



Lucy Morris quoted in American Banker on CFPB Drop in Enforcement Actions

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According to an article in [American Banker](#), the [Consumer Financial Protection Bureau](#)'s enforcement actions have plummeted under the leadership of director Rohit Chopra, while employee morale at the agency is lagging compared with the Obama administration.

Chopra appears to be pursuing a far different strategy compared with his Democratic predecessor Richard Cordray, the CFPB's first director. The consumer watchdog has filed just five enforcement actions so far this year compared with 20 last year, which marked the second-lowest number on record; just 10 enforcement actions were brought in 2018 during the Trump administration. By comparison, Cordray filed 27 enforcement actions in 2013, 32 in 2014 and 57 in 2015, a record high.

The drop in enforcement actions is attributable to the lack of major financial crises that the CFPB could leverage into settlements. Remote work during the pandemic may have limited the bureau's oversight as well. Yet the numbers do not compare favorably even to former CFPB Director Kathy Kraninger, a Trump appointee, who took a more collaborative approach to policing financial firms and sought to refocus the bureau on education. Kraninger filed 48 enforcement actions in 2020, more than twice the number that Chopra brought during each of his first two years helming the agency.

Still, lawyers representing banks and financial firms say the bureau is busy ramping up enforcement with more actions expected in the second half of this year.

"No one should think that Director Chopra is lax on enforcement because that's simply not the case," said [Lucy Morris](#), a partner at [Hudson Cook](#) and a former deputy enforcement director at the CFPB. "Although there have been fewer [enforcement] announcements, this does not mean that enforcement is asleep at the wheel. In fact, they are extremely active."

Chopra has prioritized enforcement of repeat corporate offenders and has used the CFPB's bully pulpit to try to force banks to eliminate so-called junk fees. While he has focused on fair lending and other efforts to address discrimination, the vast majority of the CFPB's actions during his leadership have been brought against firms for "unfair, deceptive or abusive acts or practices," known as UDAAP violations.

"Chopra is seeking far more aggressive remedies than in the past and the focus is largely, but not entirely, on larger entities," said Morris. "Seeking larger penalties and structural remedies against large companies can make it harder to settle a case, meaning that more cases land in

litigation.”

Subscribers to American Banker can read the full article [here](#)

About Lucy Morris

Lucy is a partner in the firm’s Washington, DC office and a former Deputy Enforcement Director at the CFPB. Lucy counsels financial institutions and others in complying with federal consumer financial laws and prohibitions against unfair, deceptive, or abusive trade practices. She is an experienced advocate and litigator, representing clients in government investigations, examinations, and enforcement actions before federal and state agencies, including the CFPB, FTC, U.S. Department of Justice, and state AG offices.