



March 25, 2025

The Hon. Andy Barr, Chairman  
The Hon. Bill Foster, Ranking Member  
U.S. House Committee on Financial Services  
Subcommittee on Financial Institutions  
Washington, DC 20515

*Re: Statement for the hearing entitled: A New Era for the CFPB: Balancing Power and Reprioritizing Consumer Protections*

Dear Chairman Barr, Ranking Member Foster, and Members of the Subcommittee on Financial Institutions:

The National Association of Consumer Advocates (NACA) strongly requests this subcommittee to uphold the existing structure, authorities, and work product of the Consumer Financial Protection Bureau (CFPB). Congress established the bureau in the aftermath of the 2007-2009 global economic crisis, which resulted from an era of recklessness and predatory lending, leading to millions of home foreclosures and job losses, trillions of dollars in investment losses, and the downfall and taxpayer-rescue of large financial institutions.

In creating the Bureau, Congress filled a gaping regulatory hole in the financial system. The new agency now assists struggling homeowners facing preventable foreclosures and servicemembers and veterans targeted by predatory lenders. Borrowers surprised by deceptive junk fees, car owners fighting shock repossessions, and digital payment application users encountering sudden account closures, have all found relief in the federal agency that enforces consumer financial laws for their benefit. The bureau has proven repeatedly that it is essential to upholding a fair, competitive, and innovative but stable consumer finance market.

**Congress should reject any era with a weakened CFPB.** According to its title, this hearing is expected to cover a “new era for the CFPB.” Indeed, the CFPB over the last two months is starkly different from its performance over the previous 14 years when it monitored the market, enforced the law, and returned \$21 billion to more than 200 million harmed individuals including \$363 million back to servicemembers and veterans. In approximately the last 50 days under the new acting director, the bureau has experienced an abrupt closure of its headquarters, the firing of hundreds of its staff, threats to restrict its funding, and an inexplicable work stoppage.<sup>1</sup>

In addition, the bureau has issued corporate pardons by dismissing law enforcement actions against financial institutions, such as Capital One and Wells Fargo, that it had previously accused

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<sup>1</sup> See, e.g. Fin Daniel Gomez, *Russ Vought orders Consumer Financial Protection Bureau to stop work*, CBS NEWS, Feb. 9, 2025.

of egregious violations of the law.<sup>2</sup> While many of these actions are being challenged in court,<sup>3</sup> this blatant rejection of the bureau's statutory mission and responsibilities is already causing serious harm to the millions of Americans that participate in the financial system.<sup>4</sup> Continued obstruction of the CFPB emboldens corporate lawbreakers, which will wreck the financial market and the welfare of working families, military members, veterans, and seniors. A CFPB in ruins will provoke another economic collapse.

**The legislation under consideration would undermine the bureau's mission.** Unfortunately, the subcommittee is considering bills that aim to weaken the bureau's foundation and authorities. For example, a bill would eliminate the CFPB's independent funding and turn it over to the congressional appropriations process, and another would create a multimember commission in place of its single director. By specifying a permanent and independent funding structure and a single director for the bureau, the framers of the Dodd-Frank Wall Street Reform and Consumer Protection Act correctly sought to insulate the bureau's work from overt political interference powered by Wall Street lobbyists.<sup>5</sup>

Proponents of the bills may argue that the CFPB needs more accountability. However, under Dodd-Frank, the bureau is already publicly accountable through numerous avenues, including via a U.S. Senate-confirmed director who, among other tasks, is required to appear before Congress regularly, report on its budget to multiple congressional committees and the Federal Reserve, and accommodate an annual audit by the Government Accountability Office.<sup>6</sup>

Another bill, H.R. 1652, would interfere with the bureau's authority to rein in abusive corporate actions and recover penalties against financial services providers that break the law. The consumer finance market needs a CFPB that will assess and identify risks for unfair, deceptive, and abusive practices, including discriminatory conduct. One that will write rules to address those risks and hold financial institutions accountable for wrongdoing that falls into these categories. These and the other proposals listed for this hearing, including a resolution to eliminate a rule that protects patients with medical debt, would undercut the CFPB and endanger the financial wellbeing of millions of American families.

