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**MADIGAN CONTINUES PUSH FOR FEDERAL
CONSUMER FINANCIAL PROTECTION AGENCY**

Attorney General, Consumer Advocates Urge Congress to Create an Independent Agency to Protect Consumers from Excesses That Spurred Current Economic Crisis

Chicago-Attorney General Lisa Madigan today voiced her strong support for an independent federal Consumer Financial Protection Agency (CFPA) to promote consumer interests and sound credit practices on the national level. Along with several consumer advocates including representatives from the City of Chicago, Citizen Action, AARP, the Spanish Coalition for Housing, the Woodstock Institute, the Neighborhood Housing Services of Chicago, Business and Professional People for the Public Interest, and Loyola University of Chicago, the Attorney General called on members of the Illinois Congressional delegation to support President Obama's proposed legislation - House Resolution 3126 - which would create the new agency. The bill is currently before the House Financial Services Committee.

The Attorney General pointed to the current financial crisis, caused in part by the banking industry's irresponsible and predatory lending practices, as a clear reason for a new consumer regulatory agency. Madigan noted that her office's Consumer Protection Division has heard from record numbers of consumers who are struggling to make their credit card payments, pay off their rising debts, and avoid getting buried under an avalanche of unfair rate hikes, penalty fees, and hidden charges piled on by their banks.

"People are hurting," said Attorney General Madigan. "Now more than ever, consumers deserve an independent federal regulator whose sole mission is to protect their interests. They need protection at the federal level against the very practices that have caused so many of them to struggle financially, lose their jobs, see their home values decline and watch their college savings and retirement funds disappear."

The CFPA would protect consumers by setting and enforcing national rules for the financial services industry. Overall, the new agency would consolidate authority in one place with the sole mission of looking out for consumers across the whole lending market. It would have broad authority over consumer financial products including mortgages, credit cards and payday loans with the power to enforce existing statutes and levy fines for violations.

Critically, President Obama's proposal also would give state regulators, including state attorneys general, the authority to enforce their state consumer protection laws against federally-chartered institutions. Madigan said state enforcement is a vital component of an overall strategy to rein in the abusive practices of banks that have led to today's economic crisis.

"To truly protect consumers and ensure that the current economic crisis cannot happen again, the proposed federal agency must be able to coordinate enforcement efforts with state and local agencies," said Madigan. "It is absolutely critical that states be allowed to continue to investigate abusive practices by major players in the financial services industry, regardless of whether these institutions have a state or national charter; and to enforce our state consumer protection laws against all lenders doing business within our borders."

Madigan noted that history shows that members of the public are much more likely to raise concerns with state and local consumer protection agencies and law enforcement officials, who are better positioned to identify new abusive and unfair practices and react quickly to developing problems. The proposed legislation recognizes the critical role played by state and local consumer protection agencies and would enable a greater collaboration across state and federal agencies. As a result, the proposed legislation would allow both federal and state agencies to better respond to consumer concerns and to stem fraudulent business practices in the financial sector.

Attorney General Madigan met last week with President Barack Obama, members of Congress, national advocates and consumers at the White House about the need for federal consumer advocacy and reform. The Attorney General was among the first law enforcement officials in the country to crack down on nationally chartered banks and financial institutions. In 2008, Madigan reached a landmark \$8.6 billion agreement with Countrywide Home Loans, establishing the first mandatory loan modification program in the country. Most recently, Madigan filed a lawsuit against Wells Fargo for consumer fraud and discriminatory lending practices that targeted African-American and Latino borrowers.

"Large nationally chartered institutions share significant blame for this economic crisis," Madigan said. "And yet, it is those same financial institutions that are fighting on Capitol Hill to prevent the passage of any significant reforms. That cannot happen. Therefore, I urge the members of the Illinois Congressional delegation to put the interests of our consumers before those of the banks that led us in part to this financial crisis."

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