September 10, 2026

The Honorable French Hill, Chairman
House Committee on Financial Services
Washington, D.C. 20515

The Honorable Maxine Waters, Ranking Member
House Committee on Financial Services
Washington, D.C. 20515

Re: Letter from more than 50 consumer, labor, community, and civil rights groups opposing H.R. 10184, the Consumer Financial Protection Accountability and Reform Act of 2026

Dear Chairman Hill, Ranking Member Waters and members of the House Committee on Financial Services:

For the last 15 years, the Consumer Financial Protection Bureau (CFPB) has been the only agency with the sole mission of protecting consumers in the financial markets and has helped stave off another financial crisis by cracking down on harmful practices, unsafe products, and widespread risk caused by patchwork protections. Until the recent actions of this Congress and the Trump administration, the CFPB has carried out this mission faithfully, efficiently, and successfully. Through its supervision, enforcement actions, and public complaint system, the CFPB has returned over $21 billion in direct relief, including relief to people who were harmed by fly-by-night or bankrupt companies.[1] It has established critical market rules that increased pricing transparency, curbed hidden junk fees, broke up predatory lending schemes, and halted misleading mortgage practices. Its targeted research and specialized offices have led the way in safeguarding servicemembers, students, older adults, and other people. Without the CFPB, we saw a financial crisis push millions out of their homes and strip trillions of dollars in wealth from communities across the country. With the CFPB, we had a resilient, fairer and more competitive financial marketplace. That has all changed with last year's wholesale and irresponsible rollbacks carried out by the current administration and Congress that ground CFPB work to a halt and put millions of people at financial risk.

The Consumer Financial Protection Accountability and Reform Act of 2026, as currently drafted, would complete the attack on the CFPB already underway to devastating effect. Americans for Financial Reform, the National Consumer Law Center, on behalf of its low-income clients, the National Community Reinvestment Coalition, the National Fair Housing Alliance, the National Association of Consumer Advocates and the undersigned organizations write to oppose the bill and its components that attempt, yet again, to advance an even more extreme sweeping deregulatory agenda than the work currently underway at the CFPB under its current leadership and through the recent actions taken by Congress and the courts. Because this proposal is entirely deregulatory in nature, these comments primarily focus on the detrimental effects of the bill and explain how its provisions, collectively and individually, will make the financial market less safe, more complicated, more expensive, and more prone to exactly the type of financial crisis the CFPB was designed to prevent. In some cases, we identify areas

[1] U.S. Committee on Banking, Housing and Urban Affairs. "The Higher Price of Gutting the CFPB." July 2026 at 1.

where Congress should act to prevent further erosion of the CFPB's authorities and its ability to continue to protect people. These recommendations are not exhaustive, however, and should not be construed as the only ways in which Congress can reverse the damage of the past 18 months.

Specifically, the Consumer Financial Protection Accountability and Reform Act of 2026 will:

1. Give financial companies undue influence over the CFPB's budget and priorities and limit its ability to protect people and small businesses in a rapidly changing market.

2. Curtail the CFPB's ability to hold financial companies accountable when they harm people and block states from bringing certain types of enforcement actions.

3. Provide dangerous safe-harbors for risky products and curtail the CFPB's ability to address fast-moving market developments.

4. Scale back the CFPB's ability to monitor the policies and practices of financial institutions to identify and prevent emerging issues before they become a widespread problem.

5. Severely limit the CFPB's ability to return money to people when they have been harmed by financial companies and prevent the next financial crisis.

We urge the committee to oppose the bill and each of its separate provisions.

1. **The bill gives financial companies undue influence over the CFPB's budget and priorities and limits its ability to protect people and small businesses in a rapidly changing market (Title I)**

In Title I, the bill would transform the CFPB's independent funding mechanism to one that depends on congressional appropriations and would curtail its ability to levy and distribute restitution through its Civil Penalty Fund. It also proposes onerous bureaucratic requirements designed to block critical protections and increase opportunities for industry attacks on the CFPB's work. We oppose these changes and urge Congress to consider the recommendations below, which are not exhaustive.

1.1. ***Congress must preserve the CFPB's independent funding*** (Sec. 101. CFPB appropriations)

Rather than subjecting the CFPB to the appropriations process, which is out of step with the stable, independent funding Congress created for other financial regulators, Congress should require automatic mandatory transfers of at least 12 percent of the Federal Reserve's total operating expenses to fund the CFPB.

