



ARBITRATION, CFPB OCTOBER 24, 2017

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WASHINGTON – Consumer Bankers Association President and CEO Richard Hunt released the following statement after the U.S. Senate passed a Congressional Review Act resolution overturning the Consumer Financial Protection Bureau’s (CFPB) arbitration rule:

“The Senate acted to protect consumers with this vote. Overturning the CFPB’s arbitration rule ensures consumers retain the tools they need to receive relief without going through long, drawn-out, costly court proceedings – where no one benefits except trial lawyers. The CFPB’s own study even verifies arbitration is more effective when it comes to helping consumers.

“This rule was ill-conceived, based on an incomplete study and did not fulfill the Bureau’s goal of protecting consumers.

“We thank Chairman Crapo for his work in the U.S. Senate as well as Chairman Hensarling and Congressman Rothfus for their efforts in the House of Representatives on this important consumer matter.”

**Background:**

The Bureau's own study shows the average consumer receives \$5,400 in cash relief when using arbitration and just \$32 through a class action suit. The trial lawyers managing these cases, however, have received approximately \$424 million, an average of more than \$1 million per case.

The U.S. House of Representatives overturned the CFPB's rule in July. The Congressional Review Act states that once the resolution is passed by both Chambers of Congress and signed by the President, the rule under debate is repealed and substantially similar rules can only be reissued with specific legislative authorization.

More information on CBA's work regarding the CFPB's arbitration rule is below:

- [Joint Trades Letter to Congress Supporting Repeal of CFPB's Arbitration Rule](#)
- [CBA Arbitration One-Pager](#)
- [CBA Arbitration Myth vs Fact One-Pager](#)

#### **About the Consumer Bankers Association:**

The Consumer Bankers Association represents America's retail banks above \$10 billion in assets. We advance legislation and promote policies geared toward creating a stronger industry and economy. Established in 1919, CBA's corporate member institutions account for 1.6 million jobs in America, extend roughly \$3 trillion in consumer loans, and provide \$270 billion in small business loans. Follow us on Twitter @consumerbankers.

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