

Civil Rights Organizations Strongly Support the CFPB Arbitration Rule

The Consumer Financial Protection Bureau recently released a final rule to restore Americans' right to band together in court when harmed by financial institutions that break the law. The rule does not eliminate arbitration clauses; it allows individuals to join their claims together in court to address systemic and widespread misconduct in the financial marketplace, such as discriminatory and predatory lending that harm communities of color. [Fine-print terms in financial services contracts](#) take away consumers' constitutional right to choose to go to court. Wall Street lobbyists are spreading [myths about the rule](#). Here are the voices of esteemed civil rights organizations stating their strong backing of the rule:

[NAACP Legal Defense and Educational Fund](#): “This rule will protect countless Americans from exploitation, fraud, and abuse, including Americans of color who continue to face systemic discrimination as they seek to receive credit, secure fair loans, and purchase any number of other financial products that can be critical to a person’s financial well-being. By leveling the playing field between corporations and individuals, this rule is an important step towards addressing the economic inequality that is so closely intertwined with racial injustice in the United States.” <http://www.naacpldf.org/press-release/ldf-welcomes-new-rule-protect-consumers-predatory-financial-products>

[Leadership Conference on Civil and Human Rights](#): “Most consumers are not aware of the forced arbitration clauses that financial service corporations include in the lengthy, complex contracts consumers are pressured to sign. These forced arbitration clauses block consumers who have been wronged from joining class action lawsuits or otherwise appearing before an impartial court that can consider their injuries. By forcing consumers into secret arbitration, corporations have long enjoyed an advantage in the process, and victims have often been precluded from sharing their stories with the press or law enforcement. The CFPB rule is simple. It says that consumers have the right to join together to enforce protections guaranteed by the Constitution, or federal, state, or local law.” <http://civilrights.org/civil-human-rights-coalition-welcomes-new-protection-consumers/>

[Center for Responsible Lending \(CRL\)](#): “This rule is a pragmatic step forward to ensure there is transparency, fairness, and accountability in consumer finance. While it does not end all forced arbitration, it does return the opportunity for people to join together in court and hold companies accountable for systemic misconduct. Last year’s Wells Fargo scandal highlights the real harm forced arbitration causes, as customers who attempted to bring class action lawsuits against the bank over phony accounts were blocked from the court—keeping the growing problem out of the public eye. Everyone should be protected from rip-off clauses buried in the fine print of customer agreements. By continuing to fulfill its mission of protecting consumers from bad financial practices, CFPB is creating a lending climate that benefits everyone.” <http://responsiblelending.org/media/crl-cfpb-arbitration-rule-brings-transparency-accountability-enforce-consumer-protection-court>

[UnidosUS—formerly known as NCLR](#): “This new protection will go a long way to supporting all consumers, especially Latinos, who otherwise cannot afford to take legal action on their own. . . . As in the spirit of our new name, UnidosUS, consumers are stronger together. Our President and CEO Janet Murguía said, “In unity there is strength, and in strength there is power,” of our new name—and the same can be said about CFPB’s new arbitration rule. Thanks to CFPB’s new protection, fundamental consumer rights will be restored and systemic public harms caused by forced arbitration will be addressed by allowing consumers to band together to curb predatory practices in the financial marketplace. This new consumer protection makes our financial system stronger and safer for Latinos, and all consumers everywhere.” <http://blog.nclr.org/2017/07/13/cfpbs-new-consumer-protection-restrict-forced-arbitration/>