DEPARTMENT OF THE ATTORNEY GENERAL

DAVID Y. IGE
GOVERNOR

DOUGLAS S. CHIN
ATTORNEY GENERAL

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HAWAII TO PRESIDENT TRUMP: MICK MULVANEY SHOULD NOT LEAD CONSUMER PROTECTION AGENCY

HONOLULU - Attorney General Doug Chin today joined a coalition of 17 state attorneys general writing to President Trump to express unwavering support for the mission of the Consumer Financial Protection Bureau (CFPB). The attorneys general made clear they would continue to enforce consumer protection laws regardless of changes to the CFPB's leadership or agenda.

The letter, led by New York Attorney General Eric Schneiderman and signed by Attorney General Chin, was also signed by the attorneys general of New York, California, Connecticut, District of Columbia, Illinois, Iowa, Maine, Maryland, Massachusetts, Minnesota, New Mexico, North Carolina, Oregon, Vermont, Virginia, and Washington. The letter expresses concern regarding President Trump's choice for Acting Director of the CFPB, Mick Mulvaney. The letter notes Mr. Mulvaney's statements disparaging the agency as "a joke" that represents "an awful example of a bureaucracy that has gone wrong."

"Such statements about an agency that has helped millions of American consumers and achieved fundamental reform in a number of critically important areas of American commerce are categorically false, and should disqualify Mr. Mulvaney from leading the agency, even on an acting basis," the attorneys general wrote.

"As the top state law enforcement officials charged with investigating consumer complaints of fraudulent, deceptive, and abusive financial practices in our respective states, we know from first-hand experience that the need for strong consumer financial protection is undiminished in the years since the financial crisis."

The letter highlights the CFPB's effective advocacy on behalf of American consumers, having returned $12 billion to more than 29 million consumers who were victims of unlawful mortgage servicing practices, abusive debt collectors, fraudulent debt settlement companies, abusive student loan servicers, and many other unscrupulous actors. It also emphasizes that the need for strong consumer financial protection is undiminished in the years since the financial crisis. The letter also details the work between the CFPB and state attorneys general on numerous matters, including:

- Taking joint enforcement actions against companies that allegedly scammed 9/11 first responders afflicted with cancer and other serious illnesses out of millions of dollars in compensation fund payments;
- Filing suit against a nationwide network of dozens of fly-by-night debt collection shops that harassed, threatened, and deceived millions of consumers into paying inflated debts or amounts they did not owe;
- Investigating for-profit colleges, student loan originators and student loan servicers, and recovering $183.3 million for 41,000 students nationwide in a settlement with Aequitas Capital Management, Inc., a lender that defrauded students at the Corinthian Colleges (including Heald College in Hawaii);
- Securing a nationwide settlement with Rome Finance, a consumer finance company that preyed on active duty US military personnel and their families with deceptive and usurious loans and abusive debt collection practices, ultimately recovering $92 million dollars for more than 17,000 service members;
- Securing a nationwide settlement with Chase recovering $136 million for 528,000 consumers who were victims of abusive credit card debt collection practices;
- Securing a settlement with SunTrust Mortgage, Inc. providing $540 million in financial relief to consumers in order to settle allegations of systemic mortgage servicing misconduct, including robo-signing and illegal foreclosure practices; and
- Securing a settlement with the country's largest nonbank mortgage loan servicer, OcwenFinancial Corporation, and its subsidiary, OcwenLoan Servicing, to provide $2 billion in principal reduction to underwater borrowers in order to settle allegations of systemic misconduct by Ocwen at every stage of the mortgage servicing process.

These actions have collectively benefited millions of working families, and have sent a strong message to would-be lawbreakers that "states and the federal government will work hand in hand to hold them accountable if they prey on American consumers." As the letter notes, "it is our fervent hope that the CFPB and state Attorneys General will continue their close collaboration in defense of consumers for many years to come."

A copy of the letter is attached.

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For more information, contact:
Joshua A. Wisch
Special Assistant to the Attorney General
Phone: (808) 586-1284
Email: Joshua.A.Wisch@hawaii.gov
Web: http://ag.hawaii.gov
Twitter: @ATGHIgov

STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL
120 BROADWAY
NEW YORK, NY 10271

ERIC T. SCHNEIDERMAN
ATTORNEY GENERAL

(212) 416-8050

December 12, 2017

President Donald J. Trump
The White House
1600 Pennsylvania Avenue
Washington, D. C. 20050

Dear President Trump:

We, the undersigned Attorneys General of New York, California, Connecticut, District of Columbia, Hawaii, Illinois, Iowa, Maine, Maryland, Massachusetts, Minnesota, New Mexico, North Carolina, Oregon, Vermont, Virginia, and Washington State write to express our unwavering support for the critical mission of the independent Consumer Financial Protection Bureau. We have worked closely with the CFPB since its creation, and found it to be an invaluable partner in our efforts to protect consumers, fight fraud, and ensure a fair financial marketplace. We believe that it is in the best interest of American consumers to continue that working relationship, regardless of who leads the CFPB in an acting or confirmed capacity. The CFPB was created by Congress to serve as an independent agency to identify and root out financial abuse and misconduct. We believe it is incumbent on the President and Congress to preserve and protect this independence in order to ensure the agency can carry out its mission on behalf of American consumers free from political interference.

