

The Honorable Tim Scott
Chair
Senate Committee on Banking, Housing,
and Urban Affairs
Washington, DC 20510

The Honorable Elizabeth Warren
Ranking Member
Senate Committee on Banking, Housing,
and Urban Affairs
Washington, DC 20510

February 24, 2026

Dear Chair Scott and Ranking Member Warren:

The undersigned community, civil rights, consumer, civic and other organizations urge you to fight for an effective Consumer Financial Protection Bureau (CFPB) able to carry out its statutorily mandated consumer protection mission for the long term, and to oppose legislative efforts to weaken the agency. The CFPB was intentionally designed by Congress to have a secure funding stream and to be led by a single independent director in order to maximize its ability to stand up for the public interest and to take on powerful corporate interests when necessary in order to do so. Altering these features would make it permanently easier for financial industry bad actors to break the law and to treat people unfairly, and more difficult for families across the country to make ends meet. In the fourteen years between when the CFPB was created and 2025, the CFPB has helped everyday people when they were hit with junk fees, scammed, misled, or preyed upon by financial companies. The CFPB obtained \$21 billion in relief for over 200 million people through restitution or cancelled debts and has saved families tens of billions of dollars more through its supervisory and enforcement actions. The CFPB's rules, supervision, and enforcement have protected people from fraud, junk fees, and unfair and deceptive practices that leave people with less money in their pockets every month and deprive families of the opportunities to build economic security and wealth. The CFPB has taken on corporate lawbreakers and helped families and individuals, including communities of color, make ends meet.

As the primary agency charged with enforcing the Military Lending Act, the CFPB returned \$363 million in cases that involved servicemembers and veterans through 39 enforcement actions (including 6 Military Lending Act violations). The CFPB is also one of the primary enforcers of the Equal Fair Credit Opportunity Act, and has reached major settlements where lenders had engaged in redlining, discriminatory auto lending, credit card discrimination, and other violations. The CFPB implemented critical measures to improve credit reporting, receiving and handling millions of complaints about credit reporting problems, and taking multiple actions to improve credit reporting fairness. The CFPB has protected student loan borrowers from unfair and abusive practices, including ordering student loan issuers and servicers to provide more than \$5 billion in relief to borrowers that were harmed by unfair practices, including \$5.5 million in student debt relief for borrowers ripped off by predatory practices, and \$60 million to 77,000 servicemembers who were overcharged by Sallie Mae, helping young people have the resources to invest in a home and family. The CFPB has helped families secure fair home mortgages and stay in their homes by requiring

lenders to offer sustainable mortgages, establishing procedures to help homeowners facing financial hardship and save people from losing their homes to foreclosure, giving mortgage servicers flexibility to accommodate struggling families, halting abusive mortgage collections, and rigorously enforcing fair lending laws to prevent discrimination. The CFPB has cracked down on unlawful and unfair debt collection practices, and fought discrimination in lending and other financial services. The CFPB has put in place safeguards to protect people's privacy, remedy credit reporting errors, and combat fraud on digital payment platforms. The CFPB has attacked setup-to-fail lending that puts people in a debt trap. The CFPB has provided important information about new business models and the risks they pose to consumers.

The CFPB's work and mission are currently under attack through dropped enforcement cases, roll-backs of consumer protections, mass illegal firings, and stop work orders. These efforts compound the affordability crises most people are facing by adding higher interest costs and junk fees that make it harder to make ends meet. Instead of pushing to further dismantle the CFPB and side with lawbreakers, Congress must do everything possible to protect the CFPB's ability to carry out its mission and serve the public, including maintaining its secure funding stream and single director.

Congress must maintain the CFPB's mandatory and constitutional funding stream. The CFPB's independent and stable funding stream is critical for the agency's operations and mission. The mandatory funding stream mirrors that of other financial regulators to make sure the financial sectors it regulates—including financial institutions, payday and other high-cost lenders, as well as debt collectors and credit bureaus—are consistently supervised and comply with statutory requirements. Stable, mandatory funding makes it much harder for opponents of consumer protection, individual firms that have abused consumers, or subsectors of the financial industry to retaliate against the agency by depriving it of resources.

Federal law authorizes the CFPB to receive an annual draw from the Federal Reserve through a funding mechanism that has been repeatedly upheld as constitutional by the courts, including by the Supreme Court in *CFPB v. Community Financial Services Association*,¹ two Texas courts in separate cases reiterated the legitimacy of the agency's funding mechanism.² The 2025 budget reconciliation bill did not alter the funding mechanism, but limited the CFPB's benchmark draw to 6.5 percent of Federal Reserve's FY 2009 funding – nearly a 50% cut. The acting CFPB director has tried to unlawfully shutter the agency by refusing to make the 2026 funding request using the specious argument that the Federal Reserve lacks the funds to transmit to the CFPB. The U.S. District Court for the District

¹ *Consumer Fin. Prot. Bureau v. Cmty. Fin. Servs. Ass'n of Am., Ltd.*, 601 U.S. 416, 416, 144 S. Ct. 1474, 1475, 218 L. Ed. 2d 455 (2024).

