

# Predicting the Top Regulatory Issues for 2019

February 01, 2019

Gazing into a crystal ball from my office in Cleveland, here are some of the key issues I predict we'll grapple with in 2019: First, what will the **Consumer Financial Protection Bureau** look like in its first full year with a new sheriff in town? **Kathy Kraninger** assumes the director role from a previous position outside the industry, as assistant director at the White House Office of Management and Budget under **Mick Mulvaney**.

Although she has received praise for scrapping the bureau's proposed name change, there is uncertainty as to Kraninger's regulatory style. As an appointee of the current administration, it doesn't take a fortune teller to see which lane the bureau will swim in. Like her former boss, Kraninger's published remarks and other communications lead me to believe she'll take a pragmatic, econo-centric approach to protect consumers and industry.

Second, will we see federal regulation on consumer data privacy, in light of high-profile data security breaches, most recently at **Marriott**? We currently have numerous, inconsistent state-level regulations on the books. What is considered an incident in one state is a breach in another.

The types of notices and related liability also vary wildly. It reminds me of a scenario we saw in the 1990s when the **Federal Reserve** overhauled Reg M (which focused on leasing) to correct gaps in the regulatory landscape resulting from disjointed state regulations.

## Will Congress Make Strides Toward Uniform Regulation?

Finally, what role will the new Democratic Congress play in the oversight of the financial services industry, particularly with Rep. **Maxine Waters** (D-Calif.) taking over as Chair of the **House Financial Services Committee**?

My supposition is that in today's dysfunctional Congress, she will not be able to pass legislation to "unwind" some the "wrongs" created (in her mind) by former Acting Director Mulvaney.

Clearly, hearings are on the horizon, raising the public profile of her concerns in the auto finance space. By creating this noise, we can expect a continually increasing role of state regulators with oversight of and examination into the auto finance industry.

There you have it. If I'm right, another year of increased uncertainty, risk, and regulation for the industry. If I'm not right, there's a reason I practice law for a living as opposed to being a Powerball winner!

We look forward to sharing our thoughts with you in this column and on Auto Finance Excellence's website throughout the year. Have a great 2019.

*This article was first published on [Auto Finance Excellence](#), a sister service of Auto Finance News, and is reprinted with permission. McGlinchey Stafford is pleased to serve as the official Compliance partner of Auto Finance Excellence, providing insights and thought leadership through webinars, podcasts, and monthly columns.*

## Related people

Mark S. Edelman