

July 24, 2017

The Honorable Paul Ryan
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

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

Dear Speaker Ryan and Minority Leader Pelosi:

The undersigned national and state bankers associations representing banks of all sizes in every state write to express our strong support for H. J. Res. 111, a resolution designed to protect consumers and prevent the economic damage to our communities that would result from the recently finalized Consumer Financial Protection Bureau (CFPB) arbitration rule.

We appreciate Representative Keith Rothfus, House Financial Services Committee Chairman Jeb Hensarling, and the members of the Committee for introducing this important and timely resolution to address this anti-consumer rule.

If allowed to take effect, the proposed arbitration rule would create a windfall for 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 a number of reasonable alternative regulatory approaches, and instead effectively eliminated arbitration without considering the consequences for consumers seeking timely, low-cost resolution of consumer disputes. We urge members of the House of Representatives to support H. J. Res. 111 that will reverse this flawed rule and place consumers ahead of special interests.

Sincerely,

American Bankers Association
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 House of Representatives