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**MAYOR EMANUEL ANNOUNCES NEW REFORMS TO PROTECT CHICAGO FAMILIES  
FROM FINANCIAL FRAUD**

*Chicago is the First City in the Nation to Agree to Share Information with the Consumer Financial Protection Bureau in Order to Protect Chicago Families Against Financial Scams*

Mayor Rahm Emanuel announced today a new information-sharing agreement with the Consumer Financial Protection Bureau (CFPB). The agreement creates a framework for the City and the CFPB to share with each other information about scams involving pay-day lenders and other financial institutions affecting Chicagoans. This is the first information sharing agreement the CFPB has entered into with a city and is the latest in a series of steps taken by the Emanuel administration to protect vulnerable residents from financial scams and bad practices.

"We must use every tool available to us to protect responsible working families from businesses that make their profits through financial fraud and scams," said Mayor Emanuel. "These tools will enhance Chicago's efforts to stop the scams and fraud before they can claim a victim."

Protection from predatory financial services for Chicago's most vulnerable families is a high priority for Mayor Emanuel and the city is increasing its crackdown on bad businesses through its enforcement capabilities through the Department of Business Affairs & Consumer Protection (BACP). Chicago will also take a series of protective actions to help the city identify emerging scams and trends before they take root.

"Collaborations like this one are at the heart of our efforts to improve how consumer financial markets work for people," said CFPB Director Richard Cordray. "By working together, we can succeed in educating, empowering, and protecting our citizens."

Protective actions being taken by the City of Chicago include:

- Introducing a new City Council ordinance to regulate and license debt collectors to ensure they abide by fair debt collection guidelines and put a stop to illegal collections practices in Chicago. This will be introduced during the December 12<sup>th</sup> City Council meeting.
- Gathering information on predatory and deceptive acts associated with home repair loans, payday loans, small dollar loans, reverse mortgage products, and mortgage origination and servicing.
- Implementing new zoning regulations to limit the proliferation of payday lenders, auto-title loan stores, and other predatory financial services. Concentrations of these operations in select areas have proven to lead to higher bankruptcy rates, higher crime rates, lower credit scores, and overall financial instability.
- Prioritizing enforcement of predatory and fraudulent consumer practices through a new City Council ordinance that strengthens the City's ability by giving BACP the teeth it needs to take action against businesses convicted of violating state and federal consumer protection acts. This will also be introduced during the December 12<sup>th</sup> City Council meeting.

The newly announced fraud protection efforts by the Emanuel administration are the latest in a series of actions taken by the city to protect consumers. Early efforts have seen positive results to limit financial predators with an ordinance cracking down on immigration services fraud and predatory commercial tax preparers.

"The two-way flow of information and enforcement efforts between the CFPB and local authorities is critical to elevating concerns about high-cost products, such as payday and auto title loans, quickly and will help drive a better understanding of potential abuses," said Tom Feltner, Director of Financial Services at the Consumer Federation of America. "We applaud Mayor Emanuel for his commitment to protecting consumers and working across every level of government to develop clear and transparent reforms."

"I am pleased that the Mayor has taken key steps in strengthening our efforts to protect our residents," said Alderman Emma Mitts, Chair of the Committee on License and Consumer Protection. "In working with the newly tasked CFPB, we will ensure Chicagoans will not be taken advantage of by Consumer lenders."

"The proposed ordinances, policies, and increased cooperation across levels of government is the type of leadership and governing that our families deserve and need. I commend Mayor Emanuel for aggressively pursuing strategies to protect consumers and utilizing every resource and partnership possible to eliminate these frauds and punish bad actors responsible," said Alderman Ameya Pawar, a leading consumer protection advocate in the City Council. "These types of reforms are exactly the reason why I got into public service."

The Consumer Financial Protection Bureau is a 21st century agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and

by empowering consumers to take more control over their economic lives. For more information, visit [www.ConsumerFinance.gov](http://www.ConsumerFinance.gov).

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