

Senate Votes to Repeal Americans' Day in Court; Gives Wall Street a Huge Win

FOR IMMEDIATE RELEASE: OCTOBER 25, 2017 || CONTACTS: Lauren Saunders (lsaunders@nclc.org) or Jan Kruse (jkruse@nclc.org); (617) 542-8010

WASHINGTON, D.C. - Last night, the Senate voted 51-50, with Vice President Pence breaking the tie, to repeal the Consumer Financial Protection Bureau's arbitration rule, which prevented financial giants from using fine print clauses to prohibit people from banding together in court when companies violate the law.

National Consumer Law Center Associate Director Lauren Saunders made the following statement:

"Last night, 50 United States Senators and the Vice President of the United States showed their disregard for the American system of justice and the Seventh Amendment of the Constitution by voting to take away everyday Americans' right to take widespread financial disputes to court. Having our day in court does not mean that we always win. It means that when big banks or payday lenders abuse thousands of people, we have the right to a hearing in a public setting by a neutral judge who must listen to the evidence on both sides, and make a decision consistent with the facts and the law that can hold up to review.

"Instead, today fine print contracts take away our constitutional rights and put justice in the hands of Wall Street banks, credit reporting companies, and predatory lenders. They get to funnel cases to a secretive forum they control and prevent people from teaming up to confront a financial giant. America's military, veterans, older consumers, student loan borrowers, and regular families will all suffer having now lost this critical legal right.

"In 2010, Congress recognized the harm of forced arbitration and gave the Consumer Financial Protection Bureau the power to limit it. The Consumer Bureau did its job after a voluminous study that proved conclusively that forced arbitration blocks relief when a company has harmed large numbers of people.

"The Senators who voted to strip this critical legal remedy should be ashamed of siding with wealthy Wall Street interests against not only the American people but our Founders, who believed strongly in the judicial branch of our government and enshrined the right to trial by jury in two constitutional amendments."