



July 14, 2008

The Honorable Linda Sanchez
Chairman
1222 Longworth House Office Building
Washington, DC 20515-0539

The Honorable Chris Cannon
Ranking Member
2436 Rayburn House Office Building
Washington, DC 20515-4403

Dear Chairman Sanchez and Ranking Member Cannon:

We are writing to urge your opposition to several bills that would prevent the use of arbitration as a means of resolving disputes: H.R. 3010, the "Arbitration Fairness Act"; H.R. 5312, the "Automobile Arbitration Fairness Act of 2008;" and H.R. 6126, the "Fairness in Nursing Home Arbitration Act of 2008." These bills would effectively eliminate an efficient, less costly means of resolving consumer disputes that has been used effectively and widely for more than 80 years.

With few exceptions, these bills will throw into doubt virtually any arbitration contract, including millions of consumer, employment, and franchise contracts. They will cause widespread uncertainty among consumers and employees of their recourse in the event a dispute arises. And because consumers are not required to use lawyers in arbitration proceedings and the cost of arbitration is low, the bill will force the parties to pay higher legal fees and costs to resolve their disputes.

These bills are not needed. Current law already contains protections against unfair arbitration clauses. Furthermore, the leading arbitration providers have policies designed to protect consumers and employees with fair arbitration procedures.

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The benefits of arbitration have long been recognized. Arbitration relieves the pressure of swamped courts; resolves many disputes more swiftly than litigation; and is often cheaper for consumers and employees.

We urge you to oppose this legislation.

If you have any questions or would like additional information please contact Marcia Sullivan (703) 276-3873 / msullivan@cbanet.org; Steve Zeisel (703) 276-3871 / szeisel@cbanet.org; Darlene Rosenkoetter (703) 276-3886 / drosenkoetter@cbanet.org

Sincerely,

Marcia Z. Sullivan
Director, Government Relations

The **Consumer Bankers Association** is the recognized voice on retail banking issues in the nation's capital. Member institutions are the leaders in consumer financial services, including auto finance, home equity lending, card products, education loans, small business services, community development, investments, deposits and delivery.

CBA was founded in 1919 and provides leadership, education, research and federal representation on retail banking issues such as privacy, fair lending, and consumer protection legislation/regulation. CBA members include most of the nation's largest bank holding companies as well as regional and super community banks that collectively hold two-thirds of the industry's total assets.

*Leaders In
Retail Banking*

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