**CFPB Field Hearing on Forced Arbitration – October 7, 2015**

I'd like to thank the CFPB for their extensive and important study on the impact of forced arbitration clauses on consumers in the financial services marketplace. I'd also like to thank you for holding this field hearing and beginning the process of protecting consumers by regulating forced arbitration. I'm not revealing any great secret by stating that we in the consumer advocacy community believe that at the end of this rule-making process, the CFPB should ban forced arbitration clauses in all financial service contracts within your jurisdiction.

As an attorney who has spent most of my almost 30-year legal career advocating for low and moderate income consumers, I have witnessed first-hand the damage done by denying consumers access to our public justice system.

During the first half of my professional life, I represented clients in some of the poorest communities in our country, fighting—**in our courts**—for some measure of justice.

For the last 14 years, I have been the executive director of NACA, spending each of my days working with and talking to private and public attorneys deeply committed to seeking justice for the least powerful consumers.

And during all of these years, I have borne witness to the relentless—and all too often successful—effort of powerful financial service institutions to strip away fundamental consumer rights from those far less powerful. Whether it's been through deregulation, preemption, defunding, or ultimately through unconscionable contract terms, the goal and the result has been the same: Avoid corporate accountability by taking power away from anyone who might have the ability to actually do so.

To be perfectly honest, when arbitration clauses first appeared in consumer contracts, I gave them little thought:

Surely, there was no consent by my client;

Surely, it was unconscionable for powerful businesses to deny my clients access to our public justice system;

Surely, my clients' right to participate in class actions—a right provided by state legislatures and federal rules—could not be taken away by a mere click of a button or an unread bill stuffer;

Surely, if we proved—as we have—that forced arbitration prevents consumers from getting legal help, from getting proper redress, the clause would be unenforceable.

Surely, I would be wrong …

Instead, today, thanks to a small majority in the Supreme Court, we have a world with an unfair and growing dual justice system:

Where consumers lose their fundamental right to their day in court because of unseen, unread contract "terms" imposed on them;

Where financial industry players overwhelm those very same courts with often spurious cases against those very same consumers;

Where a public record and the growth of public, well-thought-out case law on important consumer issues continues to diminish; and

Where proper consumer redress and enforcement are only available to consumers who have luckily avoided the long reach of arbitration clauses and class action waivers.

To illustrate this final point, let's look at the case of Aho v. Americredit. Aho was a class action on behalf of California consumers victimized by unfair and deceptive debt collection and auto repossession practices. The federal court, in certifying a class of consumer victims, excluded any consumer with an arbitration clause in their original contract. The consumers who participated in the class received hundreds of millions of debt relief and cleaned up credit reports. Those consumers burdened with arbitration clauses received nothing and their so-called debts remain and continue to be improperly reported on their credit reports.

The CFPB has the authority to write these wrongs. I strongly urge you to do so.