

Congress of the United States
Washington, DC 20515

May 1, 2020

Mark Bialek
Inspector General
Office of Inspector General
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Mail Stop K-300
Washington, DC 20551

Gene L. Dodaro
Comptroller General
Government Accountability Office
441 G St., NW
Washington, DC 20548

Dear Inspector General Bialek and Comptroller General Dodaro,

We write to express our deep concern regarding allegations of possible violations of law and policy by the Consumer Financial Protection Bureau (CFPB) in changes to its payday lending rule. These detailed claims include possible political manipulation and influence aimed at undermining consumer protection, which strikes at the core function of the CFPB. We request that the Office of Inspector General and Government Accountability Office review these troubling allegations and take any other appropriate action to determine whether abuse of authority or other official misconduct occurred.

The payday lending rule was initially finalized in 2017 under the leadership of former CFPB Director Richard Cordray. On February 6, 2019, under the leadership of Director Kathleen Kraninger, a revised notice of proposed rulemaking was released rescinding a significant part of the 2017 rule including mandatory underwriting provisions and the date of implementation.

On April 29, 2020, *The New York Times* published a 14-page internal CFPB memo, reportedly authored by former CFPB economist Jonathan Lanning and forwarded to members of CFPB leadership on August 9, 2019. The memo detailed possible pervasive political influence aimed at undermining consumer protections in the CFPB's attempts to revise its payday lending rule¹. The leaked memo offers a chronology spanning December 12, 2017 to July 12, 2019, supplemented with cited instances of alleged misconduct by identified officials, the nature of the alleged misconduct, and possible avenues to determine the veracity of the allegations.

The allegations included CFPB officials providing false or misleading information to Congress in official responses to questions for the record (QFRs) regarding the payday lending rule. The

¹ <https://www.nytimes.com/2020/04/29/business/cfpb-payday-loans-rules.html>;
<https://int.nyt.com/data/documenthelper/6918-jonathan-lanning-cfpb-payday-rule/bfcc48b9ea9238728da2/optimized/full.pdf#page=1>.

memo included a note indicating that, while publicly pronouncing and articulating to Congress that no decisions had been made on the rule, CFPB leadership were possibly providing internal plans regarding the rule to members of the payday lending industry. Additionally, the memo appears to note that political appointees compelled professional CFPB staff, including researchers and other career officials, to alter research findings and manipulate data to erode consumer protection provisions of the rule.

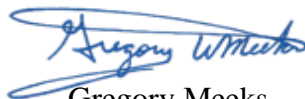
The core function of the CFPB is to “protect consumers from unfair, deceptive, or abusive practices.”² Unfortunately, the conduct alleged in Mr. Lanning’s memo and press reports may violate that core function of the Bureau. We urge your offices to thoroughly and completely review this memo and take such action as you determine appropriate.

Thank you for your attention to this matter.

Sincerely,



Emanuel Cleaver, II
Member of Congress



Gregory Meeks
Member of Congress

Cory A. Booker
United States Senator

Ayanna Pressley
Member of Congress

Nydia M. Velázquez
Member of Congress

David Scott
Member of Congress

Denny Heck
Member of Congress

Stephen F. Lynch
Member of Congress

Sylvia Garcia
Member of Congress

Cynthia Axne
Member of Congress

Jesús G. “Chuy” García
Member of Congress

Josh Gottheimer
Member of Congress

Sean Casten
Member of Congress

Bill Foster
Member of Congress

James A. Himes
Member of Congress

Rashida Tlaib
Member of Congress

Katie Porter
Member of Congress

Marcia L. Fudge
Member of Congress

Earl Blumenauer
Member of Congress

² <https://www.consumerfinance.gov/about-us/the-bureau/>