

David Schultz Analyzes in ARM Compliance Digest: CFPB Enforcement Actions Spike in Q3 2020

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In the October 26, 2020 edition of the *ARM Compliance Digest*, Hinshaw partner David Schultz discusses a spike in the number of public enforcement actions initiated by the Consumer Financial Protection Bureau during the third quarter of 2020:

Life, and apparently CFPB actions, are a roller coaster. This past quarter saw a significant spike in CFPB enforcement actions. It brought 19 matters, which is five times the number in the prior quarter and double the amount in the same quarter last year. The recent numbers have not been seen since Cordray was the director five years ago. However, this is probably less a sign of things to come and more the result of predictable events.

First, and no particular order, the Supreme Court's ruling in *Seila Law* provided some clarity on the constitutionality of the CFPB, which in turn likely freed it up to take the actions. Second, there was a pause in investigations under [former acting director Mick] Mulvaney but [Kathleen] Kraninger picked up the pace. Enforcement actions often are the result of years of work, so numerous of those investigations likely concluded around the same time. Third, government agencies often wrap up investigations at the end of the year so they can be included in their annual reports. Fourth, the CFPB maybe released these in case there is a change in the presidency, which will result in a change in the director's position. There likely are a number of other explanations.

The recent CFPB enforcement numbers were eye opening, but they likely will not stay at those levels.

[Read the full October 26, 2020 edition of the AccountsRecovery.net Compliance Digest](#)

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