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February 28, 2019

Kathy Kraninger, Director
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20052

Dear Director Kraninger:

I write today to explain why the National Center for Law and Economic Justice declines your invitation to meet today in New York City.

NCLEJ works with low-income families, individuals, and communities around the country to advance the cause of economic justice through ground-breaking litigation, policy work, and support of grassroots organizing around the country. Under normal circumstances, we would certainly meet with the head of an important agency, even if we disagreed with policies the agency was pursuing.

Under previous leadership, we had an effective working relationship with the Bureau, in which we engaged in constructive debate on rulemaking proposals and more. Never in question was the leadership's commitment to fulfilling the CFPB's mandate to protecting the interests of people most harmed by unfair, deceptive, and abusive financial practices: low-income people, people of color, older adults, immigrants, women, and veterans.

But the current situation is anything but normal. We have no reason to think that participation in today's meeting would yield constructive outcomes for the people and communities NCLEJ services and whom the CFPB was created to protect.

Since Mick Mulvaney's leadership of the CFPB as Acting Director, the Bureau—by the Trump administration's design—has ceased being an independent agency. Instead, the CFPB serves the interests of the financial services industry, abandoning its founding mission “to protect consumers from unfair, deceptive or abusive practices and take action against companies that break the law.”

The CFPB now actively enables the economic exploitation of low-income people, people of color, older adults, immigrants, women, and veterans. To cite just a few recent examples:

- At the behest of the payday loan industry, the CFPB has moved to rescind important borrower protections, including the requirement that payday lenders verify that borrowers have the ability to repay loans. The ability-to-pay requirement, developed after five years of painstaking research and stakeholder dialogue, would prevent unscrupulous lenders from trapping people in endless cycles of debt. Similarly, there was more than ample evidence demonstrating the benefits of strong state protections, like we have in New

York, that ban this especially harmful financial product. The CFPB's statement surrounding its proposed rescission—that there was insufficient evidence for promulgating the rule—is simply preposterous.

- The CFPB's recent proposal to create a "regulatory sandbox" offering safe haven for unscrupulous lenders to target low-income people and people of color for predatory products without oversight or repercussion flies in the face of the Bureau's charge to protect consumers from unfair, deceptive, or abusive acts and practices and from discrimination.
- The dismantling of the CFPB's congressionally-mandated Office of Fair Lending last year was part of the plan to effectively gut the agency. The CFPB was created in direct response to the subprime lending and foreclosure crises, and Congress mandated creation of the Office of Fair Lending to address the massive fair lending violations people and communities of color experienced, and continue to experience, across the U.S. The agency's abandonment of fair lending enforcement and supervision provides a clear pass to financial services companies, signaling that it condones lending discrimination as an acceptable practice.

The evisceration of the CFPB's mission and effectiveness is bringing and will bring real harm to tens of thousands of real people.

We do not believe that this meeting represents a serious intention to hear and assess views from consumer advocates and will not participate in an effort to make the process appear fair when past practices demonstrate unequivocally that it is not. NCLEJ will continue to fight to advance financial justice and advocate for a return of the CFPB to its intended role as a protector of consumers.

Sincerely,



Claudia Wilner
Senior Attorney