When Congress created the CFPB in the wake of the 2008 financial crisis, it transferred many of the consumer protection and civil rights enforcement powers from the prudential regulators such as the Federal Reserve, the Office of the Comptroller of the Currency (OCC), and the Federal Deposit Insurance

Corporation (FDIC) to the CFPB. Like other bank regulatory agencies, Congress provided the CFPB with a stable funding stream from a dedicated Federal Reserve transfer reasonably necessary for the CFPB to carry out its authorities–a funding mechanism that was recently affirmed by the Supreme Court. These authorities include monitoring financial sectors under its jurisdiction, such as large banks, payday and other high-cost lenders, debt collectors and credit bureaus, and making sure that they follow the law.

The bill subjects the CFPB to the annual appropriations process, which would leave the CFPB's funding vulnerable to congressional shutdowns, budget paralysis, deregulatory appropriations riders, and constant threats to the funding it needs, unlike its partner bank regulators, the Federal Reserve, the OCC, and the FDIC. It would also imperil the CFPB's consumer protection mission and provide Wall Street and repeat bad actors in the financial industry with endless lobbying opportunities urging lawmakers to upend the CFPB's stable budget. As the only federal regulator with the sole mission of protecting individuals in the financial marketplace, removing its reliable funding will endanger the well-being of millions of working families and the stability of the economy.

1.2. ***Congress must protect the CFPB's ability to provide restitution for people harmed by bankrupt companies*** (Sec. 102. Consumer Financial Civil Penalty Fund)

The Civil Penalty Fund is an important tool for the CFPB to make sure that harmed people are made whole, even when the company that harmed them does not have adequate resources to provide redress, is insolvent, or is in bankruptcy. Rather than curtailing the CFPB's use of the Civil Penalty Fund to compensate people who have been harmed by financial companies, Congress should preserve the fund and make sure that it maintains a balance sufficient to manage consumer harm during a significant financial event on the scale of the 2008 financial crisis.

The provisions in this section limit the Civil Penalty Fund and undermine the CFPB's ability to fully and flexibly use the Civil Penalty Fund to address consumer harms. These provisions significantly limit who is entitled to collect from the Civil Penalty Fund and pushes non-disbursed money directly to the U.S. Treasury instead of setting the money aside for people harmed by future financial malfeasance. This would mean that people who have been financially harmed by the misconduct of insolvent firms that enter bankruptcy would be unlikely to receive any compensation for their losses. Corporate insolvency is frequent among smaller firms in the consumer financial marketplace, and particularly so among predatory actors. Congress should not take away people's only source of recourse from insolvent firms.

1.3. ***Congress must defend key consumer protections, not create new and unnecessary roadblocks*** (Sec. 103. Transparency in cost-benefit analysis)

Congress should make sure that the CFPB has the flexibility to address emerging problems in the consumer financial marketplace, not institute new and duplicative requirements designed to hamper its ability to finalize rules that prevent widespread harm.

The bill creates redundant and unnecessary requirements in the CFPB rulemaking process, including requiring quantitative and qualitative assessments on the costs of each proposed regulation, alternatives to the regulation, and effects of the regulation on "economic activity, efficiency, competition and capital formation" as well as "costs imposed on State, local and tribal entities." The provisions in this section are wholly unnecessary as the Dodd-Frank Act and the Administrative Procedure Act (APA) already require the CFPB to consider and explain the statutory authority under which the rule is promulgated, the benefits and costs, the potential reduction of access, the impact of proposed rules on companies, reasonable alternatives, and the basis and purpose of any proposed rules.

1.4. ***Congress must protect small business owners that grow our economy from financial harm*** (Sec. 104. Accountability to small businesses)

Congress should make sure the CFPB has the authority and tools necessary to protect people who are using credit and other financial products to start and grow small businesses and farms rather than focusing almost exclusively on the potential impact of protections for credit cards, buy-now-pay-later and other products on the providers of those products. Rather than eliminate consumer protections simply because a product or service is offered by a smaller creditor, the CFPB should protect the financial well-being of small businesses and farms by making sure that they have ready access to fair credit. To do so, it should collect and comprehensively analyze data regarding the small business and farm lending market consistent with its 2023 proposal to implement Section 1071 of Dodd-Frank, not the stripped down version it finalized earlier this year.

