

# **American College of Consumer Financial Services Lawyers Senator William Proxmire Lifetime Achievement Award**

Presented on April 2, 2022 to

## **PEGGY TWOHIG**

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The American College of Consumer Financial Services Lawyers is pleased to present its Senator William Proxmire Lifetime Achievement Award to Peggy Twohig, in recognition of her decades of contribution to and influence on the regulation of consumer financial services, culminating with her critical contributions to the creation and operation of the Consumer Financial Protection Bureau.

Peggy has been at the eye of the storm for all of the most important legislative and regulatory developments of the last 25 years, including GLBA, the FACT Act, the mortgage meltdown, and Dodd Frank. But her most enduring achievement is the establishment of the CFPB – and in particular its supervisory function – as a credible financial regulator. She has built a strong foundation that can withstand the vagaries of political leadership, and provide consumers and businesses with certainty, predictability, and professional supervision.

Peggy's leadership in conceptualizing what the CFPB could and should be and then transforming that concept into a living, breathing agency with regulations, policies, and procedures designed to keep everyone rowing in the same direction demonstrates exceptional vision, determination, and achievement worthy of the Proxmire Lifetime Achievement Award.

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Peggy was born and raised in Fairview Park, Ohio, near Cleveland, one of three daughters of Jim and Irene Twohig. Her father was a professional jazz drummer, who played in a well-known swing band in college, where he met her mother, also an accomplished musician as a singer. She vacationed by the shores of Lake Erie, near Ashtabula, and attended Fairview Park High School and The Ohio State University.

Following college, after working on a public policy study at the Cleveland Foundation, Peggy decided to attend law school, and she was off to Manhattan and NYU, with a joint degree program in public policy at Princeton. After law school was a clerkship with Federal Judge William K. Thomas in her hometown of Cleveland. Peggy then headed to Washington DC, where she was a young litigator at Arnold & Porter, working for the banking clients of the redoubtable Jerry Hawke.

After seven years in the trenches, Peggy was recruited to the Federal Trade Commission by David Medine to serve as a supervisor (Assistant Director) in the Division of Credit Practices. Peggy spent 17 years at the Federal Trade Commission, eventually rising to the position of Associate Director for Financial Practices. At the FTC, Peggy supervised some of the most important financial services enforcement actions of the 1990s and 2000s, including the FTC's \$215 million settlement with CitiFinancial and groundbreaking enforcement in the mortgage origination and servicing markets in the run-up to the 2008 meltdown. She also supervised the agency's work on the new GLBA privacy rules and the new FACT Act credit reporting rules. As the capstone of her FTC career, Peggy built the new Division of Financial Practices. In 2005, the FTC created a new Division of Privacy and Identity Protection from the group that had previously been responsible for consumer financial services enforcement.

What was left from the reorganization was a group of only ten lawyers, which Peggy trained and grew to a new 40-professional-strong Division of Financial Practices, which thrives to this day at the FTC. Peggy effectively renewed the FTC's historic focus on consumer financial services, including bringing the FTC's first fair lending cases in years.

In 2009, Peggy was recruited by Michael Barr (then the Assistant Secretary for Financial Institutions) to the Treasury Department to help with the Obama Administration's effort to create a new consumer financial protection agency as part of financial regulatory reform. As with the Division of Financial Practices at the FTC, at Treasury they invented a new office for Peggy – the “Office of Consumer Protection” – and put Peggy in charge. This legislative effort was a Herculean task under the best of circumstances, but this team was on a tight time deadline and the opportunity to enact this historic legislation would never come again. Peggy managed a tightknit team led by Assistant Secretary Barr that put their personal lives on hold for a year, to imagine and execute on an overhaul of the consumer financial regulatory system in the wake of an unprecedented financial crisis. Among the many insights of that team was authorizing the new CFPB to supervise and examine nonbanks, including credit bureaus, debt collectors, auto lenders, and mortgage and student loan servicers. Drawing on her experience as a law enforcer at the FTC, Peggy saw a need for financial regulators to have more tools to foster compliance among nonbanks, and was famously quoted at the time: “when all you have is a hammer, everything looks like a nail.”

After the CFPB was created with the passage of the Dodd Frank Act, Peggy then helped lead the creation of this new agency and was involved in all of the early decisions. She became the first Assistant Director for Nonbank Supervision, where she was instrumental in standing up the CFPB's examination function and recruiting, and training hundreds of qualified examiners. She then led the reorganization of the Supervision Division and served as the first Assistant Director for Supervision Policy for banks and nonbanks and where she was responsible for innovations like *Supervisory Highlights*, providing much-needed transparency to regulated entities. Peggy was the architect of the “risk-based supervision program,” targeting supervision resources at the highest risks for consumers, based on the market or the institution itself. This program was designed to ensure consistency in supervision, without regard to charter or market. This program also was designed to centralize decision-making about important policy and legal issues – such as what practices would be classified as unfair or abusive – to ensure consistency from region-to-region and across banks and nonbanks.

We would be remiss if we didn't mention Peggy's contributions to the profession. Peggy has been an active participant in the ABA Consumer Financial Services Committee, serving in Committee leadership as a subcommittee chair, and has been an active participant in the College. Peggy has always made special efforts to speak on issues of importance, to educate industry and the advocacy community about key risks to consumers and agency priorities.

Peggy is now turning her prodigious talents, and famous work ethic, to learning French, for a post-pandemic vacation to France with her partner Harry. As when growing up, music is an important part of their lives as Peggy enjoys attending Harry's many classical and jazz concerts, where he plays the trumpet. And, Peggy still finds time every summer to vacation at the family cabin on Lake Erie.

Through her efforts on behalf of consumers, Peggy has transformed the regulatory landscape. She has also been an exemplary friend and colleague to all of us in the consumer financial regulatory community. She is a most deserving recipient of the Senator William Proxmire Lifetime Achievement Award.