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## Consumer advocates allege bias in CFPB task force

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Consumer advocates have sued the Consumer Financial Protection Bureau and Director Kathy Kraninger over the creation of a task force established to recommend changes in regulatory policy. The lawsuit filed Tuesday alleges the CFPB and Kraninger were biased in choosing the five-member task force chaired by Todd Zywicki, a law professor at George Mason University's Antonin Scalia Law School.

The lawsuit alleges that Kraninger and the CFPB violated the Federal Advisory Committee Act of 1972, a so-called sunshine law, that sets requirements for federal advisory committees including that they be essential, in the public interest, fairly balanced, and structured to avoid inappropriate influence. The lawsuit was filed in U.S. District Court for the District of Massachusetts by the National Association of Consumer Advocates, U.S. Public Interest Research Group, and Kathleen Engel, a research law professor at Suffolk University and former member of the CFPB's consumer advisory board.

"The fundamental flaw of the task force is its single-minded focus on protecting the industry that the CFPB is supposed to regulate," the lawsuit states. "Defendants never made the requisite findings that the task force is essential and in the public interest."

Last week, Zywicki wrote in a blog post that the task force had planned a "vigorous schedule" of public engagements before the pandemic hit, to hear as many perspectives as possible. Zywicki, a senior fellow at the Cato Institute and co-author of "Consumer Credit and the American Economy," held a "listening session" in March with various consumer advocates and trade groups. He plans to announce one public hearing for later this summer "at a time and in a format that enables participation consistent with the safety of all participants."

The comment period closed June 1 on a request for information by the CFPB to help identify areas of consumer protection that the committee should focus its research and analysis on during its one-year appointment. A group of 27 consumer, community and civil rights groups wrote a letter to Kraninger June 1 calling the task force "illegitimate, one-sided and highly inappropriate during a pandemic." The group alleged the task force is made up "solely of five outside conservative academics and industry lawyers, including those who have represented payday lenders or others in CFPB enforcement actions and consumer litigation, and has no consumer representatives."

When Kraninger announced the creation of the task force in October, she said she wanted an independent evaluation of "the current regulatory framework to identify where there may be gaps or where regulation should be simplified or modernized."

Advocates immediately bristled at the creation of the task force, which they view as a formal attempt to further roll back regulations and potentially eliminate some consumer finance laws.

"Political appointees at the CFPB are willing to defy the law in order to push their deregulatory agenda and undermine the agency's mission of protecting American families," Engel said in an emailed statement.

In 2014, Congress passed a law specifically mandating that CFPB advisory committees be subject to the FACA after Republicans on the House Financial Services Committee criticized the CFPB for not holding public meetings.

The CFPB did not respond to a request for comment. The task force members include J.