

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



Preparing 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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