



AMERICANS
for TAX REFORM

August 1, 2017

The Honorable Mitch McConnell
Majority Leader
317 Russell Senate Office Building
Washington, DC 20510

The Honorable John Cornyn
Majority Whip
517 Hart Senate Office Building
Washington, DC 20510

The Honorable Mike Crapo
Chairman Senate Banking Committee
239 Dirksen Senate Office Building
Washington, DC 20510

Dear Majority Leader McConnell, Majority Whip Cornyn and Chairman Crapo:

On behalf of Americans for Tax Reform (ATR) I write to express ATR's strong support for S.J. Res. 47 introduced by Senator Mike Crapo (R-ID).

S.J. Res. 47 would use the powers granted under the Congressional Review Act (CRA) to reverse the Consumer Financial Protection Bureau's (CFPB) recently published rule relating to arbitration agreements.

The CFPB's arbitration rule would do little in the way of benefiting American consumers, and instead would result in a flood of class-action lawsuits putting more money in the pockets of trial lawyers. The arbitration rule would cost consumers billions and lead to a projected 6,000 class action lawsuits every five years.

According to the CFPB's own study, average payouts to consumers after litigation was less than \$2.00 per person, which is significantly lower than the amount awarded during the arbitration process. The same study found that only 20 percent of class-action lawsuits are approved and among those the average wait time for a settlement was roughly three years. This is compared to the arbitration process where the wait time is an average of only 6.9 months.

I urge you and your colleagues in the Senate to support and pass S.J. Res. 47, and use the authority granted under the Congressional Review Act to reverse the CFPB's harmful and misguided arbitration rule.

Sincerely,

Grover G. Norquist
President
Americans for Tax Reform

722 12th Street N.W.

Fourth Floor

Washington, D.C.

20005

T: (202) 785-0266

F: (202) 785-0261

www.ATR.org