This section requires the CFPB to jump through additional hoops to minimize small business impacts that almost exclusively impact small financial firms, not the businesses that they serve. These steps are wholly unnecessary as the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA) currently requires the CFPB to assess the impact on small businesses, to consult early with representatives of small business entities likely to be impacted by CFPB regulations, and to consider their feedback. Under SBREFA, the CFPB also must report on the feedback received on likely impacts to small entities, including steps to minimize the cost of credit to small entities.

1.5. ***Congress must let the CFPB protect consumers from financial harm*** (Sec. 105. Modernizing regulatory reviews)

Congress should encourage the CFPB's timely use of its resources to monitor, supervise, and govern new and emerging products, services and market practices. The CFPB should continue its review of risky practices in established sectors that would benefit from increased consumer safeguards. For example, because contracts for consumer financial services and products are nonnegotiable, they are pervasively one-sided and include unfair or illegal terms. Consumers cannot vote with their feet and protect themselves from these contracts of adhesion; they need the CFPB's vigilance.

This section creates new and unnecessary procedural hurdles that require ongoing retrospective review of rules in a process led by the Director of the Office of Management and Budget that would serve as an unnecessary burden on agency resources and block the development of established consumer protections. It aims to cut back on compliance requirements for service providers at the expense of people who will suffer harm when financial safeguards are lacking. It includes provisions that will impose extensive, highly detailed analysis mandates designed to prevent the adoption of new consumer protections and enable the rollback of existing ones. These new requirements are designed to slow regulatory action, deplete agency resources, and provide financial institutions with new legal grounds to challenge consumer protection rules in court.

1.6. ***Congress should exercise its lapsed oversight authority rather than create a duplicative Inspector General*** (Sec. 106. Bureau of Consumer Financial Protection-Inspector General Reform)

Congress should exercise its oversight authority and require the CFPB's director or acting director to testify before the committee as part of the CFPB's semi-annual report to Congress rather than unnecessarily establish a new inspector general for the CFPB.

The bill would create an additional inspector general for the CFPB. The CFPB is already accountable to the independent Inspector General for the Federal Reserve Board of Governors and to the Government Accountability Office. The provisions in this section would only hinder the CFPB's mission and would force the CFPB to address wasteful, duplicative oversight demands, which is especially unnecessary as the CFPB already operates under more oversight than other financial regulators.

2. **The bill curtails the CFPB's ability to hold financial companies accountable when they harm people (Title II)**

Title II undermines the CFPB's key statutory authorities, particularly its authority to regulate unfair, deceptive, or abusive acts or practices (UDAAP). Notably, this section also adds unnecessary procedural safeguards for enforcement actions and reduces the statutes of limitations for many types of violations that will make it harder for the CFPB to take action when people have been harmed by complex or well-hidden practices. We oppose these changes and urge Congress to consider the recommendations below, which are not exhaustive.

2.1. ***Congress should not curtail the CFPB's ability to protect people from harmful products and practice***s (Sec. 201. Rectifying undefined descriptions of abusive acts and practices)

Congress should not curtail the CFPB's ability to protect people from unfair, deceptive, or abusive practices, including discriminatory practices. The CFPB is the primary federal agency tasked with ensuring a fair and transparent marketplace and these changes strike at the core of the agency's mission, which was developed in the wake of the widespread harm caused by the 2008 financial crisis.
The provisions in this section would significantly limit the CFPB's UDAAP and civil penalty authority and heighten standards of proof and other rules required for the CFPB to successfully bring enforcement actions. For example, to demonstrate "abusiveness," the CFPB would be required to show an act or practice "intentionally" interferes with a consumer's ability to understand a material term or condition, which may be nearly impossible to show despite documented consumer harm, which may even have been easily foreseeable by the company. Financial firms that have engaged in misconduct would also be given a free pass to "cure" misconduct rather than face accountability for harmful practices that prevents the CFPB from seeking monetary relief from entities that establish "by the preponderance of the evidence that they made a good-faith effort to comply," thereby decreasing incentives for compliance.

