



July 24, 2017

Key Vote YES on H.J.Res. 111 to Cancel CFPB's Giveaway to Trial Lawyers

On behalf of FreedomWorks' activist community, I urge you to contact your representative and ask him or her to vote YES on H.J.Res. 111. FreedomWorks Foundation drove more than 15,000 responses to the CFPB against the rule during the comment period.

This resolution of disapproval under the Congressional Review Act (CRA) would cancel the Consumer Financial Protection Bureau's (CFPB) arbitration rule. The final rule was published on Regulations.gov on July 19. While the CRA isn't a panacea, it does provide a means for Congress to act as a check on out-of-control federal agencies.

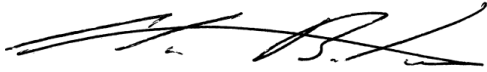
The CFPB's arbitration rule is, in reality, a giveaway to trial lawyers. The rule ostensibly bans contractual arbitration clauses related to consumer financial products offered by banks and other financial sector firms. This severely limits consumers' ability to enter into arbitration during disputes.

Arbitration is an easier and quicker process for consumers to resolve issues, but lawyers don't make much money from this process. The rule, however, will encourage trial lawyers to pursue more class-action lawsuits, which take longer and result in smaller payouts to consumers. But class-action lawsuits do bring in big dollars for trial lawyers.

Class-action lawsuits can take two to five years to resolve, and the average payment is \$32.35 per individual. These class-action suits, for which trial lawyers are paid an average of roughly \$1 million, also drive up costs to consumers. By comparison, arbitration typically takes two to five months, with an average payment of thousands of dollars. It's clear which process truly protects consumers.

FreedomWorks will count the vote on H.J.Res. 111 on our 2017 Congressional Scorecard. The scorecard is used to determine eligibility for the FreedomFighter Award, which recognizes Members of the House and Senate who consistently vote to support economic freedom and individual liberty.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adam Brandon', with a stylized, sweeping flourish at the end.

Adam Brandon
President, FreedomWorks