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Bloomberg Law: Response of States to the CFPB During President Trump's Administration

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In an Insight published on January 2 on Bloomberg Law, David Elliott and Chad Davis discuss the Consumer Financial Protection Bureau's (CFPB) recent shift in focus under the Trump administration. Within the article, Elliott and Davis expand on Mulvaney's tenure at the CFPB, states as mini-CFPBs, state attorneys general pushback against the CFPB and what to anticipate for the future.

"Due to the change in priorities from CFPB leaders appointed by President Obama to those appointed by President Trump, states have been adapting their approach to consumer protection regulation, oftentimes taking more aggressive stances in regards to enforcement and regulatory actions," the authors detail.

Mulvaney's leadership of the CFPB began in 2017 and he clearly outlined why his administration would differ from that of Richard Corday's, particularly enforcing "quantifiable and unavoidable harm to the consumer." Mulvaney encourages state attorneys general and state regulators be more involved in financial regulatory enforcement, and his leadership has resulted in the CFPB's significant scale back announcing new consumer protection enforcement actions.

To further enforce consumer protection laws, states have been creating and utilizing "mini-CFPBs." "The effectiveness of enforcement of consumer protection statutes and regulations by the states during President Trump's administration remains to be seen," Elliott and Davis explain. However, various states, such as Maryland, New Jersey and Pennsylvania have strengthened or

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created agencies and commissions to protect consumers from alleged abuses by financial institutions.

The recent direction and new leadership of the CFPB garnered criticism, even from non-Democrats; but numerous predominantly Democratic state attorneys general have issued public letters to the CFPB detailing their concerns with policy decisions made by the agency under Mulvaney.

You may access the full article here.