As you know, state attorneys general have express statutory authority to enforce federal consumer protection laws, as well as the consumer protection laws of our respective states. We will continue to enforce those laws vigorously regardless of changes to CFPB's leadership or agenda. As attorneys general, we retain broad authority to investigate and prosecute those individuals or companies that deceive, scam, or otherwise harm consumers. If incoming CFPB leadership prevents the agency's professional staff from aggressively pursuing consumer abuse and financial misconduct, we will redouble our efforts at the state level to root out such misconduct and hold those responsible to account.

We are very concerned by the widely reported statements that your choice for Acting Director of the agency, Mick Mulvaney, has made about the role of the agency, calling it "a joke … in a sick, sad kind of way," and "an awful example of a bureaucracy that has gone wrong." Such statements about an agency that has helped millions of American consumers and achieved fundamental reform in a number of critically important areas of American commerce are categorically false, and should disqualify Mr. Mulvaney from leading the agency, even on an acting basis.

As you know, Congress created the CFPB following the global financial crisis to provide a single point of accountability for enforcing federal consumer financial laws and protecting consumers in the financial marketplace. In creating the CFPB, Congress recognized that the financial crisis was the result, in large part, of regulatory failures in the existing mortgage lending marketplace and fragmented authority over consumer financial protection laws. As the top state law enforcement officials charged with investigating consumer complaints of fraudulent, deceptive and abusive financial practices in our respective states, we know from first-hand experience that the need for strong consumer financial protection is undiminished in the years since the financial crisis.

Since its creation, the CFPB has been a powerful and effective advocate for American consumers. CFPB enforcement actions have returned almost $12 billion to more than 29 million consumers who were victims of unlawful mortgage servicing practices, abusive debt collectors, fraudulent debt settlement companies, abusive student loan servicers, and many other unscrupulous actors. The American economy and American families are better served when the government holds predatory actors like these accountable. Doing so levels the playing field for companies who are following the rules and creates a fairer marketplace for all.

In addition, the CFPB has been a highly responsive government agency. More than 1.2 million consumers have had their complaints addressed by the CFPB, and in 97% of cases, consumers have received timely responses from companies when the Bureau contacted companies on behalf of consumers.

Moreover, the CFPB has been a powerful partner with state attorneys general. Our offices have successfully worked with the CFPB on numerous matters, including:

- taking joint enforcement actions against companies that allegedly scammed 9/11 first responders afflicted with cancer and other serious illnesses out of millions of dollars in compensation fund payments;
- filing suit against a nationwide network of dozens of fly-by-night debt collection shops that harassed, threatened, and deceived millions of consumers into paying inflated debts or amounts they did not owe;

- investigating for-profit colleges, student loan originators and student loan servicers, and recovering $183.3 million for 41,000 students nationwide in a settlement with Aequitas Capital Management, Inc., a lender that defrauded students at the Corinthian Colleges;
- securing a nationwide settlement with Rome Finance, a consumer finance company that preyed on active duty US military personnel and their families with deceptive and usurious loans and abusive debt collection practices, ultimately recovering $92 million dollars for more than 17,000 service members;
- securing a nationwide settlement with Chase recovering $136 million for 528,000 consumers who were victims of abusive credit card debt collection practices;
- securing a settlement with SunTrust Mortgage, Inc. providing $540 million in financial relief to consumers in order to settle allegations of systemic mortgage servicing misconduct, including robo-signing and illegal foreclosure practices; and
- securing a settlement with the country's largest nonbank mortgage loan servicer, Ocwen Financial Corporation, and its subsidiary, Ocwen Loan Servicing, to provide $2 billion in principal reduction to underwater borrowers in order to settle allegations of systemic misconduct by Ocwen at every stage of the mortgage servicing process.

Collectively these actions have benefited millions of working families. Just as importantly, they also send a strong message to would-be lawbreakers that states and the federal government will work hand in hand to hold them accountable if they prey on American consumers. Clearly, the CFPB is a valuable partner in the fight against financial fraud and malfeasance, and it is our fervent hope that the CFPB and state attorneys general will continue their close collaboration in defense of consumers for many years to come.

The American people deserve to know that if they take out a loan to go to college, to buy a home, or simply to help make ends meet, someone will look out for them and ensure that they are treated fairly. Regardless of the future direction or leadership of the CFPB, we as state attorneys general will vigorously enforce state and federal laws to ensure fairness and deter fraud. We hope that you will support the CFPB in remaining an active partner in these efforts.

Sincerely,

Eric T. Schneiderman	Xavier Becerra
New York Attorney General	California Attorney General

George Jepsen
Connecticut Attorney General

Karl Racine
District of Columbia Attorney General

Douglas Chin
Hawaii Attorney General

Lisa Madigan
Illinois Attorney General

Tom Miller
Iowa Attorney General

Janet T. Mills
Maine Attorney General

Brian E. Frosh
Maryland Attorney General

Maura Healey
Massachusetts Attorney General

Lori Swanson
Minnesota Attorney General

Hector Balderas
New Mexico Attorney General

Josh Stein
North Carolina Attorney General

Ellen F. Rosenblum
Oregon Attorney General

TJ Donovan
Vermont Attorney General

Mark R. Herring
Virginia Attorney General

Bob Ferguson
Washington State Attorney General