

April 26, 2018

Mick Mulvaney
Director
Office of Management and Budget
725 17th St. NW
Washington, DC 20503

Dear Mr. Mulvaney:

I write regarding your recent admission that, as a Member of Congress, you withheld or offered lobbyists access based on their financial contributions to your campaign. I would like to know how those same financial contributions have affected the official decisions you have made since you assumed control of the Consumer Financial Protection Bureau (CFPB).

While speaking before a group of 1,300 bankers and lobbyists at an American Bankers Association conference on April 24, 2018, you stated: “We had a hierarchy in my office in Congress....If you’re a lobbyist who never gave us money, I didn’t talk to you. If you’re a lobbyist who gave us money, I might talk to you.”¹

That admission reminded me of a response letter you sent me just weeks ago. In January 2018, I joined Representative Maxine Waters in asking you about your delay and re-evaluation of a CFPB rule protecting consumers from abusive payday lending practices. We expressed concern that your decision could be “connected to the nearly \$63,000 in campaign contributions that payday lenders gave to [your] campaigns.”² In February 2018, you responded to our letter, ignoring several specific questions about your actions and instead expressing offense at the mere idea that financial contributions might influence your official decisions:

I reject your insinuation ... that my actions as Acting Director are based on considerations other than a careful examination of the law and facts particular to any matter...Civil discourse rests upon our reciprocal understanding that no matter how strongly we may disagree on matters of policy, we are motivated by principle and our mutual desire to serve the American people to the best of our abilities.³

I attach a copy of your February 2018 response to this letter.

¹ Glenn Thrush, “Mulvaney, watchdog Bureau’s Leader, Advises Bankers on Ways to Curtail Agency,” *New York Times* (April 24, 2018) (online at <https://www.nytimes.com/2018/04/24/us/mulvaney-consumer-financial-protection-bureau.html>).

² Letter from Senator Elizabeth Warren, Representative Maxine Waters, et al., to Acting CFPB Director Leandra English and OMB Director Mick Mulvaney (Jan. 31, 2018) (https://www.warren.senate.gov/files/documents/2018_01_31_Warren_Waters_letter.pdf).

³ Letter from Mick Mulvaney to Senator Elizabeth Warren (Feb. 15, 2018).

Now that you have admitted that financial contributions – rather than solely “a careful examination of the law and facts” or “principle” – affected your decisions as a Member of Congress, I believe you owe the public straight answers to the questions posed in the January 2018 letter on the payday rule.

Your recent admission also raises questions about your other official actions at the CFPB. For example, in the same speech at the American Bankers Association conference, you expressed your intention to remove the public narratives from the CFPB’s complaint database. That move would allow financial companies to hide scams – even widespread scams – from potential customers, prospective business partners, and researchers. It would also weaken a tool that hundreds of thousands of Americans have used to quickly and easily resolve complaints with financial companies.⁴

Over your last three terms in the U.S. House of Representatives, the American Bankers Association (ABA) PAC was one of your top campaign contributors, investing \$32,500 in your campaigns.⁵ The ABA has consistently advocated for hiding the public narratives in the consumer complaint database,⁶ and its members applauded your announcement at the recent conference.⁷ The Credit Union National Association PAC – which contributed \$30,000 to your congressional campaigns – has also publicly opposed the database.⁸

Furthermore, you announced in December 2017 that you would postpone a rule related to the Home Mortgage Disclosure Act (HMDA).⁹ HMDA requires financial institutions that provide home mortgage loans to report to CFPB on who they lend to and on what terms, allowing the government and the public to expose mortgage lenders with patterns of

⁴ Glenn Thrush, “Mulvaney, watchdog Bureau’s Leader, Advises Bankers on Ways to Curtail Agency,” *New York Times* (April 24, 2018) (online at <https://www.nytimes.com/2018/04/24/us/mulvaney-consumer-financial-protection-bureau.html>).

⁵ See OpenSecrets.org, “Rep. Mick Mulvaney- South Carolina: Contributors 2009-2016” (online at <https://www.opensecrets.org/members-of-congress/contributors?cid=N00031412&cycle=CAREER&type=I>); See Federal Election Commission Campaign Finance Data.

⁶ Letter from Consumer Bankers Association and the American Bankers Association to the Bureau of Consumer Financial Protection, re: Comment Request on the Proposed “Consumer Response Company Response Survey” (September 30, 2016) (online at <https://www.consumerfinancemonitor.com/wp-content/uploads/sites/14/2016/10/cl-CFPB-ConsumerSurvey2016.pdf>).