Additionally, this section prohibits the CFPB from interpreting its UDAAP authority to include discriminatory practices and blocks the CFPB from preventing financial institutions from taking unreasonable advantage of consumers who are unable to protect their own interests. The section creates legal hurdles to the use of abusiveness by requiring traditional elements of unfairness — a showing of substantial injury to consumers that was not reasonably avoidable by consumers and not outweighed by countervailing benefits. It also sets a rebuttable presumption that any injury was reasonably avoidable where clear and timely disclosures were provided, even though abusive market conduct takes advantage of the company's position relative to the consumer and is unlikely to be remedied by written disclosures. Additionally, this section requires all enforcement actions to be filed either where the company headquartered or where the CFPB is headquartered, without regard to where the person who was harmed is located, and restricts, in advance, the number of claims the CFPB can bring in any case by prohibiting the use of abusiveness claims where unfairness or deception claims are brought. All of these provisions would severely limit the ability of the CFPB to address corporate wrongdoing.

2.2. ***Congress must not create new and harmful obstacles to enforcing consumer protection laws*** (Sec. 202. Limitation on use of UDAAP to circumvent statutes of limitations)

As scams, fraud, and harmful practices become more complex and harder to detect, Congress should make sure that the statutes of limitations that apply are sufficient to bring effective enforcement actions. Unreasonably cutting short the deadline for taking action against bad actors makes government oversight more difficult, leaves companies breaking the law unaccountable, and denies a remedy to people who have been harmed.

This section creates new obstacles for the CFPB and for states attorneys general to bringing enforcement actions and may deprive people who have been harmed of meaningful restitution. The section contains provisions that restrict enforcement timelines for the CFPB and state attorneys general by tying UDAAP claims to the shorter statutes of limitations of underlying financial laws. Some consumer protection statutes have brief one- or two-year limitation periods, which can prevent regulators from taking action against long-standing or complex financial misconduct. This restriction undercuts UDAAP's core purpose as an independent, flexible safeguard designed to catch new types of consumer harm and rewards financial institutions that successfully conceal harmful activities long enough for the statutory clock to run out.

2.3. ***Congress must not create new hurdles to identifying and addressing the wide range of harm people face in the financial market*** (Sec. 203. Definition of substantial injury)

Congress should preserve the CFPB's ability to prevent harm in the financial markets, including non-monetary harm, rather than imposing new roadblocks to preventing harm.

This section severely restricts the CFPB's enforcement authority and undermines protections in existing consumer laws by establishing a rigid legal definition of substantial injury that creates a significant roadblock to preventing widespread financial harm. The provision limits recognized harm to direct, quantifiable financial loss and explicitly excludes non-monetary harms. The provision will hamper the CFPB's ability to penalize abusive practices like privacy violations, customer service time traps or doom loops, and aggressive debt collection. Furthermore, this section would make it harder to prevent emerging and widespread injuries by layering additional enforcement requirements on top of existing legal standards, such as a new requirement that material risks be reasonably foreseeable and prohibiting actions established "solely" by so- called "technical" violations of law, regulations or contract terms.

2.4. ***Congress must not shield bad actors from accountability simply because they misuse the legal system*** (Sec. 204. Restoring court authority over litigation)

This section attempts to limit the ability of the CFPB and other agencies to enforce the law and hold financial institutions accountable for unfair, deceptive, and abusive conduct including through the misuse of the courts and legal process by attorneys. Bad actors should not be shielded from being held accountable simply because they misuse the legal system.

Agencies are within their full authority to sanction misconduct or seek legal sanctions in court, regardless of the bad actor. Limiting an agency's ability to enforce the law, as proposed here, would have unintended downstream impacts and hurt efforts to hold lawbreakers accountable for misconduct.

This section would also curb the CFPB's efforts to crack down on law firms and related companies that engage in debt collection and credit repair misconduct like up-front fee scams or encouraging people to submit knowingly false information to credit bureaus. Section 204 would amend the Fair Debt Collection Practices Act (FDCPA) to exempt debt collection attorneys engaged in litigation activities and would absolve collection attorneys from FDCPA liability when they: (1) knowingly file fraudulent proof of claims in bankruptcy; (2) bring state judicial foreclosure proceedings without legal authority to do so; or (3) engage in abusive collection practices in state courts, such as suing a consumer for a debt the consumer does not owe and filing false affidavits, knowingly suing to collect a debt after the statute of limitations has run; and filing lawsuits in distant courts to force consumers to travel far from home.

