

ONE HUNDRED FIFTEENTH CONGRESS
Congress of the United States
House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

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February 5, 2018

The Honorable Mick Mulvaney
Acting Director
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552

Dear Acting Director Mulvaney:

I am writing to request that you investigate the widespread submission of fake public comments to the Consumer Financial Protection Bureau (CFPB) rulemaking to curb predatory payday lending practices. I also urge you to take immediate steps to ensure that such interference in the comment process is prevented going forward. A separate letter has been sent to the Federal Bureau of Investigation and the Department of Justice requesting a formal inquiry into whether the submission of fraudulent comments at the CFPB and other federal agencies violated federal law.¹

As you are aware, a recent *Wall Street Journal* investigative report uncovered millions of fraudulent comments filed in the regulatory dockets at five federal agencies, including the CFPB.² As many as 40 percent of the comments submitted to CFPB in opposition to the payday-lending rulemaking appear to be fake, using stolen or obsolete email accounts.³ Even more insidious, false comments opposing consumer safeguards were submitted under the names of

¹ Letter from Frank Pallone, Jr., Ranking Member, House Committee on Energy and Commerce, et al. to Jefferson B. Sessions, III, Attorney General, U.S. Department of Justice, and Christopher Wray, Director, Federal Bureau of Investigation (Jan. 24, 2018); *see also* Letter from Frank Pallone, Jr., Ranking Member, House Committee on Energy and Commerce, to Jefferson B. Sessions, III, Attorney General, U.S. Department of Justice, and Andrew G. McCabe, Acting Director, Federal Bureau of Investigations (June 28, 2017).

² *Millions of People Post Comments on Federal Regulations. Many are Fake*, Wall Street Journal (Dec. 12, 2017).

³ *Many Comments Critical of 'Fiduciary' Rule Are Fake*, Wall Street Journal (Dec. 27, 2017).

victims of predatory lending practices, including one woman who ended up owing more than \$8,000 on a \$323 payday loan.⁴

I am most alarmed by the possibility that some in the industry may have been involved in an attempt to create a false impression that consumers widely oppose safeguards against such predatory payday lending practices. An analysis conducted for the *Wall Street Journal* revealed that a significant portion of the fake comments originated from a comment-generating platform and web address used by the Community Financial Services Association of America (CFSA), a trade group representing payday lenders.⁵ The CFSA claims not to know how the fake claims came to be filed through its website “TelltheCFPB.com.” Regardless of who at CFSA was responsible, it was clearly a concerted effort to thwart the implementation of meaningful protections for consumers.

The Bureau spent five years on research, outreach, and careful deliberation before issuing this rule.⁶ Despite the apparent effort to sabotage the process by flooding the Bureau with false comments, the final rule includes much needed measures to protect financially vulnerable consumers from predatory lending practices that can trap them in a vicious cycle of mushrooming debt. The rule’s provisions on ability-to-repay, debit attempt cutoff, and other safeguards will help put an end to these debt traps, while still preserving consumers’ access to short-term loan services. The possibility that some payday lenders may be behind the fake comments underscores the need for preserving the rule’s strong consumer safeguards against unscrupulous lending practices.

⁴ See note 2.

⁵ *Id.*

⁶ Consumer Financial Protection Bureau, CFPB Finalizes Rule to Stop Payday Debt Traps: Lenders Must Determine if Consumers Have the Ability to Repay Loans That Require All or Most of the Debt to be Paid Back at Once (Oct. 5, 2017) (www.consumerfinance.gov/about-us/newsroom/cfpb-finalizes-rule-stop-payday-debt-traps/).

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I was encouraged to see a statement from your office that you have committed to looking into the fake comments issue.⁷ As you work to determine who was involved and to hold them accountable, you must also adopt procedures to ensure that such foul play cannot continue. The public comment process simply should not be undermined in this way. Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in blue ink that reads "Frank Pallone, Jr." with a stylized flourish at the end.

Frank Pallone, Jr.
Ranking Member

⁷ *Consumer Bureau to Investigate 'Fake' Rulemaking Comments*, Government Executive (Dec. 14, 2017).