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Leagues, CUNA call for stability and engagement from CFPB

WASHINGTON DC – The Credit Union League System and the Credit Union National Association (CUNA) called on the Consumer Financial Protection Bureau (CFPB) to provide stability in the marketplace in a letter to the Senate Committee on Banking, Housing, and Urban Affairs. Such stability is needed for credit unions to have the necessary resources to serve members and innovate.

“Open and transparent rulemaking is a key part of administrative process,” the letter reads, “but throughout the history of the CFPB, regulated entities and consumers have been subject to midnight press releases of upcoming rules; rulemaking based on incomplete data; and enforcement actions based on broad authority. In addition, the CFPB has tried to influence market behaviors in lieu of formal rulemaking. Credit unions support the CFPB protecting consumers and going after bad actors, but overall, we need stability in the marketplace to have the resources necessary to serve our members and innovate. We are concerned we are going down a road that will disrupt more than it will protect.”

CUNA and the Leagues also encouraged the CFPB to consistently engage stakeholders in the policy-setting process.

“It is impossible for the Bureau to fulfill its mission, ‘to make consumer financial markets work for consumers, responsible providers, and the economy as a whole,’ if its leadership does not take the time to hear the concerns and priorities of the entities subject to its rulemaking and supervision,” the letter reads. “Facilitating more opportunities for credit unions to provide input to the Bureau leadership directly will improve the Bureau’s rulemaking and supervisory processes.”

The letter also notes the CFPB’s failure to effectively tailor its regulation to account for the disproportionate impact that one-size-fit-all rules have on credit unions.

The Leagues and CUNA also renewed their call on Congress to enact legislation to establish a bipartisan multi-member commission to lead the agency, a structure proposed at the Bureau’s inception. The organizations charge that such a structure would enhance consumer protection by ensuring that diverse perspectives are considered before finalizing rules and prevent disruptions caused by leadership changes.

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The American Association of Credit Union Leagues (AACUL) is the national association for the state and regional credit union leagues/associations throughout the United States. AACUL’s mission is to cultivate the success of individual leagues as well as the collective League System by supporting league efforts to advocate, communicate, collaborate and influence policy on behalf of credit unions nationwide. We partner with the Credit Union National Association (CUNA) to foster the CUNA-League System relationship and the prosperity of the credit union movement.