What the Industry Thinks of the CFPB

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The Bad Things

- Lack of Congressional budget oversight
- Power concentrated in a single director
- Ability to define who it regulates
- Broad regulatory powers
  - How to define “abusive”
The Bad Things – in quotes

- No rules, just right
  - Rules come first
  - Right is decided later
  - What happened to a government subject to the rule of law?
  - Who defines “right” – a moral theocracy? A caliph of conscious?
The Confusing Things

- Who is my regulator?
- And you are going to do what with that data?
- What is not unfair or deceptive, but is still abusive?
The Good Things

- Very impressive staff
  - From the regulatory world
  - From the consumer advocate sphere
  - From industry
- Industry out reach
- Mortgage form review
Preparing for the New World I

- Ancillary products
  - Disclose risks as well as benefits
  - Cost – upfront and prominent
  - Optional nature should be clear

- Miscellaneous fees
  - No hidden fees
  - Clear disclosures
  - No “gotchas”
Preparing for the New World II

- Creativity? Innovation?
  - Consistent with plain vanilla?
  - Fair and balanced
  - Clear disclosures
- Write short, write big
  - Clear and simple contracts
  - Type big enough to read
Preventing for the New World III

- Protecting our military
  - A primary job of the Bureau
  - Should be a primary concern of creditors
- Customer service
  - Who will satisfy the customer?
  - You or the Bureau?
Preparing for the New World IV

- Bulls and bears and pigs
  - No a bad saying to keep in mind
- Preemption and the Better Part of Valor
  - Federal preemption still lives
  - But what are its parameters?
  - If necessary, use it
  - If not, don’t abuse it
Thank you!

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