

Bureau of Consumer Financial Protection  
1700 G Street NW  
Washington, D.C. 20552



May 18, 2020

The Honorable Sherrod Brown  
Ranking Member  
Committee on Banking, Housing and Urban Affairs  
United States Senate  
534 Dirksen Senate Office Building  
Washington, DC 20510

Dear Ranking Member Brown:

I write in response to your letter of May 4, 2020 based on a report in *The New York Times* regarding the Consumer Financial Protection Bureau's (Bureau's) rule on Payday, Vehicle Title, and Certain High-Cost Installment loans. Unfortunately, that reporting does not represent the robust process the Bureau engaged in to develop the 2019 Notice of Proposed Rulemaking (NPRM) much less the Bureau's process to consider public comments and finalize any rule.

In January 2018, the Bureau announced that it would undertake a rulemaking process to reconsider the November 2017 rule. Between January 2018 and February 2019, the Bureau thoroughly reviewed the evidence and legal analysis that underpinned the 2017 rule. On February 6, 2019, the Bureau released an NPRM seeking public review and comment on two proposed, preliminary determinations: first, the Bureau determined that the evidence underlying the identification of the unfair and abusive practice in the Mandatory Underwriting Provisions was not sufficient (more specifically, not sufficiently robust and reliable in light of the dramatic impacts the 2017 rule would have on consumers and the payday market); and second, the Bureau determined that the legal analysis underlying the 2017 Payday Rule for ascertaining whether a practice is unfair or abusive used a problematic approach. The Bureau explained the bases for these determinations and set a 90-day comment period. The Bureau received almost

200,000 public comments during this time, which have been posted to the public docket for this rulemaking. These comments include several hundred detailed comments from consumer groups, trade associations, non-depository lenders, banks, credit unions, research and advocacy organizations, members of Congress, industry service providers, fintech companies, Tribal leaders, faith leaders and coalitions of faith leaders, and State and local government officials and agencies. We also considered substantive comments received after the comment period closed, comments which of course were included in the public docket.

The Bureau has been engaged in a full consideration of the comments received, including comments addressing the initial economic analysis set forth in the NPRM. Upon my determination, the Bureau will issue a final rule on the basis of the record before the agency. And upon that basis, I will defend the agency's action.

I am immensely proud of the staff of the Bureau and continually impressed by their knowledge, passion, and dedication to the agency's mission. Within any organization, there will be differing opinions and viewpoints among staff. As such, I imagine there have been debates among staff in your offices and within *The New York Times* newsroom. With any major decision of the Bureau, as well as countless subsidiary decisions, there are often views and ideas competing for consideration. This results in thorough and informed debate and sometimes friction among Bureau staff of all levels, including among both career and political appointees. Staff at the Bureau know that I welcome this debate because rigorous policy evaluation and development generate better decisions and outcomes. They also respect that the decision regarding the agency's action, after considering the best advice and analysis the staff brings forward, ultimately rests with me as Director.

Should you have any questions about this response, please do not hesitate to contact me or have your staff contact Kate Fink in the Bureau's Office of Legislative Affairs. Ms. Fink can be reached at (202) 435-7532.

Sincerely,

A handwritten signature in blue ink that reads "Kathleen L. Kraninger". The signature is written in a cursive, flowing style.

Kathleen L. Kraninger  
Director

cc: The Honorable Elizabeth Warren, United States Senator  
The Honorable Doug Jones, United States Senator  
The Honorable Chris Van Hollen, United States Senator  
The Honorable Catherine Cortez Masto, United States Senator  
The Honorable Tina Smith, United States Senator  
The Honorable Jack Reed, United States Senator  
The Honorable Brian Schatz, United States Senator  
The Honorable Jon Tester, United States Senator  
The Honorable Robert Menendez, United States Senator  
The Honorable Richard J. Durbin, United States Senator  
The Honorable Mark R. Warner, United States Senator