

# FAITH CREDIT ROUNDTABLE

Dear friend,

Yesterday, the U.S. Supreme Court secured a major victory for consumer protection when it decided that the secure, independent funding structure of the CFPB is constitutionally sound.

Stephen K. Reeves, Fellowship Southwest Executive Director and co-chair of the Faith and Credit Roundtable, released the following statement:

I celebrate that with this Supreme Court decision, payday lenders have failed to bring down the Consumer Bureau. While the ruling affirms the constitutionality of the Consumer Bureau's funding, we cannot forget the challenge came from predatory lenders who charge desperate folks over 400% annual interest rates. The CFPB remains the best hope for nationwide reform of this immoral and usurious practice that exploits the vulnerable.

The funding structure was held to be constitutional, which helps the Bureau look out for American consumers by maintaining its independence from the special interests that influence Congress. I am proud of the diverse coalition of faith leaders across the political and theological spectrum who have been working for reform of payday lending. Now it is time for the CFPB to finish the job and rein in this abusive and deceptive industry.

Rev. Dr. Cassandra Gould Senior Strategist at Faith in Action and Founding member of Faith for Just Lending, released the following statement:

This Supreme Court decision, which aligns with the moral compass of Proverbs 22:22, has sided with the least of these by protecting the CFPB. This decision is a testament to our shared commitment to not rob the poor because they are poor and to not crush those in need in court.

It is with great pride that we acknowledge the tireless efforts of the Center for Responsible Lending and faith leaders in bringing us to this momentous day. Your dedication and hard work have been instrumental in this achievement.

I wanted to share CRL's statement, below, for additional background as well as to thank you for all of the hard work that you have put into this campaign over the years. Onward!

Sincerely,

Tamika

## **Supreme Court Rules CFPB Funding is Constitutional in Win for Consumers**

May 16, 2024

WASHINGTON, D.C. – The U.S. Supreme Court just announced that the secure, independent funding structure of the Consumer Financial Protection Bureau is constitutionally sound, thereby averting the economic and political chaos that an adverse ruling likely would have caused. The case, *Consumer Financial Protection Bureau (CFPB) v. Community Financial Services Association of America, Limited (CFSA)*, was originally brought by CFSA, a trade association for payday lenders.

“This ruling enables the immensely popular Consumer Financial Protection Bureau to keep doing its job as a watchdog agency that protects Americans’ wallets from predatory financial firms,” **said Nadine Chabrier, senior policy and litigation counsel at the Center for Responsible Lending (CRL)**. “Even with this decision, we must keep fighting to defend our consumer watchdog agency in the courts and in Congress as some industry actors sue and lobby to preserve illegal financial discrimination, billions in unlawful junk fees, and other exploitative behavior. The nonstop, inside-the-beltway crusade to undermine the CFPB goes against the wishes of the American people, who overwhelmingly support the CFPB’s work. The anti-CFPB campaign is an attempt to throw sand in the gears of financial justice and it must be rejected.”

**Chabrier continued**, “The Supreme Court’s ruling provided a welcome dose of common sense as it rejected an unprecedented, reckless argument that could have destabilized a housing market that undergirds our economy and invited challenges to funding for most of the federal government, including Medicare and the Federal Reserve.”

### **Background**

This case arises from an illogical ruling, by a three-judge panel of the U.S. Court of Appeals for the 5th Circuit, that proclaimed the CFPB’s funding is unconstitutional, in part, because it derives from outside an annual congressional appropriations process.

Throughout U.S. history and across our government, Congress has authorized funding streams for government agencies separate from an annual congressional appropriations process. The Constitution requires that funding for government activities be authorized by a law passed by Congress, but the Constitution does not require an annual appropriations process to determine funding, which the 5th Circuit inaccurately suggested is mandatory. The CFPB’s funding was authorized by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

###

Press Contact: Matthew Kravitz [matthew.kravitz@responsiblelending.org](mailto:matthew.kravitz@responsiblelending.org)