July 13, 2026

Hon. Tim Scott, Chairman
Hon. Elizabeth Warren, Ranking Member
U.S. Senate Committee on Banking, Housing, and Urban Affairs
Washington, DC 20510

Re: For the hearing titled "The CFPB Semi-Annual Report: A New Day at the CFPB Through Reform," July 16, 2026

Dear Chairman Scott and Ranking Member Warren:

The National Association of Consumer Advocates (NACA) appreciates the opportunity to share its views regarding the state of the Consumer Financial Protection Bureau. NACA, a nonprofit organization actively engaged in promoting a fair and open marketplace that forcefully protects the rights of consumers, particularly those of modest means, has long supported the CFPB's creation and mission to enforce consumer laws, issue safeguards to protect working families, monitor the financial marketplace to foster safe and fair products and services, and to hold lawbreaking financial institutions accountable. In other words, we strongly support a robust CFPB that adheres to its statutory mission and prioritizes consumers' rights.

Our most urgent request for lawmakers is to restore the CFPB's full funding through its Federal Reserve funding mechanism. Specifically, we support the Protecting American Consumers Act, S. 4684, introduced by Senator Elizabeth Warren, which would restore the CFPB's funding floor by requiring annual funding of no less than 12 percent of the Federal Reserve System's total operating expenses. The bill would protect the bureau from politically motivated funding disruptions, while ensuring that the agency has the resources it needs to monitor activities and protect consumers in the financial marketplace.

Congress enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 to establish the bureau and address the catastrophic failures of the nation's financial system exposed by the 2007-2008 financial crisis. Glaring regulatory gaps had allowed reckless subprime mortgage and predatory lending practices to flourish, leading millions of families to lose their homes, jobs, and life savings. Up until recently, the bureau had been working to fulfill its statutory obligations, ushering in an era of improved transparency, responsible innovation, and accountability for financial entities. Through its rulemaking, it has enhanced protections for everyday users of credit cards, deposit accounts, mortgages, student and auto loans, digital applications, money transfer services, and consumers' interactions with financial market activities, such as debt collection and consumer reporting.

Today, working families are struggling with rising household expenses, and they need the CFPB to shield them against financial abuses that erode their financial security. But since the February 2025 firing of CFPB Director Rohit Chopra and appointment of Russell Vought as acting director, the CFPB has been reduced to a shadow of its former self.

Immediately after taking the helm, Vought began a full-blown campaign to shut down the agency.[1] He immediately ordered employees to stop all work, including supervision and enforcement activity; declined to request funding for the agency from the Federal Reserve; attempted mass firings of nearly 90% of staff; and dropped multiple enforcement actions against corporations accused of violating the law.[2] The CFPB is now unrecognizable as the proactive, mission-driven watchdog that had returned $21 billion to over 200 million harmed consumers, including $363 million to servicemembers and veterans over the previous 14 years.[3] Currently, the agency's leadership is embroiled in litigation brought by employees and outside organizations and individuals seeking court intervention to secure the bureau's survival.[4]

Vought's CFPB first refused funding from the Federal Reserve. In 2010, Congress adopted a funding structure for the agency modeled after other independent financial regulators. Instead of receiving funds under the annual appropriations process, the bureau receives funds, upon request, from the Federal Reserve System, subject to a statutory cap. Soon after Vought arrived at the bureau, he notified the Federal Reserve that he would not request funding for the third quarter of FY 2025, after determining that "no additional funds were necessary to carry out the authorities of the Bureau."[5] In fact, Vought's CFPB has made multiple attempts to refuse funding, until courts intervened, holding that it cannot continue to starve itself of funding.[6]

Leadership slashes key functions and staff. Since the beginning of 2025, the Bureau has lost over one-third of its staff. Acting Director Vought recently proposed new plans to eliminate 85% of supervision staff and 80% of enforcement staff.[7] Along with these staffing cuts, the CFPB also closed 40% of its open investigations, closed 76% of its supervisory actions, and a majority of its open examinations.[8] Consequently, more than $360 million of redress owed to harmed consumers has been lost or put at risk.[9]

A decline in enforcement work escalated upon Vought's arrival. The CFPB has initiated a single enforcement action since February 2025, while it has dismissed, terminated, or reversed 41 actions, including actions.[10] By contrast, in 2024 and 2023 the Bureau filed 28 and 29 enforcement actions respectively.[11] Further highlighting this disparity, the CFPB's recent "action" against Bilt Technologies did not involve any formal public action being taken at all, only an unofficial promise by the entity to repay impacted consumers.[12] According to the CFPB, changes in its enforcement activity are intended to reflect its

