

CFPB Acting Director Institutes Suspension of Data Collection, Reveals Plans to Bring in More Political Appointees, and Announces Review of Pending Enforcement Matters

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Acting CFPB Director Mick Mulvaney made three important announcements this week. First, on December 4, he announced a suspension of the agency's collection of consumers' personal information due to concerns about cybersecurity. Mulvaney, who said he is taking data security "very, very seriously" according to *The Wall Street Journal* [report](#) (paywall), explained that the Bureau should first hold itself accountable and ensure it has a rigorous data-security program before expecting the same from the financial services industry it oversees. In addition, Mulvaney revealed two of his immediate priorities for the Bureau under his leadership: hiring senior political appointees to work with the heads of the independent agency's main divisions and reviewing more than 100 pending CFPB enforcement cases.

The halt on data collection comes a week after Mulvaney announced a 30-day hiring freeze and a freeze on all new regulations by the Bureau, and is yet another sign of the expected policy shift for the CFPB following the appointment of the acting director by President Trump late last month. Mulvaney indicated that the suspension of data collection was motivated by concerns that arose from two internal inspector general reports issued earlier in 2017 implicating the Bureau's data security practices, including a recommendation that the agency tighten employee access to sensitive information obtained through its investigative activities. The vast amounts of data collected by the Bureau has long been an issue of concern among lawmakers and the subject of industry criticism.

Mulvaney's plan to bring in several senior political appointees to work with the various heads of the agency's main divisions, including enforcement, rulemaking, legal, and consumer education, is another indication of significant changes on the horizon at the CFPB. In fact, Mulvaney has already brought in Brian Johnson, former top aide to House Financial Service Committee Chair Jeb Hensarling, as a senior adviser. The political staffers will presumably institute policy changes throughout the Bureau, but the move has already sparked backlash among critics questioning the involvement of political appointees at the independent agency.

Mulvaney also announced a review of more than 100 enforcement matters, including litigation and

matters not yet public. The review will first focus on cases that are currently making their way through the court system. The Acting Director has been highly critical of the Bureau in the past and will likely instruct staffers to scrutinize these cases carefully. Outcomes may include the dismissal of pending cases, the termination of pending actions and investigations, and changes in the scope of open matters. In the near-term, the review likely will slow the pace of existing matters and limit the opening of new investigations. All told, Acting Director Mulvaney is pressing ahead with an aggressive agenda for change at the CFPB, despite being in the midst of a dispute over control of the agency with deputy director Leandra English. In his remarks this week, Mulvaney stated that he has no intention of firing Ms. English and simply called on her to perform her duties as deputy director.

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