

August 22, 2016

Monica Jackson
Office of the Executive Secretary
Consumer Financial Protection Bureau

VIA EMAIL: FederalRegisterComments@cfpb.gov

Re: Comments in support of Docket No. CFPB-2016-0020 or RIN 3170-AA51

Dear Ms. Jackson:

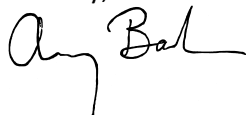
We write to express strong support for the Consumer Financial Protection Bureau's proposed rule 12 CFR part 1040. We believe that the proposed rule will aid in the fair outcome of disputes between consumers and financial service providers. It will also strengthen consumer confidence in the integrity of the contracts that apply to their transactions with those providers, and increase equity in dispute resolution outcomes. Perhaps most importantly, it will help restore balance between powerful economic interests and the individuals who deserve the level playing field our civil justice system was designed to be.

Forced pre-dispute arbitration provisions in adhesive contracts are unfair and prejudicial to the interests of individual consumers and have been gradually eroding the rule of civil law. Private arbitrations take place behind closed doors, not open courtrooms. Private arbitrators have far less accountability than judges. The fees for private arbitrations are often higher than public court fees. Private arbitrators are known to favor repeat users of their services. There is little to no record of arbitration proceedings. That means a party can engage in repeated incidents of abusive or illegal behavior without being appropriately held accountable. That means decisional law, which for centuries has reflected and stayed current with changes in our economy and society, is not as up to date as it should be.

While we recognize the proposed rule will not apply to all insurance contracts because Dodd-Frank prohibits regulating the "business of insurance" and regulation of insurance is not typically the purview of the federal government (under McCarran-Ferguson) we support the rule and the strong signal it sends to legislatures and courts that forced arbitration language in consumer contracts should not be permitted. We understand the rule may apply to whole life insurance policies to the extent that these companies are ECOA creditors not engaged in the business of insurance and title insurance in some instances.

United Policyholders ("UP"), is a 501(c) 3 non-profit that has been informing, helping and speaking for insurance consumers nationwide since 1991.

Sincerely,



Amy Bach, Esq., Executive Director

Board of Directors

Amy Bach
Executive Director

William H. Hedden
President, Board of Directors
Consolidated Adjusting, Inc.

Hon. David Baria
Mississippi State Representative

Nicholas Casagrande
NC Financial Group

**Evangeline Fisher
Grossman**
Shernoff Bidart Echeverria Bentley

Brian S. Kabateck
Kabateck Brown Kellner LLP

Laura Levine
All California Mortgage

E. Gerard Mannion
Mannion and Lowe

**William F. "Chip"
Merlin, Jr.**
Merlin Law Group

Susan Piper
Disaster Survivor

Jennifer Rosdail
Paragon Real Estate Group

Pamela Schmitz
Brio Financial Group

John Sullivan
Avaya Inc.

Doug Wertheimer
Industry Capital

Alice J. Wolfson
DL Law Group

Ex Officio

Hon. Stanley G. Feldman
Chief Justice (RET)
Arizona Supreme Court

Deborah Senn
Insurance Commissioner (1993-2001)
Washington State

Programs

Advocacy and Action

Roadmap to Preparedness™

Roadmap to Recovery™