



April 25, 2018

Consumer Financial Protection Bureau  
1700 G Street NW  
Washington, DC 20552

Acting Director Mulvaney,

The Cities for Financial Empowerment Fund (CFE Fund) writes in response to this solicitation to provide feedback on the Inherited Regulations and Inherited Rulemaking Authorities. The CFE Fund supports the work of over 50 cities across the country through a combination of funding and technical assistance that assists municipal government leaders with their efforts to improve the financial stability of their residents. More specifically, CFE Fund works with cities to integrate financial empowerment strategies such as one-on-one financial counseling, access to banking, and asset building into their social service infrastructure.

In working with these dozens of cities across the United States through multiple administration transitions, we have seen a clear dynamic speaking to the bipartisan need for meaningful consumer financial protection. Among the many salient statistics, approximately one in four American residents are so financially unstable as to have a debt in collections. At the same time, the business practices of debt collection companies make up over third of all consumer complaints. Simply put, effective financial empowerment investments can be undermined, even undone, by unfair, deceptive, and predatory business practices from unchecked financial service providers. Across the country, municipal governments, with their mandate to protect the health and welfare of their residents, are forced to confront the collective negative impact of these bad marketplace actors by having to repeat programmatic efforts and divert limited resources. Moreover these municipal leaders have learned the hard way that increased individual and family financial instability undermine community and even city stability.

While the CFE Fund has begun to identify and support ways for city governments to build robust consumer protection capabilities, they cannot replace comprehensive federal efforts. Regardless of political orientation, it is clear that a strong and independent federal regulator with specific authority over bank and non-bank consumer financial services such as the Consumer Financial Protection Bureau (CFPB) is a critical foundational element for achieving a transparent and fair consumer financial marketplace across the United States. A fair financial services marketplace is not only the right thing for consumers and for municipal stability, but also for healthy business competition. To achieve this level playing field, the CFPB must continue to have and use comprehensive rulemaking, supervision, and enforcement authority.

The CFE Fund stands ready to assist the CFPB in translating local financial protection experience into national policy, and we urge the current stewards of the Bureau to identify and execute its own affirmative vision for safeguarding and strengthening the American consumer financial service marketplace.

Sincerely,

Jonathan Mintz  
President & CEO  
Cities for Financial Empowerment Fund