

Legislative Report
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1. PERSONAL FINANCES: A significant Federal Regulation has partially changed: no longer can you join with others (a class action) in a law suit against your financial providers to resolve your differences!! The history of this is: A Federal Agency (CFPB) recently passed a Regulation to ensure that Americans were treated fairly by banks, credit card firms, etc. when trying to resolve financial disputes with providers. One of the key provisions was that "...consumers could join together with others in a law suit (class action) to resolve their differences..." This Regulation was to become effective in the future.

Recently elected/appointed Federal officials just repealed this part of the Regulation and substituted this language: "...any disputes with banks, lenders and other financial entities must be settled by arbitration without resort to class action law suits..." Their rationale was that arbitration is generally faster, less expensive to all parties and the financial payback to consumers is more favorable. There are a few recent surveys with limited data to support this.

This new provision places an important responsibility on you to ensure that in your financial dealings with those who have arbitration policies make sure those policies do not put you in a weak position. It might be desirable to have someone with legal training review such policies.

The previous Director of this Agency who has resigned has stated "...you have signed away consumers rights to their day in court..." Be vigilant!

2. The SAFETY NET (SOCIAL SECURITY AND MEDICARE). Will the political landscape in the future affect the safety/vulnerability of these traditional safety net programs?? A number of political writers are concerned that recent actions taken by the current Federal Government will increase our debt level to such unmanageable levels that some current safety net programs (Social Security/Medicare) may have to be modified to keep our finances in balance. This could be a very contentious action and citizens of all political parties should engage in these discussions if these actions ever become a reality!