**Financial institutions may recoil at the prospect of a debilitated CFPB.** Big banks reportedly are wary of big-tech, non-bank financial services that may evade CFPB oversight.<sup>7</sup> Meanwhile, large and small financial providers are focused on maintaining a level regulatory playing field with

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<sup>2</sup> See, *CFPB v. Early Morning Services, LLC*, Plaintiff Consumer Financial Protection Bureau's Notice of Dismissal (D. Arizona); See, also, *Trump admin drops 5 consumer watchdog cases, including Capital One*, REUTERS, <https://www.reuters.com/legal/us-cfpb-drops-enforcement-action-against-capital-one-2025-02-27/>.

<sup>3</sup> See, *National Treasury Employees Union v. Vought* (D.D.C. 2025); *Mayor and City Council of Baltimore v. Vought* (D. Maryland 2025)

<sup>4</sup> See, Derek Cravitz, *The Dismantling of a Financial Watchdog Is Already Harming Consumers—and Worse May Be to Come*, Consumer Reports, Feb. 20, 2025, available at <https://www.consumerreports.org/consumer-protection/cfpb-dismantling-is-harming-consumers-worse-may-be-to-come-a1107755089/>.

<sup>5</sup> Rachel E. Barkow, *Insulating Agencies: Avoiding Capture Through Institutional Design*. 89 Tex. L. Rev. 15, 65, 2010, available at <https://ssrn.com/abstract=1717037>. "Agencies charged with protecting consumers have a difficult task because the industries they are charged with regulating are typically far more powerful and well financed than the consumers whose interests they are charged with protecting."

<sup>6</sup> See, U.S. Government Accountability Office, *Financial Audit: Consumer Financial Protection Bureau's FY 2024 and FY 2023 Financial Statements*, Nov. 14, 2024, <https://www.gao.gov/products/gao-25-107479>.

<sup>7</sup> Hugh Son, *Here's why banks don't want the CFPB to disappear*, CNBC, March 10, 2025, <https://www.cnbc.com/2025/03/10/why-banks-dont-want-the-cfpb-to-disappear.html>.

their competitors, benefits that the CFPB provides.<sup>8</sup> Further, in an amicus brief before the Supreme Court, the Mortgage Bankers Association wrote that invalidating the CFPB “could destabilize critical segments of the national economy” and that the mortgage market would “very likely all but grind to a halt as lenders would be unable to have any confidence that their transactions comply with law.”<sup>9</sup>

American families, honest businesses, and the U.S. financial marketplace cannot afford to be exposed to unchecked predatory financial schemes run by unaccountable financial institutions. Therefore, we urge you to reject every bill under consideration, and any resolution under the Congressional Review Act that seeks to overturn a CFPB regulation.

Thank you for considering our views. Please feel free to contact me at *Christine@consumeradvocates.org* to further discuss these issues.

Sincerely,

Christine Hines  
Senior Policy Director

cc: Members of the U.S. House Committee on Financial Services

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<sup>8</sup> Id.

<sup>9</sup> Brief for the Mortgage Bankers Ass’n, et al. as Amicus Curiae, p. 10, *Seila Law LLC v. Consumer Financial Protection Bureau*, 140 S. Ct. 2183, available at [https://www.supremecourt.gov/DocketPDF/19/19-7/125625/20191216140130784\\_USSC%2019-7%20Amicus%20Brief%20TheMortgageBankersAssociation.pdf](https://www.supremecourt.gov/DocketPDF/19/19-7/125625/20191216140130784_USSC%2019-7%20Amicus%20Brief%20TheMortgageBankersAssociation.pdf).