



Update from CFPB taskforce on federal consumer financial law

June 12, 2020

Earlier this week, the chair of the taskforce on federal consumer financial law created at the beginning of the year by the Consumer Financial Protection Bureau offered an update on the group's progress on examining the existing legal and regulatory environment facing consumers and financial services providers.

Todd Zywicki highlighted in a blog post on the CFPB's website that the taskforce held a listening session back in March with representatives from various consumer advocacy and trade groups. Zywicki indicated the session helped to shape the Request for Information (RFI) to assist the taskforce that was issued by the bureau later that month.

Zywicki — who also is professor of law at George Mason University Antonin Scalia Law School, senior fellow of the Cato Institute, and former executive director of the GMU Law and Economics Center — shared some of the taskforce's planned efforts going forward into the fall, which include:

— Request for Information (RFI): Now that the RFI comment window has closed, the taskforce will analyze the comments we have received.

— Public hearing: The CFPB intends to announce details for a public hearing later this summer, at a time and in a format that enables participation consistent with the safety of all participants.

— Public listening session with the bureau's advisory committees: The taskforce intends to participate in a public listening session with the bureau's four advisory committees, which will take place this fall.

Zywicki indicated insights from the RFI, the public hearing, the taskforce's research and the advisory committee listening session will help inform the recommendations that will ultimately be included in its final report to CFPB director Kathleen Kraninger.

When it formed the group, the bureau indicated the taskforce will produce new research and legal analysis of consumer financial laws in the United States, focusing specifically on:

— Harmonizing, modernizing and updating the federal consumer financial laws and their implementing regulations

— Identifying gaps in knowledge that should be addressed through research

— Ways to improve consumer understanding of markets and products

— Potential conflicts or inconsistencies in existing regulations and guidance

Along with Zywicki, the taskforce members are:

— Howard Beales III, former professor of strategic management and public policy at George Washington University and former director of the bureau of consumer protection at the Federal Trade Commission

— Thomas Durkin, who retired as senior economist at the Federal Reserve Board

— Jean Noonan, current partner at Hudson Cook and former general counsel at the Farm Credit Administration and former associate director of the bureau of consumer protection's credit practice at the Federal Trade Commission

“As chair of the taskforce, I am committed to ensuring the public can inform our work, through transparent and inclusive engagements,” Zywicki wrote in **this week's blog post**. “The feedback we receive will be used to inform a two-volume report that the taskforce will produce.

“The first volume will provide a historical overview of consumer financial protection laws, analyze costs and benefits of financial products and services, outline redundancies and gaps in the current regulatory framework, and assess the current state of the laws and their influence on consumers and the marketplace,” he continued. “The taskforce will use the insights gained to develop a set of recommendations for the bureau on ways to improve and strengthen the application of financial laws and regulations in the second volume.

“All of this activity will be centered around the underlying principle of strengthening consumer protections in the financial marketplace, in accordance with our statutory mandate,” Zywicki went on to say.