



Lucy Morris Quoted in Law360 Article on Constitutional Implications of Fifth Circuit's Court Ruling and CFPB Future

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Fifth Circuit's bombshell decision invalidating payday loan regulations issued by the Consumer Financial Protection Bureau

Jon Hill, Law360

A Judicial 'Tidal Wave' Just Walloped The CFPB. Now What?

By [Jon Hill](#) · [Listen to article](#)

Law360 (October 20, 2022, 10:52 PM EDT) — The Fifth Circuit's bombshell decision invalidating payday loan regulations issued by the Consumer Financial Protection Bureau could set the stage for a larger unraveling of the agency's handiwork and raises a host of questions about its future, observers say.

Financial services attorneys told Law360 that it is hard to overstate the potential fallout from [Wednesday's decision](#) in [Community Financial Services Association of America Ltd. et al. v. Consumer Financial Protection Bureau et al.](#), in which a three-judge Fifth Circuit panel ruled that Congress acted unconstitutionally when it endowed the CFPB with budgetary independence at its inception.

"The bureau has been very aggressive lately, but more and more companies are fighting back and this just gives companies another weapon to do that," said Lucy E. Morris, a [Hudson Cook LLP](#) partner and former CFPB deputy enforcement director.

"Some will cooperate and decide they don't want to challenge the bureau, with the idea that it probably at the end of the day will remain a force and be their regulator, but others may decide it's worth it to challenge the bureau," Hudson Cook's Morris said.

"At the end of the day, this might just have an overall moderating effect on the Bureau," Morris said. "They would be subject to more checks and balances, more oversight. The issue all along has been these wild pendulum swings, so being subject to the appropriations process, while painful for any agency, is not necessarily a bad thing."

Subscribers to *Law360* may access the [full article on the website](#).

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.

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