2.5. ***Congress must not impose unnecessary limits on the CFPB's oversight of certain insurance practices*** (Sec. 205. Clarification to the authority of the Bureau with respect to persons regulated by a State insurance regulator)

Congress should not adopt the provisions in this section. They would not meaningfully change or reduce the actual federal oversight of the insurance industry. Instead, these provisions would encourage insurance misconduct in financial transactions and chill any regulatory efforts by any federal agency to address any malfeasance by any insurance firm.

The CFPB's current authority in the insurance space is limited, but meaningful.The CFPB can, for example, address consumers' challenges with navigating insurance products through educational resources for consumers, addressing junk add-ons to consumer loans, or specific elements of the insurance marketplace like mortgage servicers' obligations related to homeowners insurance. The CFPB's market monitoring and research functions to identify risks to the financial marketplace connected to insurance-related activities also serve as an important check to illegal behavior by insurance firms and can helpfully spotlight areas of concern for state insurance regulators, who may be more thinly resourced and have consumer protection as only one part of their mandate. At a time when rising insurance costs are contributing to people's difficulties in making ends meet, the CFPB should be using its available tools to address consumer concerns rather than Congress seeking to bind the CFPB from doing so, as this section proposes.

3. **The bill provides dangerous safe-harbors for risky products and curtails the CFPB's ability to address fast-moving market developments (Title III)**

Rather than promoting innovation, Title III creates arbitrary safe harbors from important consumer protections for high-cost loans such as payday loan apps. This section also creates new hurdles that will make agency guidance on the applicability of consumer protection laws to new products less certain and useful. New products are and should remain subject to the same laws as their competitors and the addition of new technology or other innovations does not change that. We oppose these changes and urge Congress to consider the recommendations below, which are not exhaustive.

3.1. ***Congress must not create new exemptions that make payday loans even more harmful and widely available*** **(**Sec. 301. Safe harbor for small-dollar credit products)

The provisions in this section will put people at risk of financial harm by exempting certain small-dollar loans from TILA protections such as cost disclosures, which are mandated by Congress to enable rate shopping and informed consent in financial transactions. This section undermines the CFPB's ability to order civil money penalties for TILA violations and would strip people of their right to hold small dollar lenders accountable in court for TILA violations. Many borrowers use multiple small dollar loans from various lenders and often are pushed closer to financial ruin as the loans pile up.

3.2. ***Congress must not block or discourage agencies from providing guidance on how they implement consumer protections*** (Sec. 302. Guidance clarity statement required)

The CFPB has already withdrawn dozens of guidance documents that provided much-needed clarity on how the agency interprets consumer financial protection laws. Rather than creating new hurdles to providing this type of clarity, which has been used under every administration, including the current one, often at the specific behest of consumer financial services corporations, Congress should halt further efforts to block new guidance documents as they are needed. The provisions in this section would create additional bureaucratic and unnecessary hurdles when the agency issues guidance documents.

3.3. ***Congress should restore prior protections available to people using buy-now-pay-later loans and take further action to prevent harmful practices*** (Sec. 303. GAO study on buy now pay later services)

In 2024, the CFPB clarified that companies offering Buy Now, Pay Later (BNPL) products must follow the same commonsense consumer protection laws as credit card lenders.[2] This clarification explained that people were able to dispute incorrect charges, get refunds for returned items, and receive monthly

---

[2] Truth in Lending (Regulation Z); Use of Digital User Accounts To Access Buy Now, Pay Later Loans. 89 Fed. Reg. 106. May 31, 2024 at 47068 to 47073.

statements about what they owe. This interpretative rule was adopted after extensive research, including a major CFPB study of the issue published in 2022, insights from supervisory examinations, and other market monitoring and investigation. Additional CFPB research was also published in 2024 and 2025. In 2025, however, the current CFPB leadership rolled back the interpretive rule, and an effort to restore it was blocked by the Senate majority in May 2026.[3]

Additional research can continue to inform the development of protections for people who use BNPL products. The CFPB has already amassed sufficient evidence to warrant BNPL safeguards, however, and Congress must not use a request for further research to delay much-needed interventions in the BNPL market that are already justified by existing government and other research. At minimum, Congress should codify the regulatory clarifications in the 2024 CFPB interpretative rule. Congress should also adopt a ban on fees that obscure or add to the true cost of BNPL loans, cap late fees, make sure state interest rate caps apply consistently, and address other harmful practices. Congress should also ban arbitration clauses, class action participation waivers, jury trial waivers, and other predatory contract clauses in BNPL and other contracts.

