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July 20, 2017

**Keith Noreika**  
Acting Comptroller of the Currency  
Office of the Comptroller of the Currency  
400 7<sup>th</sup> Street, SW  
Washington, D.C. 20219

Dear Acting Comptroller Noreika:

We are writing to express our concerns about your recent letter to the CFPB, cited in several media reports, as expressing concerns about the agency’s arbitration rule. We are particularly concerned that you might use your membership on the Financial Stability Oversight Council (FSOC) to seek a veto of the agency’s regulation. Though the Dodd-Frank Act clearly permits you to request this veto through the petition process, we question if you should be taking such action especially given your acting capacity as Comptroller and the fact that, unlike Director Cordray, you did not undergo a full Senate confirmation process.

Despite arguments to the contrary, the CFPB’s arbitration rule does not put the safety and soundness of the nation’s banking system or the stability of the financial system at risk. As Director Corday stated in his letter to you the “deterrent effect of the rule is designed to prevent exactly the type of unlawful conduct that itself can raise safety and soundness concerns, as it did in the lead up to the financial crisis.” And, we agree. If implemented, this rule will help strengthen the overall financial health of the country.

As you know, forced arbitration has been a tactic utilized by many of the nation’s largest banks to prevent consumers from challenging illegal behavior in court. Even more troubling, a study conducted by the CFPB in 2015 found that three out of four consumers surveyed did not know if they were subject to an arbitration clause.<sup>1</sup> The CFPB’s arbitration rule fulfills a Congressional directive in the Dodd-Frank Act tasking the agency to study forced arbitration and restrict or ban the practice if it harms consumers. If fully implemented, the CFPB’s rule

<sup>1</sup> Consumer Financial Protection Bureau Study Finds That Arbitration Agreements Limit Relief for Consumers. (2015, March). Retrieved from [http://files.consumerfinance.gov/f/201503\\_cfpb\\_factsheet\\_arbitration-study.pdf](http://files.consumerfinance.gov/f/201503_cfpb_factsheet_arbitration-study.pdf)

will restore crucial consumer rights and increase accountability and transparency, making the nation's financial system stronger and safer for all Americans.

Thank you for your consideration of these views and concerns as you continue in your interim capacity on the FSOC.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Taylor". The signature is stylized with a large, rounded initial "J" and a prominent "T".

John Taylor  
President & CEO