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Hawaii Attorney General Joins Coalition Fighting to Ensure Consumer Protections Are Not Reversed

HONOLULU – Hawaii Attorney General Clare E. Connors today joined a coalition of 24 attorneys general fighting to ensure that the states can continue to benefit from powerful tools under Title X of the Dodd-Frank Act that help them protect consumers from fraud and abusive consumers practices. In an [amicus brief](#) filed in *Seila Law, LLC v. Consumer Financial Protection Bureau*, the coalition argues that the U.S. Supreme Court should preserve the Consumer Financial Protection Bureau (CFPB) and other significant consumer protections provided by Title X.

“The Consumer Financial Protection Bureau’s constitutionality has been upheld by the Federal District Court and the Ninth Circuit Court of Appeals,” said Attorney General Connors. “Both the CFPB and the various tools used by states to protect consumers are necessary to effectively combat fraud and other abusive practices.”

In 2017, the CFPB commenced an investigation into the California law firm Seila Law for its debt-relief practices. Seila Law sought to block the investigation entirely, arguing that the CFPB is unconstitutionally structured because the CFPB director may only be terminated by the president “for inefficiency, neglect of duty, or malfeasance in office.” According to Seila Law, this for-cause removal provision impinges on the Executive Power and violates the Constitution’s separation of powers clause. The U.S. District Court for the Central District of California and U.S. Court of Appeals for the Ninth Circuit both rejected Seila Law’s arguments and upheld the constitutionality of the CFPB.

Seilia Law has now appealed to the U.S. Supreme Court, again arguing that the CFPB is unconstitutional and that the entirety of Title X of the Dodd-Frank Act — which includes the provisions that created the CFPB, as well as powerful, new tools for state consumer protection enforcement — must be struck down.

Under the Trump Administration, the CFPB has changed course from the position of the Obama Administration and now agrees with Seila Law that the for-cause removal

provision violates the separation of powers clause, although the agency argues that the rest of Title X can survive even if the for-cause removal provision is invalid.

In the amicus brief filed today, the coalition, led by New York Attorney General Letitia James, argues that the CFPB's structure is constitutional and that — even if the for-cause removal provision is invalid — the CFPB and the rest of Title X should survive. The brief highlights the many ways that the states have worked cooperatively with the CFPB to root out fraud and abusive consumer practices in the market, including joint enforcement actions and information sharing. The brief also highlights the various provisions of Title X that are unrelated to the CFPB, but nonetheless give the states powerful tools to combat fraud and abusive practices. As the brief argues, these provisions provide important support to the states' efforts to protect consumers and are independent of the CFPB. The brief concludes arguing that these new state powers should survive even if the for-cause removal provision or the CFPB itself is unconstitutional.

Attorney General Connors joins New York Attorney General Letitia James and the attorneys general of California, Colorado, Connecticut, Delaware, Illinois, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, Washington, Wisconsin, and the District of Columbia in filing today's brief.

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