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**ATTORNEY GENERAL MADIGAN URGES CONGRESS TO PROTECT LEGAL RIGHTS OF VICTIMIZED CONSUMERS*****Madigan Joins Coalition Urging Senate to Reject Repeal of CFPB Arbitration Rule***

**Chicago** — Attorney General Lisa Madigan today joined a coalition of state consumer protection advocates to urge U.S. Senate leaders not to repeal the Consumer Financial Protection Bureau's (CFPB) Arbitration Rule, which stops companies from forcing consumers to sign away their legal rights.

The House recently passed a Joint Resolution of Disapproval that would set aside the CFPB's rule under the Congressional Review Act. Madigan, other state attorneys general and state consumer protection advocates sent a letter today to Senate Majority Leader Mitch McConnell and Minority Leader Charles Schumer, urging the Senate to oppose that resolution and support consumers' rights to go to court to assert their claims against financial institutions.

*"The CFPB's Arbitration Rule would deliver essential relief to consumers, hold financial services companies accountable for their misconduct, and provide ordinary consumers with meaningful access to the civil justice system,"* the letter states.

Mandatory pre-dispute arbitration clauses are routinely inserted by financial institutions into contracts for financial products, such as credit cards, payday loans and checking accounts. These clauses typically include language prohibiting consumers from pursuing a claim against the financial institution in court and restricting the consumers' rights to participate in a class action. The prohibition on participating in class or joint cases makes it prohibitively expensive for individual consumers to pursue their claims against financial institutions. Also, unlike court proceedings, arbitration matters are usually decided in secret and the decisions are not appealable.

The CFPB's rule would prohibit financial institutions from barring class actions through arbitration clauses and restore to consumers their right to form or join a class action in a judicial forum. Class actions are a critical tool for individual consumers without resources to hire an attorney and pursue a claim on their own against large, sophisticated businesses.

In addition to today's letter, Madigan and other attorneys general sent a [multistate letter](#) in August to CFPB Director Richard Cordray supporting the CFPB's rulemaking and calling for the restoration of these protections for consumers.

Joining Madigan in sending today's letter were attorneys general from: California, Connecticut, Delaware, the District of Columbia, Hawaii, Iowa, Massachusetts, Maryland, Maine, Minnesota, New Mexico, New York, North Carolina, Pennsylvania, Rhode Island, Oregon, Washington, Vermont and Virginia, as well as and Hawaii's Office of Consumer Protection.

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