

## Special Alert: New Jersey's Office of Attorney General creates "state-level CFPB"

New Jersey Attorney General Gurbir Grewal said in a [press release](#) last week that he and Governor Phil Murphy would "fill the void left by the Trump Administration's pullback of the Consumer Financial Protection Bureau" by creating what the release referred to as a "state-level CFPB."

The effort includes the nomination of Paul R. Rodriguez as director of the New Jersey Division of Consumer Affairs, which enforces laws to protect consumers' rights, regulates the securities industry, and oversees numerous state-licensing boards. Rodriguez, who is currently Acting Counsel to New York City Mayor Bill de Blasio, will start in his new role on June 1.

"As the federal government abandons its responsibility to protect consumers from financial fraudsters, it is more important than ever that New Jersey picks up the mantle to protect its own residents," Grewal said in the March 27 release.

New Jersey's action is similar to that [announced](#) by Pennsylvania Attorney General Josh Shapiro last July, and part of a concerted effort by several states to ramp up enforcement of consumer financial protections—a priority they consider a matter of urgency since President Trump appointed Mick Mulvaney as acting director of the CFPB.

Within two weeks of that appointment, state Attorneys General from 17 states sent a [letter](#) to President Trump expressing concern about Mulvaney's leadership. The letter emphasized their statutory authority to enforce state and federal consumer protection laws and vowed to "redouble [their] efforts at the state level to root out such misconduct and hold those responsible to account" should the CFPB pursue a less aggressive enforcement posture.

For his part, Mulvaney said in a February speech at the winter meeting of the National Association of Attorneys General that the CFPB will [depend heavily on states](#) to enforce consumer financial protections but will not abandon its enforcement authority altogether. The speech followed his statements in a January email to staff (and later, in a *Wall Street Journal* column) that the CFPB would no longer "push the envelope" in pursuit of the agency's mission, that enforcement would be focused on "quantifiable and unavoidable harm to the consumer," and that there would be "more formal rulemaking on which financial institutions can rely, and less regulation by enforcement."

With state Attorneys General dedicating additional resources to consumer protection matters and a more measured CFPB enforcement agenda at the federal level, companies should begin examining whether their compliance management programs appropriately account for enforcement and regulatory priorities that current and soon-to-be elected state Attorneys General have identified.

If you have any questions about the initiative or other related issues, please see our [State Attorneys General](#) practice, whose lawyers have been defending AG enforcement actions for more than two decades, or contact Douglas Gansler or any Buckley Sandler attorney with whom you have worked in the past.