3.4. ***Congress must not supercharge predatory lending and the affordability crisis by exempting so-called earned wage access loans from federal and state protections*** (Sec. 304. Earned wage access services)

Congress has already failed to reverse the recent CFPB roll back of common sense requirements for so-called earned wage access payday loan apps to follow all of the same consumer protection laws that are required of other short term lenders.[4] The provisions in section, if adopted, would go one step further and explicitly carve-out these dangerous loans from the Truth in Lending Act, the Military Lending Act, the Equal Credit Opportunity Act, and other federal laws.

This section includes all of the provisions already included in H.R. 9330, the misnamed Earned Wage Access Consumer Protection Act.[5] Like that legislation, the provisions in this section will preempt state laws that protect people from spiraling costs, endorse unaffordable loans that make workers pay to be paid, and facilitate new evasions by payday lenders. If adopted, either as stand alone legislation or in this package, these provisions will fuel the affordability crisis by protecting payday loan apps that take hundreds of dollars a year from low-wage workers and by exempting these high-cost loans from federal and state protections. Prior to the June mark-up of H.R. 9330, more than 200 labor, consumer, and civil rights organizations urged the committee not to exempt payday loan apps from fair lending laws and open the door for apps to take even more from the already overstretched paychecks of military servicemembers and other workers.[6]

---

[3] S.J. Res. 134. 119th Cong. (2026).
[4] S.J. Res. 156. 119th Cong. (2026)
[5] Earned Wage Access Consumer Protection Act. H.R. 9330. 119th Cong. (2026).
[6] National Consumer Law Center. Opposition to H.R. 9330 (Steil), Earned Wage Access Consumer Protection Act. (June 29, 2026).

4. **The bill dramatically scales back the CFPB's ability to supervise financial institutions to identify and prevent emerging issues before they become a widespread problem (Title IV)**

In Title IV, the bill weakens the CFPB's supervisory framework by tripling the supervisory thresholds for banks and credit unions. This would allow certain institutions to opt-out of the CFPB oversight in favor of a less rigorous consumer protection review, gives other regulators veto power over CFPB actions to protect people, and reduces the CFPB's ability to regulate nonbanks such as online lenders, fintechs, and payment apps. Nonbanks can pose specific challenges to the regulatory system and are often where new systemic risks emerge. The CFPB's authority over nonbanks must not be limited.

4.1. ***Congress must protect the CFPB's ability to monitor financial institutions and prevent emerging risks*** (Sec. 401. Asset thresholds for supervision of very large banks, savings associations, and credit unions by the Bureau of Consumer Financial Protection)

As discussed previously, Congress should expand the CFPB's supervisory authority over depository and non-depository institutions, and protect the use of the CFPB's risk-based supervisory authority.

However, the provisions in this section drastically scale back the CFPB's supervisory authority by raising the supervision threshold from $10 billion to $30 billion in assets. This change exempts approximately 97 mid-sized and regional banks from primary CFPB examinations and weakens consumer financial protection oversight at institutions that collectively hold over $1.8 trillion in assets.[7] This shift of supervisory responsibility back to prudential banking regulators, whose primary purpose is to evaluate safety, soundness, and solvency rather than consumer protection compliance will leave millions of people vulnerable to unchecked fees, deceptive practices, and discriminatory lending.

4.2. ***Congress must not recreate the patchwork oversight and regulatory arbitrage that caused the 2008 financial crisis*** (Sec. 402. Supervisory election for covered institutions)

Congress should avoid providing the type of patchwork oversight and regulatory arbitrage that led to the 2008 financial crisis and make sure the CFPB is able to provide consistent supervision and enforcement of consumer financial protection laws.

This section contains provisions that will allow large banks and credit unions with over $30 billion in assets to opt out of CFPB supervision in favor of their primary prudential regulators. The already reduced number of CFPB supervised banks would likely dwindle as institutions opt for less rigorous consumer financial law compliance examinations performed by prudential regulators who historically prioritized bank safety and soundness over consumer financial protection. The decision on any application for prudential regulation rests with the prudential regulator itself with the CFPB having limited ability to seek to terminate the election. In addition, the section creates an automatic election for institutions that meet the $30 billion threshold following the enactment of this legislation. These provisions effectively gut the CFPB's supervisory authority over current and future major regional institutions.

---

[7] Based on analysis of the CFPB's March 2026 list of institutions subject to CFPB supervisory authority.

