

Partner Catherine Brennan quoted in deBanked Confessions of Judgment article

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On February 1, *deBanked* published a comprehensive article on Confessions of Judgment (COJs), which first appeared in its January/February magazine issue. With recent articles outlining how COJs are being used by some merchant cash advance companies to enforce contracts, Partner Catherine Brennan was asked to comment on the difference between consumer and commercial protections by regulators. She noted that the job of protecting small businesses is outside the Consumer Financial Protection Bureau's (CFPB) mandate.

"The CFPB doesn't have authority over commercial products as a general rule," she explained. " . . . And there is also unequal bargaining power between lenders and consumers. Large institutions have lawyers to draft contracts and consumers have to agree on a take it or leave it basis. So there's not a lot of negotiation and government has decided that consumers need protections, including a (Federal Trade Commission) ban on confessions of judgment."

Catherine primarily assists investors in the consumer financial services and alternative business funding sectors. She engages in credit due diligence on behalf of investors in fintech firms, bank partnership platforms, small business lenders, merchant cash advance companies, consumer finance companies, title loan companies and payday lenders. Catherine recently explained merchant cash advances in depth for *MagnifyMoney*.

[Click here](#) to read the *deBanked* article.

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