² See *Texas v. Colony Ridge, Inc.*, No. CV H-24-0941, 2024 WL 4553111, at *4 (S.D. Tex. Oct. 11, 2024) and *Consumer Fin. Prot. Bureau v. Active Network, LLC*, No. 4:22-CV-00898, 2024 WL 4437639, at *1 (E.D. Tex. Oct. 7, 2024).

of Columbia issued an order on December 30, 2025 ordering that the agency continue to be funded as litigation continues.³

Congress should resolutely defend the independent funding mechanism, and restore the CFPB's funding level to 12 percent as a compulsory draw from the Federal Reserve.

Congress must protect the CFPB's single director structure and oppose efforts to create a commission. The CFPB's single director structure has allowed it to successfully fulfill its public interest mission, just as single directors leading the Office of the Comptroller of the Currency (OCC), the Federal Housing Finance Agency (FHFA), and the Social Security Administration (SSA) do. The law makes a single director accountable to both the President and Congress. The argument to move to a commission has repeatedly been advanced by opponents of robust consumer protection precisely because they want to slow down and hamper the agency and increase the financial industry's ability to check its effectiveness. The fact that the Supreme Court is poised to allow the president to dismiss members of multi-party commissions without cause makes the argument that such a commission would also help protect consumers if there were an industry friendly majority a particularly flimsy one.

Members of Congress must stand up vigorously to the unlawful effort to dismantle the CFPB and not compromise with an administration focused on letting wealthy corporations prey upon everyday families struggling to make ends meet. The CFPB is a critical agency that lowers costs for people across the country by preventing ripoffs, junk fees, and unfair terms and conditions in consumer finance. Congress must preserve the CFPB's independent funding and single director structure to protect the public and hold bad actors accountable.

Sincerely,

The Academy of Financial Education
Advocates for Basic Legal Equality Inc.
Alaska Public Interest Research Group
Americans for Financial Reform
Arkansans Against Abusive Payday Lending
California Advocates for Nursing Home
Reform
California Consumer Protection Attorneys
Association
CASH Campaign of Maryland
Center for Economic Integrity
Center for Justice & Democracy

Center for Responsible Lending
Citizens Action Coalition of IN
The Collaborative
Colorado Fiscal Institute
Community Catalyst
Community Economic Development
Association of Michigan (CEDAM)
Connecticut Fair Housing Center
Consumer Action
Consumer Attorney
Consumer Federation of America
Consumer Reports

³ Federal District Court Clarifies CFPB Injunction, Rejects OLC Funding Theory, Consumer Financial Services Law Monitor, <https://www.consumerfinancialserviceslawmonitor.com/2025/12/federal-district-court-clarifies-cfpb-injunction-rejects-olc-funding-theory/>

Consumer Watchdog
Consumers for Auto Reliability and Safety
DC Consumer Rights Coalition
Delaware Community Reinvestment Action
Council
East Bay Community Law Center
Economic Action Maryland Fund
Economic Empowerment Center DBA
Lending Link
Electronic Privacy Information Center (EPIC)
Empire Justice Center
Fair Finance Watch
Georgia Watch
Greenbound Consulting LLC
The Greenlining Institute
Hip Hop Caucus
Housing and Economic Rights Advocates
Indiana Community Action Poverty Institute
JustLeadershipUSA
Kids and Car Safety
The Leadership Conference on Civil and
Human Rights
Legal Aid DC
Louisiana Progress
Maine Center for Economic Policy
Massachusetts Action for Justice
MDC
Memphis Public Interest Law Center
The Milestone Foundation
Mobilization for Justice
National Association of Consumer Advocates
The National Coalition for Asian Pacific
American Community Development
(National CAPACD)

National Community Reinvestment Coalition
National Consumer Law Center (on behalf of
its low-income clients)
National Consumers League
National Fair Housing Alliance
New Economy Project
New Jersey Citizen Action
New Jersey Institute for Social Justice
New York Legal Assistance Group
New Yorkers for Responsible Lending
North Carolina Justice Center
Oregon Consumer Justice
Philadelphia Solar Energy Association
Philadelphia VIP
Project GREEN
Prosperity Indiana
Protect Borrowers
Public Citizen
Public Good Law Center
Public Justice
Reinvestment Partners
Rise Economy
South Carolina Appleseed Legal Justice
Center
TechTonic Justice
Texas Appleseed
Tzedek DC
U.S. PIRG
Vermont Legal Aid
Virginia Citizens Consumer Council
Volunteer Lawyers Project of CNY, Inc.
Western Center on Law & Poverty
Woodstock Institute