⁷ Francine McKenna, “Mulvaney: CFPB doesn’t have to run a “Yelp” for bank customers,” *MarketWatch* (April 25, 2018) (online at <https://www.marketwatch.com/story/mulvaney-cfpb-doesnt-have-to-run-a-yelp-for-bank-customers-2018-04-24>).

⁸ Letter from Credit Union National Association to the Office of Management and Budget, re: Submission for OMB Review—General Information Collection Plan for Consumer Complaint and Information Collection System (December 20, 2017) (online at https://www.cuna.org/uploadedFiles/Advocacy/Priorities/Removing_Barriers_Blog/Generic%20Information%20Collection%20Plan%20for%20Consumer%20Complaint%20and%20Information%20Collection%20System%20Comment.pdf).

⁹ Kate Berry, “CFPB to reopen mortgage disclosure rule, will not penalize data errors,” *American Banker* (December 21, 2017) (online at <https://www.americanbanker.com/news/cfpb-to-reopen-hmda-rule-will-not-penalize-data-errors>).

discriminatory lending.¹⁰ Dodd-Frank directed the CFPB to expand the types of data collected under HMDA, and the CFPB issued a rule “requir[ing] financial institutions to collect and report additional mortgage information beginning on January 1, 2018.”¹¹

Instead of enforcing the law as Congress laid out in Dodd-Frank, under your leadership, the CFPB announced that it does “not intend to assess penalties for errors in data collected in 2018” and “plans to reconsider aspects of [its] mortgage data rule”¹² – a move that has been described as a “big win for the mortgage industry.”¹³ The ABA, which has attacked the HMDA rule, was no doubt pleased.¹⁴

In addition, you have taken steps to gut the CFPB’s Office of Fair Lending and Equal Opportunity (OFLEO). The Dodd-Frank Act directed the Bureau to create the OFLEO to provide “oversight and enforcement of Federal laws intended to ensure the fair, equitable, and nondiscriminatory access to credit for both individuals and communities that are enforced by the Bureau.”¹⁵ OFLEO’s mandate includes preventing lenders from discriminating against borrowers based on their race, and it has taken action against financial institutions that discriminated on rates for credit cards,¹⁶ mortgages¹⁷ and auto loans.¹⁸ Yet in February 2018, you stripped OFLEO of its enforcement authority, effectively neutering its ability to ensure that financial institutions are complying with fair lending laws.¹⁹

¹⁰ Consumer Financial Protection Bureau, “About HMDA” (online at <https://www.consumerfinance.gov/data-research/hmda/learn-more>).

¹¹ Consumer Financial Protection Bureau, “CFPB Issues Public Statement On Home Mortgage Disclosure Act Compliance” (December 21, 2017) (online at <https://www.consumerfinance.gov/about-us/newsroom/cfpb-issues-public-statement-home-mortgage-disclosure-act-compliance/>).

¹² Consumer Financial Protection Bureau, “CFPB Issues Public Statement On Home Mortgage Disclosure Act Compliance” (December 21, 2017) (online at <https://www.consumerfinance.gov/about-us/newsroom/cfpb-issues-public-statement-home-mortgage-disclosure-act-compliance/>);

¹³ Kate Berry, “CFPB to reopen mortgage disclosure rule, will not penalize data errors,” *American Banker* (December 21, 2017) (online at <https://www.americanbanker.com/news/cfpb-to-reopen-hmda-rule-will-not-penalize-data-errors>).

¹⁴ The American Bankers Association, “HMDA: More Really Is Less: The Data Fog Frustrates HMDA” (April 2017) (online at https://www.aba.com/Advocacy/Documents/HMDAWhitePaper2017.pdf_ga_2259276298_1013062695_1524699914_991333911_1524577620).

¹⁵ Dodd-Frank Act § 1013(c)(2)(A).

¹⁶ CFPB and American Express Reach Resolution to Address Discriminatory Card Terms in Puerto Rico and U.S. Territories” (August 23, 2017) (online at <https://www.consumerfinance.gov/about-us/newsroom/cfpb-and-american-express-reach-resolution-address-discriminatory-card-terms-puerto-rico-and-us-territories>)

¹⁷ “CFPB Takes Action Against Nationstar Mortgage for Flawed Mortgage Loan Reporting” (March 15, 2017) (online at <https://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-against-nationstar-mortgage-flawed-mortgage-loan-reporting/>).

¹⁸ Renae Merle, “Trump administration strips consumer watchdog office of enforcement powers in lending discrimination cases,” *Washington Post* (February 1, 2018) (online at https://www.washingtonpost.com/news/business/wp/2018/02/01/trump-administration-strips-consumer-watchdog-office-of-enforcement-powers-against-financial-firms-in-lending-discrimination-cases/?hpid=hp_hp-top-table-main-trump-administration-strips-consumer-watchdog-office-of-enforcement-powers-against-financial-firms-in-lending-discrimination-cases%3Ahomepage%2Ftcm%3A207c18447121).

