



January 23, 2017

MADIGAN SEEKS TO DEFEND CONSUMER FINANCIAL PROTECTION BUREAU***Madigan & 16 Other Attorneys General File Motion to Intervene to Defend Constitutionality of the Federal Consumer Financial Protection Bureau***

Chicago — Attorney General Lisa Madigan today joined with 16 other attorneys general to file a motion to intervene in a federal case in order to defend the constitutionality of the federal Consumer Financial Protection Bureau (CFPB).

The case – *PHH Corporation, et al. v. Consumer Financial Protection Bureau* – is currently before the U.S. Court of Appeals for the District of Columbia Circuit. In an October 2016 ruling, a divided court found the structure of the CFPB unconstitutional. The CFPB filed a petition for rehearing of the decision, and that petition is currently pending before the court.

In today's motion to intervene in the litigation, Madigan and the attorneys general argue that they have a vital interest in defending an independent and effective CFPB. They have used their authority to bring civil actions in coordination with the CFPB to protect consumers against unfair, deceptive and abusive financial practices. They argue that the court's ruling, if permitted to stand, would undermine the power of state attorneys general to effectively protect consumers against abuse in the consumer finance industry, and significantly lessen the ability of the CFPB to withstand political pressure and act effectively and independently of the President.

They further argue that, as a result of the presidential election, it is urgent that attorneys general intervene in this case in light of President Donald Trump's statements in strong opposition to the Dodd-Frank reforms that created the CFPB. According to media accounts, President Trump's administration is likely to take steps that could directly and negatively impact how – and if – this case proceeds, including by abandoning the legal defense of the agency.

"I fought for the creation of the CFPB after our country's economic collapse to make sure that a federal agency fights for Americans' financial interests against Wall Street fraud," Madigan said. "The CFPB has a strong and successful record of protecting consumers from unfair and predatory financial practices that undermine Americans' financial security."

Congress created the CFPB in 2010. The agency's purpose is to provide a single point of accountability for enforcing federal consumer financial laws and protecting consumers in the financial marketplace. According to media reports, the CFPB's actions have led to nearly \$12 billion in consumer refunds and canceled debts. The agency receives thousands of complaints every week from consumers across the country.

Joining Madigan in filing today's motion were attorneys general from Connecticut, Delaware, Hawaii, Iowa, Maine, Maryland, Massachusetts, Mississippi, New Mexico, New York, North Carolina, Oregon, Rhode Island, Vermont, Washington and the District of Columbia.

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