

February 25, 2021

Commissioner Rohit Chopra  
Nominee for the Director of the Consumer Financial Protection Bureau  
600 Pennsylvania Avenue  
Washington, DC 20580

Commissioner Chopra,

Consumer Bankers Association (CBA) congratulates you on your nomination as the next Director of the CFPB. We have worked with every CFPB Director since the Bureau's creation to champion the consumer benefits of retail banking and advocate for sound banking policy and welcome the opportunity to work with you to achieve the shared mission of ensuring "financial markets work for consumers, responsible providers, and the economy as a whole."

To help achieve this shared goal and reduce the political pendulum swing at the Bureau, CBA stands ready to assist you and the Bureau in advancing the following priorities:

- Ensuring Bureau actions **preserve** consumer access to credit;
- Developing long-term, **consistent** consumer financial protection laws;
- Implementing a **clear, transparent** rulemaking process with input from all participants;  
and
- Creating a level playing field across **all** financial services institutions.

#### **Ensuring Bureau actions preserve consumer access to credit**

CBA realizes that through COVID-19 our banks and the Bureau are facing one of the greatest challenges since the Bureau's creation more than a decade ago. Banks, in partnership with federal lawmakers and the CFPB, are dramatically better positioned today than in 2008, and as such, we are better prepared to protect and assist consumers as this pandemic endures. Americans need efficient and effective access to credit, and the Bureau should not act to constrain our ability to serve customers in their time of need. America's banks provide for our customers in the safest manner possible, ensuring protections and access not found at payday lenders and similar institutions. Access to credit and consumer protection initiatives are not mutually exclusive. The Bureau should protect responsible access to credit in any future actions taken in response to COVID-19 and in efforts to protect economically vulnerable consumers who are most at risk due to the pandemic. Banks need certainty and clarity from the Bureau to continue serving customers so they can best recover.

#### **Developing long-term, consistent consumer financial protection laws**

Consistent consumer protection laws by the Bureau are necessary to ensure American consumers are best safeguarded. Stability between administrations is vital for consumers as it provides banks assurance to better protect customers, especially those most vulnerable Americans. Consumers are well-served when regulators can put politics aside and draft regulations with input from all stakeholders to create a stable and well-regulated financial marketplace.

While the Bureau is one of the newer financial regulatory bodies in our country, its scope and power is unprecedented. With oversight of the majority of consumer-facing regulations for most large depository institutions, it is imperative the Bureau upholds its mission of protecting consumers beyond election cycles. CBA stands committed to ensuring the Bureau is successful in accomplishing its mission of regulating consumer financial products and empowering consumers to make better financial decisions.

### **Implementing a clear, transparent rulemaking process with input from all participants**

To best continue protecting consumers, the Bureau must have clear rules of the road for regulated institutions. The Bureau should use all its tools to effectively protect consumers, not just enforcement actions. A consumer protection framework grounded in proper education of consumers, comprehensive supervision of banks, and thoughtful regulation of products and services will create a financial marketplace which encourages compliance and protects consumers' financial interests. Conversely, establishing rules and financial policies solely based on enforcement actions will greatly harm the consumers we aim to serve. Enforcement actions should be the result of failures at an institution, not the standard to which the Bureau sets rulemaking and supervision policy.

The Bureau must engage in transparent and open processes to ensure clear and objective compliance standards for regulated institutions. Too often, the Bureau's sole-Director structure does not allow for feedback from dissenting opinions both within and outside the Bureau to effect better policy. Since 2012, only 6 of the Bureau's 85 Consumer Advisory Board Members have been from the depository institutions the Bureau regulates. As such, external stakeholders are most often responsible for raising dissenting opinions throughout the rulemaking process, so transparency and diverse feedback is vital.

All rules, guidance documents and official Bureau interpretations should be expressed clearly to stakeholders in a manner which encourages participation for all. The Bureau should not regress to the days of "midnight embargos" when Bureau rules and actions were leaked to the few instead of released to the many. When rules and actions are released in the dead of night it indicates they are too fragile to survive in the light of day. Instead, all the Bureau's rulemaking efforts should include opportunities for stakeholder feedback and review before final release to ensure the rules retain integrity and accuracy.

Feedback from all stakeholders in an open and transparent manner will help improve the longevity and reliability of Bureau rules. In the Bureau's brief history, we have already witnessed how a change in administration can disrupt the entire financial services marketplace when Bureau rules and regulations are repealed and rescinded between Directors. Banks and the customers we serve need stability throughout the rulemaking process to best protect our customers in every situation and provide certainty in the products and services we offer.

### **Creating a level playing field across all financial services institutions**

With new players entering the space every day, the world of financial services is constantly evolving. Many new stakeholders are not currently required to abide by the same rules as the well-regulated banks the Bureau oversees. To ensure the most thorough consumer protection initiatives are upheld, the Bureau should strive to create a level playing field for all financial institutions. All consumers deserve consistent and equal protections regardless of financial institution or market participant. The CFPB has an obligation to apply consumer

regulations across the board so Americans using a fintech or non-bank lender are assured the same protections as those using a well-regulated bank.

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The Bureau has the potential to be one of the most important and influential regulators for consumer protection. Ensuring all rulemaking is done in a transparent and open manner and allows for thorough stakeholder feedback will allow banks to continue to improve on protecting our customers through any challenge they may face. Banks need this transparency as our economy reels from the effects of COVID-19, and our nation's banks look to protect consumer's financial interests throughout.

CBA stands committed to working with the Bureau in meeting its goals of protecting consumers and looks forward to continuing our partnership with the Bureau moving forward as well as hearing more about your views on running the CFPB during your confirmation process.

Please do not hesitate to reach out if I can be of any assistance.

Sincerely,



Richard Hunt  
President & CEO  
Consumer Bankers Association

**CC: CFPB Acting Director Dave Uejio  
United States Senate Committee on Banking, Housing, and Urban Affairs**