

Climate for Student Loan Oversight Gets Hotter with Recommendation of Top CFPB Student Loan Official for FTC Commissioner

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By: Vaishali S. Rao

While most mainstream media outlets are pulling a Jan Brady and reporting “Comey, Comey, Comey,” the consumer financial services community should be chewing on a different name right now: “Chopra, Chopra, Chopra.”

U.S. Senate Minority Leader, Chuck Schumer (D, NY), has recommended to the President, Rohit Chopra, former Consumer Financial Protection Bureau Student Loan Ombudsman for an open Democratic seat on the Federal Trade Commission. As the former CFPB Ombudsman, Chopra held a high post in the Bureau, interacting directly and routinely with Director Richard Cordray, and helping to prioritize—and importantly, publicize—student loan policy and enforcement initiatives for the Bureau that have long outlasted Chopra’s tenure. Chopra has been known to draw comparisons between the mortgage and student loan industries, calling for greater data transparency in the student loan industry.

While Chopra has held several offices since leaving the CFPB (including most recently as Senior Fellow at Consumer Federation of America), the start of his career incubated under Senator Elizabeth Warren’s wings. No doubt, Warren’s consumer-focused agenda—in the running to shape the Democratic party’s revised platform—will influence Chopra’s decision making.

Why would the President be nominating anyone CFPB-related to any position? On 5 member commissions like the FTC, no more than 3 members can be from the President’s Party. Traditionally, the minority leader in the Senate has wide discretion to provide those nominees to the President, who then formally makes the nomination. So far, there has been no indication Trump will abandon tradition with respect to making these commission nominations.

As an FTC Commissioner, Chopra would be responsible for deciding, along with the other commissioners, significant unfair and deceptive trade practice cases. Commissioners who find themselves in the minority often help to build a record to shape party platforms, and also attempt to influence the nature of the cases the FTC and other similar law enforcers take when the political pendulum eventually swings the other way. Commissioners serve 7 year terms.

Quick Takeaway: FTC Commissioners are some of the important people who put the meat on the bones of what unfair and deceptive business practices mean in practice for companies. Following Chopra’s potential move to the FTC will help to signal not just the Left’s position on particular issues, but also what issues state UDAAP enforcers may pick up due to lack of Commission votes. As to how his nomination would affect the student lending industry, [it’s just another indication](#) that there’s hot water boiling rapidly and it might be about to spill over.

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