauses in contracts that deny consumers their day in court - until the CFPB repeats a three-year federal government study already completed.

"It would be a huge step backwards for consumers if Congress suddenly stripped the Bureau's ability to act quickly to ban forced arbitration. The CFPB arbitration study reveals the serious harm that forced arbitration causes to millions of consumers and the financial marketplace," said Ellen Taverna, legislative director of the National Association of Consumer Advocates. Earlier this year, 107 groups and 58 Members of Congress urged the CFPB to move forward quickly to ban forced arbitration. The Fair Arbitration Now Coalition, a network of more than 70 consumer, labor, legal, and community organizations, also opposes the arbitration provision.

###

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. As an organization fully committed to promoting justice for consumers, NACA's members and their clients are actively engaged in promoting a fair and open marketplace that forcefully protects the rights of consumers, particularly those of modest means. www.consumeradvocates.org

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.

nclc-old.ogosense.net