

October 26, 2015

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate  
Washington, DC 20515

The Honorable Senator Harry Reid  
Minority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable John A. Boehner  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Nancy Pelosi  
Minority Leader  
U.S. House of Representatives  
Washington, DC 20515

**Re: Pass a clean budget bill and reject attacks on CFPB's authority on forced arbitration**

Dear Senate Majority Leader McConnell, Senate Minority Leader Reid, Speaker Boehner, and House Minority Leader Pelosi:

As you engage in discussions to keep the government funded, we urge you to refrain from granting special favors to corporate lobbyists who seek policy add-ons that will favor their clients but ultimately will harm American consumers. Specifically, we urge you to reject any riders in the budget that would affect the Consumer Financial Protection Bureau's ability to continue its rulemaking on pre-dispute binding mandatory arbitration clauses in consumer financial services contracts. Such riders would roll back crucial financial reform and set a dangerous example permitting big banks and other firms to continue operating above the law.

The Bureau recently announced that it would exercise its authority under the Dodd-Frank Wall Street Reform and Consumer Protection Act to address abusive terms in financial contracts. These terms, called forced arbitration clauses, eliminate consumers' right to seek justice when harmed by predatory financial practices. Forced arbitration clauses deny consumers the right to go to court and force them into private arbitration proceedings to resolve disputes.

There was a previous attempt to add unrelated amendments to the appropriations process that, under the guise of requiring further "study" of forced arbitration, would actually obstruct the Bureau's ability to investigate forced arbitration and restore consumers' access to remedies. Any similar proposal stealthily added to the budget—even those that purport to delay a rulemaking or require further study—would impede the Bureau's ability to implement much-needed protections for working families.

Further, policy riders that interfere with the Bureau's statutory authority to act on behalf of the public interest would waste valuable taxpayer resources. Indeed, the agency has spent more than three years studying and analyzing forced arbitration. It also has conducted numerous hearings and stakeholder meetings.

After uncovering substantial data showing how the use of forced arbitration has robbed consumers of their rights – and concluding that the terms are a "free pass" for big businesses to break the law and avoid accountability – the agency finally announced this year that it planned to promulgate a rule. It would be a tremendous gift to the worst actors on Wall Street if Congress or the White House yielded to the pleas of corporate interests by adding secret and unrelated mandates to budget plans that thwart the Bureau's good work.

Therefore, we strongly urge you to reject the corporate lobby's requests for special favors that would influence the Bureau's ability to issue a rule on forced arbitration clauses in financial contract terms. Respect the democratic process and refrain from adding dangerous riders that would impact this and other substantive rulemaking decisions.

Sincerely,

Alliance for a Just Society  
Alliance for Justice  
Americans for Financial Reform  
Bet Tzedek Legal Services  
Center for Justice & Democracy  
Center for NYC Neighborhoods  
Consumer Action  
Consumers for Auto Reliability and Safety  
Consumer Federation of America  
Homeowners Against Deficient Dwellings  
Home Owners for Better Building  
Main Street Alliance  
NAACP  
National Association of Consumer Advocates  
National Consumer Law Center  
National Consumers League  
National Consumer Voice for Quality Long-Term Care  
National Employment Lawyers Association  
National Fair Housing Alliance  
Public Citizen  
Southwest Center for Economic Integrity  
The Employee Rights Advocacy Institute For Law & Policy  
Veterans Education Success  
Workplace Fairness  
WV Citizen Action Group  
U.S. PIRG