

July 14, 2017

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Charles Schumer  
Minority Leader  
United States Senate  
Washington, D.C. 20510

Dear Majority Leader McConnell and Minority Leader Schumer:

The undersigned state bankers associations representing banks of all sizes in every state strongly urge you to use your authority under the Congressional Review Act to prevent the economic damage to our communities that would result from the recently finalized Consumer Financial Protection Bureau (CFPB) “anti-arbitration rule.” If allowed to take effect, the Rule would create a windfall for unscrupulous class-action attorneys, provide little or no relief to harmed consumers, and effectively eliminate an accessible alternative to the often-daunting judicial system.

The fact is that the rigorous, independent, fact-finding process in arbitration provides a strong incentive for companies to satisfy aggrieved consumers quickly and informally. Arbitration is used by the CFPB itself to address its own employee’s complaints against management. Most consumer disputes are unique and not “classable” – and shutting down arbitration will leave this vast majority of consumers with only one option: the expense and frustration of courtroom litigation.

In class-action lawsuits, the spoils go overwhelmingly (and sometimes exclusively) to a small cadre of highly motivated trial lawyers who specialize in filing a large volume of often-frivolous and speculative litigation. According to the CFPB’s own study, in 9 out of 10 class actions, consumers received nothing, and in the remaining cases consumers receive an average of just \$32. Compare that to the \$5,389-average award in arbitration decisions studied by the CFPB.

The CFPB chose to ignore this data and instead effectively eliminated arbitration without proposing a reasonable alternative process for timely, low-cost resolution of consumer disputes. We urge you to support efforts to reverse this flawed rule and place consumers ahead of special interests.

Sincerely,

Alabama Bankers Association  
Alaska Bankers Association  
Arizona Bankers Association  
Arkansas Bankers Association  
California Bankers Association  
Colorado Bankers Association  
Connecticut Bankers Association  
Delaware Bankers Association  
Florida Bankers Association

Georgia Bankers Association  
Hawaii Bankers Association  
Idaho Bankers Association  
Illinois Bankers Association  
Illinois League of Financial Institutions  
Indiana Bankers Association  
Iowa Bankers Association  
Kansas Bankers Association  
Kentucky Bankers Association  
Louisiana Bankers Association  
Maine Bankers Association  
Maryland Bankers Association  
Massachusetts Bankers Association  
Michigan Bankers Association  
Minnesota Bankers Association  
Mississippi Bankers Association  
Missouri Bankers Association  
Montana Bankers Association  
Nebraska Bankers Association  
Nevada Bankers Association  
New Hampshire Bankers Association  
New Jersey Bankers Association  
New Mexico Bankers Association  
New York Bankers Association  
North Carolina Bankers Association  
North Dakota Bankers Association  
Ohio Bankers League  
Oklahoma Bankers Association  
Oregon Bankers Association  
Pennsylvania Bankers Association  
Puerto Rico Bankers Association  
Rhode Island Bankers Association  
South Carolina Bankers Association  
South Dakota Bankers Association  
Tennessee Bankers Association  
Texas Bankers Association  
Utah Bankers Association  
Vermont Bankers Association  
Virginia Bankers Association  
Washington Bankers Association  
West Virginia Bankers Association  
Wisconsin Bankers Association  
Wyoming Bankers Association

cc: Members of the United States Senate