



Attorney General Maura Healey

[Home](#) > [News and Updates](#) > [Press Releases](#) > [2017](#) > [AG Applauds CFPB's Restriction on Class Action Waivers](#)

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AG Healey Applauds CFPB's Restriction on Class Action Waivers in Consumer Contracts

AG Healey Previously Led Multistate Coalition Urging Consumer Financial Protection Bureau to Restore Protections for Consumers

BOSTON – Attorney General Maura Healey issued the following statement on today's passage of a Consumer Financial Protection Bureau (CFPB) rule to limit the use of class action waivers in mandatory pre-dispute arbitration clauses in most consumer contracts.

"Class action claims are critical to ensuring that consumers are able to pursue their legal rights and deterring businesses from using unlawful, unfair or deceptive business practices," AG Healey said. "We fought for this rule because it provides a valuable check against corporate misconduct and are pleased that the CFPB has adopted it to protect the public interest."

In August, AG Healey led a coalition of attorneys general in sending a [multistate letter](#) to CFPB Director Richard Cordray supporting the CFPB's rulemaking to restore consumers' rights to assert their claims in court in class or group actions in disputes with financial institutions.

Mandatory pre-dispute arbitration clauses are routinely inserted by financial institutions into contracts for financial products such as credit cards, payday loans, and checking accounts. These clauses typically include language prohibiting consumers from pursuing a claim against the financial institution in court and restricting the consumers' rights to participate in a class action.

This new rule prohibits financial institutions from barring class actions through arbitration clauses and restores to consumers their right to form or join a class action in a judicial forum. Class actions are a critical tool for individual consumers without resources to hire an attorney and pursue a claim on their own against large, sophisticated businesses.

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