



Top CFPB official pledges more guidance, targeted enforcement

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Consumer Financial Protection Bureau Deputy Director Brian Johnson pledged today that the agency will provide more guidance to both consumers and the market about its approach to the law, the latest signal that the CFPB will make its enforcement more targeted.

“We’ve been charged with going after bad actors,” Johnson said at an event at the libertarian Cato Institute, in his first major speech. “To the extent that we can provide guidance ex-ante so that people can conform their behavior to the requirements of the law, that means that we can focus our finite resources on going after those who really just don’t have any interest in obeying the law.”

The agency will hold the first of a planned series of symposia on June 25 to clarify the meaning of “abusive acts or practices” under Dodd-Frank.

Johnson’s comments echoed the approach emphasized by both Director Kathy Kraninger and her predecessor, former acting director Mick Mulvaney, who repeatedly said the bureau would no longer conduct “regulation by enforcement” and instead provide clear rules of the road to industry.

Johnson also suggested that under Kraninger, who took over the agency six months ago, the bureau will take a less punitive approach to regulation, by focusing on “consumer-choice-based consumer protection versus product restriction.”

The bureau is revamping a rule that would have dramatically restricted the payday lending industry. Limiting a consumer’s financial options, Johnson suggested, amounts to being anti-consumer.

“At stake in the outcome of this debate is the very notion of consumer sovereignty – some favor an increased government authority at the expense of personal autonomy and financial liberty,” Johnson said. “We must be vigilant, guarding against every effort to subvert the idea of consumer protection by equating it with giving license to government actors to supplant consumer preferences with their own.”