

CFPB Releases Proposed Rule Restricting Arbitration Clauses
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Client Alert

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As expected, the Consumer Financial Protection Bureau (CFPB) used today's field hearing in Albuquerque, N.M. to roll out a **Notice of Proposed Rulemaking** (NPRM) that would significantly limit companies' ability to use mandatory arbitration clauses to block class action proceedings. While arbitration clauses would still be permissible in consumer financial product contracts, they would "have to say explicitly that they cannot be used to stop consumers from being part of a class action in court," according to a press release accompanying the NPRM. "The proposal would provide the specific language that companies must use."

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