

Response to Pennsylvania forming CFPB

There is big news out of Pennsylvania this morning affecting the financial Institution and third-party service provider world. Pennsylvania Attorney General Josh Shapiro announced the formation of a State of Pennsylvania Consumer Finance Protection Bureau. I have said from the beginning the CFPB is not going away; I have also said I believe the structure may change at the federal level. Pennsylvania is not taking any chances this state run CFPB has the same sound, and apparent mission, as its big brother in DC, and it is going to be headed up by one of the original founders of the CFPB, Mr. Nicholas Smyth. He was instrumental in the investigation of DriveTime, which resulted in an 8 million dollar settlement.

A lot of you thought you would never see an agent from the CFPB or a CFPB type agency because of your size. Well, I can assure you now, if you are located in Pennsylvania your chances just went from zero to see you next year, maybe even late this year. We all know how this is going to go when one state does it, the other states will watch to gauge the success and then jump on the band wagon. All your small clients who have not placed the same importance on compliance as ARA has done and have continued to use off-duty police, constables, sheriffs, or just unlicensed repossessioners, have much to fear. Our loyal members who have taken advantage of the ARA webinars and compliance testing, have instituted the policies and procedures we have been going over for at least three years, have taught their street-level employees the information, and have created the Culture of Compliance we as an association have been constantly and consistently talking about, have nothing to fear.

It's not too late to make it to NARS, but if you haven't registered yet, [you'd best buy your ticket](#) and get there because the round table discussions and speakers are going to energize you to step up and put your Compliance Management System (CMS) in place. Being a member of ARA is your door to compliance news and education one of our primary goals is to better both you and your company. So stay tuned & we'll keep you informed of the changes as they happen in the world of compliance.

Best,
David A. Kennedy
Vice President & Director of Compliance
American Recovery Association