Waters Blasts Republican Effort to Use Congressional Review Act to Repeal Forced Arbitration Rule

Washington, DC, July 20, 2017

Today, in response to a Republican resolution to use the Congressional Review Act to block the Consumer Financial Protection Bureau’s recently issued mandatory arbitration rule, Congresswoman Maxine Waters (D-CA), Ranking Member of the Committee on Financial Services, made the following statement:

“The Consumer Bureau’s forced arbitration rule ensures that consumers are not required to sign away their legal rights in order to open a bank account, obtain a credit card, finance a car, or obtain a private student loan. The development of the rule was a methodical, well-thought-out process, in consultation with other federal financial regulators. In 2015, after extensive study, the Consumer Bureau issued a 728-page report on forced arbitration clauses, which found, among other things, that arbitration agreements limit relief for consumers, meaning that when consumers are wronged by a financial institution and are covered by an arbitration agreement, they will recover less money. The rule is important for consumers and there is no sound public policy rationale for repealing it.

“It is outrageous that Republicans are trying to nullify the rule to the detriment of consumers. Republicans should think twice before taking away consumers’ rights to be heard in a court of law.”

Under the Trump Administration, Congressional Republicans have used the Congressional Review Act to rescind 14 regulations. Before the Trump Administration, the Congressional Review Act had only once before been used to block a regulation.

Earlier this month, Ranking Member Waters applauded the Consumer Bureau for issuing the final forced arbitration rule.

In 2016, 65 House Democrats, led by Reps. Maxine Waters (D-CA), Ranking Member of the Committee on Financial Services; John Conyers, Jr. (D-MI), Ranking Member of the Committee on the Judiciary; and Henry C. “Hank” Johnson, Jr. (D-GA), Ranking Member of the Subcommittee on Regulatory Reform, Commercial and Antitrust Law, sent a letter to the Consumer Financial Protection Bureau expressing strong support for its proposal to limit forced arbitration in consumer contracts.
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