¹⁹ Renae Merle, “Trump administration strips consumer watchdog office of enforcement powers in lending discrimination cases,” *Washington Post* (February 1, 2018) (online at https://www.washingtonpost.com/news/business/wp/2018/02/01/trump-administration-strips-consumer-watchdog-office-of-enforcement-powers-against-financial-firms-in-lending-discrimination-cases/?hpid=hp_hp-top-table-main-trump-administration-strips-consumer-watchdog-office-of-enforcement-powers-against-financial-firms-in-lending-discrimination-cases%3Ahomepage%2Ftcm%3A207c18447121).

Members of the National Automobile Dealers Association (NADA) long opposed CFPB's actions to curb discrimination in auto lending and would benefit from reduced fair lending enforcement.²⁰ The NADA PAC happens to have donated \$30,000 to your political campaigns.²¹

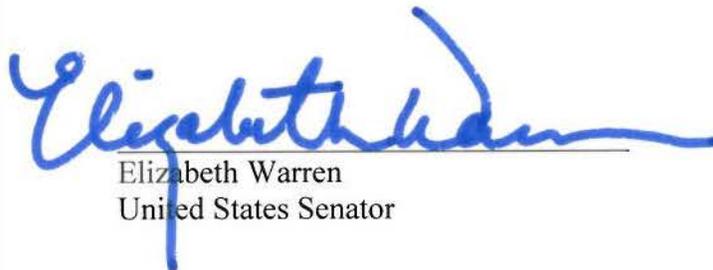
Almost every one of your major decisions at the CFPB has fulfilled a request of a lobbying organization that has donated tens of thousands of dollars to your political campaigns. The public deserves to know whether this is a coincidence or is a reflection of the same kind of "hierarchy" you created when you ran your congressional office.

Accordingly, I ask that you provide me with answers the following questions:

1. Public reports of your April 24 comments indicate that you said, "We had a hierarchy in my office in Congress....If you're a lobbyist who never gave us money, I didn't talk to you. If you're a lobbyist who gave us money, I might talk to you." Were these reports accurate?
2. Do you retain this policy at CFPB? Do you have a hierarchy that favors lobbyists that have contributed to your congressional campaigns or to any other campaigns?
3. Do any of your staff at CFPB have a hierarchy that favors lobbyists that have contributed to your congressional campaigns or to any other campaigns?
4. Please provide copies of any documentation, including email or other correspondence, which refers to campaign contributions from lobbyists and their access to or ability to meet with you or your staff.

I ask that you provide me with answers to these questions no later than May 11, 2018. Please do not hesitate to reach out to Bharat Ramamurti or Julie Siegel of my staff at 202-224-4543 if you have any questions.

Sincerely,



Elizabeth Warren
United States Senator

²⁰ National Automobile Dealers Association, "Congress is Urged to Pass S.J.Res. 57 to Preserve Consumer Discounts on Auto Credit" (Online at: <https://www.nada.org/cfpb/>).

²¹ See OpenSecrets.org, "Rep. Mick Mulvaney- South Carolina: Contributors 2009-2016" (online at <https://www.opensecrets.org/members-of-congress/contributors?cid=N00031412&cycle=CAREER&type=I>); See Federal Election Commission Campaign Finance Data.



1700 G Street NW, Washington, DC 20552

February 15, 2018

The Honorable Elizabeth Warren
United States Senate
317 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Warren:

I write in response to your letter dated January 31, 2018, concerning three unrelated actions taken by the Bureau of Consumer Financial Protection concerning small-dollar consumer lending. I reject your insinuation – repeated three times in as many pages – that my actions as Acting Director are based on considerations other than a careful examination of the law and facts particular to any matter.

Civil discourse rests upon our reciprocal understanding that no matter how strongly we may disagree on matters of policy, we are motivated by principle and our mutual desire to serve the American people to the best of our abilities. Prior to receiving your letter, I never would have thought to consider, for instance, whether your vote against repealing the Bureau's arbitration rule was influenced by campaign donations you may have received from trial lawyers or other parties who stood to gain financially from the rule. Perhaps I should reconsider. Instead, shall we agree that such accusations are baseless and discuss policy matters as responsible officers holding a public trust?

I await your response.

Sincerely,

A handwritten signature in blue ink that reads "Mick" followed by a stylized flourish. Below the signature, the letters "DCFP" are printed in a bold, blue, sans-serif font.

Mick Mulvaney
Acting Director