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[1] See, *Nat'l Treasury Emps. Union v. Vought*, 774 F. Supp. 3d 1 (D.D.C. 2025) and *Nat'l Treasury Emps. Union v. Vought*, 816 F. Supp. 3d 1 (D.D.C. 2025).
[2] Americans for Financial Reform, Fact Sheet: Timeline of the 100-Day Trump, Musk, and Congressional Attack on the CFPB, Apr. 30, 2025, https://ourfinancialsecurity.org/resources/fact-sheet-timeline-of-the-100-day-trump-musk-and-congressional-attack-on-the-cfpb/.
[3] CFPB, Fact Facts: CFPB by the Numbers, https://www.consumerfinance.gov/about-us/the-bureau/.
[4] See, e.g., *Nat'l Treasury Emps. Union v. Vought*, 816 F. Supp. 3d 1 (D.D.C. 2025).
[5] Letter to Jerome H. Powell, Chairman, Federal Reserve Board, from Russell T. Vought, CFPB Acting Director, Feb. 8, 2025, https://files.consumerfinance.gov/f/documents/cfpb_letter-from-frb-to-cfpb_2025-02.pdf.
[6] See, e.g., https://storage.courtlistener.com/recap/gov.uscourts.dcd.277287/gov.uscourts.dcd.277287.167.0_2.pdf
[7] CFPB, Recommendation Memorandum for the Acting Director, Mar. 27, 2026. https://storage.courtlistener.com/recap/gov.uscourts.cadc.41898/gov.uscourts.cadc.41898.01208836172.2.pdf.
[8] CFPB, Semi-Annual Report of the Consumer Financial Protection Bureau, Mar. 31, 2026, https://files.consumerfinance.gov/f/documents/cfpb_semi-annual-report_spring-2025.pdf.
[9] Protect Borrowers, More than $360 Million Owed to Consumers from Trump CFPB Enforcement Actions is Already Gone or At Risk, Jul. 29, 2025, https://protectborrowers.org/resource/memo-more-than-360-million-owed-to-consumers-from-trump-cfpb-enforcement-actions-is-already-gone-or-at-risk/.
[10] CFPB, 2025 Enforcement Lookback, last modified May 28, 2026, https://www.consumerfinance.gov/enforcement/2025-enforcement-lookback/.
[11] CFPB, The CFPB's enforcement work in 2023 and what lies ahead, Jan. 29, 2024, https://www.consumerfinance.gov/archive/blog/the-cfpbs-enforcement-work-in-2023-and-what-lies-ahead.
[12] CFPB, The CFPB Works to Ensure Bilt Consumers Are Made Whole, Jun. 02, 2026, https://www.consumerfinance.gov/about-us/newsroom/the-cfpb-works-to-ensure-bilt-consumers-are-made-whole/.

new enforcement principles which prioritize "collaboration" with financial companies.[13] The CFPB's hands-off approach may temporarily satisfy industry players, but the lack of risk management and poor oversight will only encourage risky practices that may spark another financial collapse.

The CFPB is removing safeguards that encourage safe industry practices. In May 2025, the Bureau withdrew 67 guidance documents, including important interpretative rules and advisory opinions clarifying consumers' rights and financial institutions' duties under consumer laws, such as the Fair Debt Collection Practices Act and the Military Lending Act.[14] The bureau also recently amended the regulation implementing the Equal Credit Opportunity Act, which among other things, eliminates the disparate impact test for discrimination making it harder to challenge exclusionary lending practices.[15] By dismantling well-established consumer protections, the CFPB is exposing vulnerable groups, including low-income people, older Americans, and military members, to even greater financial harm.

The CFPB attacks transparency, making it difficult for consumers to get help despite mounting harms. Consumer complaints continue to pour into the CFPB, reaching record highs year after year. Rather than ensuring that consumers can report financial misconduct, CFPB leadership has taken steps to discourage the submission of complaints. In recent months, the CFPB implemented several changes to its public complaint portal that make it more difficult for harmed consumers to seek assistance. Consumers attempting to submit complaints about credit reporting issues are confronted with legally questionable warnings and required to complete burdensome additional identity verification steps before their complaints can proceed.[16] The consumer complaint database is one of the CFPB's most important tools for promoting transparency and accountability. It empowers consumers with the ability to report financial issues, and allows the CFPB, other law enforcers, and the public to monitor industry practices and identify patterns of misconduct. Efforts to discourage complaints and silence consumers simply undermine the CFPB's work.

These examples represent only a fraction of the challenges facing a CFPB that has been transformed from the agency Congress created. Yet, the bureau's statutory mandate remains unchanged. First, we urge Congress to restore the CFPB's funding floor at the Federal Reserve to provide the stable, independent funding necessary for it to conduct its work. Second, lawmakers must continue vigorous oversight of the bureau to ensure that it executes its statutory duties and remains an effective watchdog for consumers.

We appreciate your consideration of our concerns.

Sincerely,

Christine Hines
Senior Policy Director

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[13] CFPB, Enforcement Principles, https://www.consumerfinance.gov/enforcement/enforcement-principles/.
[14] CFPB, Withdrawn Guidance, last modified Jun. 18, 2026, https://www.consumerfinance.gov/compliance/guidance/withdrawn-guidance/.
[15] CFPB, Equal Credit Opportunity Act (Regulation B), 12 CFR Part 1002, Apr. 22, 2026, https://www.federalregister.gov/documents/2026/04/22/2026-07804/equal-credit-opportunity-act-regulation-b.
[16] CFPB, The CFPB is Correcting Flaws to Restore Integrity and Utility to the Consumer Complaint System, Jun. 24, 2026, https://www.consumerfinance.gov/about-us/newsroom/the-cfpb-is-correcting-flaws-to-restore-integrity-and-utility-to-the-consumer-complaint-system/; Evan Weinberger, Bloomberg Law, CFPB Makes Industry-Friendly Changes to Complaint Database, Feb, 5, 2026, https://news.bloomberglaw.com/banking-law/cfpb-makes-industry-friendly-changes-to-complaint-database.