



## **Lenders' Trade Group Meets With Administration, Submits Proposal to Significantly Reform CFPB**

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According to an announcement from the American Financial Services Association (AFSA), the trade organization has submitted a list of regulatory reforms to the Trump Administration that would provide relief to its members operating in the consumer credit industry. AFSA is the national trade association for the consumer credit industry, with 400 members that include traditional installment lenders, vehicle finance/leasing companies, consumer and commercial finance companies, mortgage lenders and servicers, payment card issuers, industrial banks and industry suppliers.

Per the announcement, the proposal was submitted at the behest of Mark Calabria, Chief Economist for Vice President Mike Pence, and followed a White House meeting of AFSA member company executives, representatives of the administration's Domestic Policy Council and Calabria in March. AFSA's proposals include:

- A halt to CFPB examinations;
- Placing moratoriums on the use of disparate impact theory and the CFPB's complaint database;
- Withdrawing compliance bulletin 2015-07 on in-person collection of consumer debt;
- Terminating the arbitration and small-dollar rulemakings;
- Withdrawing compliance bulletins 2012-03 and 2016-02 on service providers;
- Re-designating payments from the civil penalty fund;
- Ensuring the accuracy of press releases as they relate to the enforcement actions to which they pertain, and;
- A general review of CFPB procedures.

Most of the recommendations will be of interest to the ARM industry. One that may particularly resonate is the detailed description of the compliance bulletins on service providers, as most

collection agencies also do business with the major credit bureaus and other vendors that are much larger than they are:

These bulletins direct banks and nonbanks to ensure that their service providers are in compliance with applicable laws. This is an improper assignment of authority. For example, a small, one-office finance company cannot oversee one of the nation's three largest credit bureaus. In another example, it is inappropriate for a finance company to oversee a credit insurance provider – that is a job best left to state insurance regulators.

Additionally, the trade association submitted a letter to Ajit Pai, Chairman of the Federal Communications Commission (FCC) regarding reforms to modernize the Telephone Consumer Protection Act (TCPA).

Politico had reported back in February that Vice President Mike Pence had hired Mark Calabria, "a libertarian advocate of free markets," as his chief economist. Calabria had been the director of financial regulation studies at the Cato Institute. A quote in the article from Jim Parrott, a senior adviser to former President Barack Obama's National Economic Council, put Calabria's appointment in perspective this way:

He gives President Donald Trump's White House "a voice around the table that will give them their philosophical true North."