

Treasury Releases Report Examining The CFPB's Arbitration Rule

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WASHINGTON – The U.S. Treasury Department today released a report that examines the Consumer Financial Protection Bureau's (CFPB) arbitration rule. The Treasury report delves into the analysis CFPB used to prohibit mandatory arbitration clauses. It outlines important limitations to the data behind CFPB's rule and explains that CFPB did not appropriately consider whether prohibiting arbitration clauses would advance consumer protection or serve the public interest.

The Treasury report found that:

- The CFPB's rule will impose extraordinary costs—generating more than 3,000 additional class action lawsuits over the next five years, imposing more than \$500 million in additional legal defense fees, and transferring \$330 million to plaintiffs' lawyers;
- The CFPB's data show that the vast majority of class action lawsuits deliver no relief to the class—and that consumers very rarely claim relief available to them;
- The CFPB did not show that its rule will achieve a necessary increase compliance with the federal consumer financial laws, despite the rule's high costs; and

The CFPB failed to consider less onerous alternatives to its ban on mandatory arbitration clauses across market sectors.

[View an analysis of The CFPB Arbitration Rule.](#) 

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