



FOR IMMEDIATE RELEASE

June 29, 2020

NALCAB joins CRL, Credit Unions, CDFIs, in joint statement on Supreme Court Decision in *Seila Law LLC v. CFPB*

WASHINGTON, D.C. - Today, the [U.S. Supreme Court released their decision in *Seila Law LLC v. Consumer Financial Protection Bureau*](#), where it found that the CFPB's leadership structure, which features a single head removable only for inefficiency, neglect, or malfeasance, is unconstitutional.

In January, the Center for Responsible Lending and Cohen Milstein Sellers & Toll PLLC (Cohen Milstein) [submitted](#) an amicus brief to the United States Supreme Court in the case on behalf of their clients, community development financial institutions (CDFIs) Self-Help Credit Union, Hope Enterprise Corporation / Hope Credit Union (HOPE), Inclusiv, and the National Association for Latino Community Asset Builders (NALCAB). The credit unions, CDFIs, and two trade associations, urged the Court to preserve the independent, single-director structure of the CFPB.

Consumer advocates released the following statements:

“The Supreme Court’s decision to defang the CFPB’s for-cause removal provision will render the agency less effective and leave consumers vulnerable to bad actors on Wall Street. Congress designed the CFPB’s single-director structure—and its director removal structure—so that the consumer bureau could make independent and unbiased decisions to protect consumers—even when those decisions are opposed by intense lobbying. Opening the door for industry to influence the CFPB is not the reason why this agency was created—it was created to stop abusive financial practices that brought us the Great Recession, to strike fear into unscrupulous lenders, and to look after consumers, who need an ally on their side, especially during this COVID-19 pandemic. Payday lenders and their allies in Congress have consistently tried to weaken CFPB’s independence for political reasons and without merit. Today, the majority of U.S. Supreme Court has joined in that effort, ensuring financial damage

for consumers for years to come,” **said Will Corbett, Litigation Director at the Center for Responsible Lending.**

“We are disappointed by this decision. The events of the past few months have demonstrated the tremendous gaps and fractures in our financial system and economy. Community development lenders have diligently worked to provide fair and responsible capital to help fuel our economy during the pandemic and aftermath. The CFPB, as originally structured, was insulated from political gamesmanship and could focus on its objective to level the playing field between consumer and financial service provider, and between community financial institutions and influential large banks and financial service firms,” **said Cathie Mahon, President and CEO of Inclusiv.**

“Importantly, today’s ruling affirms the existence and structure of the Consumer Financial Protection Bureau, an important safeguard for people and communities in the Deep South with high levels of financial vulnerability and saturation of predatory lenders. Though the consumer bureau remains intact, it is worrisome that the Court weakened its political independence from the preferences of any one administration or the political pressure of large financial institutions. As laid bare by COVID, the underlying disparities in access to safe financial services creates the foundation for disparities in economic opportunity, particularly for communities of color. To ensure we close these opportunity gaps, current and future CFPB directors must continue to stand up against unfair and abusive practices, even when strong political winds move the other direction,” **said Diane Standaert, Director of Hope Policy Institute.**

###

Press Contact:

ricardo.quinto@responsiblelending.org

About NALCAB

NALCAB is a national, nonprofit membership organization and US Treasury-certified CDFI with a mission to strengthen the US economy by advancing economic mobility in Latino communities. With offices in San Antonio and Washington DC, NALCAB achieves its mission by strengthening and coordinating the capacity of the more than 120 nonprofits in its national member network to deploy capital, and by influencing investors and policy makers with research, advocacy and technical advice.