

The End of Consumer Arbitration As We Know It?

As a result of the passage of the Dodd-Frank Act in 2010, the use of mandatory pre-dispute arbitration in consumer transactions has become tenuous, according to an article written by **Maurice Shevin** for **Sirote & Permutt, PC**.

He explains that the Consumer Financial Protection Bureau was instructed by law to study and evaluate the effect of such mandatory clauses, and it has been doing so almost since its inception.

“The CFPB holds yet another public forum on the subject in May. I won’t be surprised to see a Proposed Rule come out of this hearing that announces the intent of the CFPB to suppress the use of mandatory arbitration. If the CFPB stays true to form, it will give creditors a period of time to comply with any Rule that it may adopt, Shevin writes.”

Read the article.