The section also hamstrings CFPB's enforcement authority over the banks that opt for prudential regulator consumer compliance oversight, requiring the CFPB to first make referrals of "material violations" to the prudential regulator. Only after inaction and the expiration of four months can the CFPB then take an enforcement action and it can never do so against any bank holding company deemed globally systemically important (GSIB).

Lastly, this section erodes the CFPB's supervisory powers considerably and eliminates its dual mandate to protect both people and the economy from widespread financial risks such as those that triggered the 2008 financial crisis. The section removes the CFPB's ability to supervise financial institutions for the purpose of ''detecting and assessing associated risks to consumers and to markets for consumer financial products and services'' and limits its powers solely to ''detecting and assessing associated risks of substantial injury to consumers." Given the proposal's narrow definition of substantial injury, it would greatly reduce the effectiveness of the CFPB's supervision program in proactively identifying and preventing harm.

4.3. ***Congress must not give other regulators veto authority over CFPB consumer protections*** (Sec. 403. Financial regulatory coordination and accountability)

Congress should make sure that the CFPB can carry out its existing Dodd-Frank mandate to protect consumers and the financial markets. It should not take steps to give the very same prudential regulators that failed to prevent the 2008 financial crisis an effective veto to delay or weaken critical consumer protections.

This section mandates a 60-day advance interagency comment window for any notice of proposed rulemaking that impacts depository institutions or credit unions and requires the CFPB to publish written comments and publicly defend any decision not to adopt the recommendations of federal bank regulators or representative bodies of state banks and credit unions. These provisions are wholly unnecessary. The Dodd Frank Act already requires the CFPB to consult with prudential and other Federal regulators prior to issuing proposed rules and during the comment process and provides for written objections to be addressed in any final rulemaking. Expanding these requirements as proposed will only serve to add additional delays to an already lengthy process and will provide other regulators with the ability to effectively veto CFPB initiatives.

This section also requires advance written notice and consideration of other agency's views before the CFPB can initiate enforcement actions against depository institutions. Again, these provisions are unnecessary because the CFPB regularly engages in consultation about enforcement actions with regulators and the Federal Trade Commission per Dodd-Frank and various Memoranda of Understanding. This is nothing more than an attempt to further constrain the CFPB's exercise of its enforcement authority by creating unnecessary procedural hoops.

Additionally, this section also requires public disclosure of pre-enforcement inter-agency communications between CFPB and other agencies, which is privileged and confidential material under the Freedom of Information Act (5 U.S.C. 552(b)(5)) and would chill the frank and open discussion between regulators that occurs now.

4.4. ***Congress must not scale back nonbank supervision as they grow in number and impact*** (Sec. 404. Reforms to nonbank supervision)

The CFPB has already deprioritized supervision and enforcement activity related to nonbank activities, and Congress has reversed CFPB actions to supervise nonbank payment platforms. Rather than continue to scale back supervision of nonbanks, Congress should make sure that the CFPB has the tools it needs to detect and prevent risks regardless of the structure of the company that offers them.

The provisions in this section will restrict the CFPB's nonbank supervisory authority by raising the threshold for oversight from "risks to consumers" to "substantial injury," exempting small businesses, and narrowing the scope of supervisory examinations necessary to prevent emerging problems from causing widespread financial harm. The provision replaces the broad "risks to consumers" standard for nonbank supervision with a much higher, narrower threshold of "substantial injury to consumers." This provision restricts proactive market supervision and prevents the CFPB from stepping in before widespread, irreversible harm spreads. This provision also curtails supervision for risks associated with financial products issued by small businesses. Imposing that restriction on CFPB's nonbank supervision could severely curtail the CFPB's ability to address harms caused by leanly staffed companies that use digital technology and artificial intelligence in ways that harm consumers. The Dodd-Frank Act designates certain markets as so risky that covered persons must be subject to supervision regardless of the size of the entity. This designation includes providers of nondepository mortgages, payday loans, and private student loans. These new proposed provisions would undercut that assessment and allow entities involved in conduct that risks substantial consumer injury to avoid supervision of their activities.

Lastly, this section restricts CFPB examinations strictly to activities, operations, and records directly related to the specific consumer financial product or service offered. This artificial firewall will severely limit examiners from looking at risks related to broader corporate governance and interconnected business models, products, or partnerships that could hide systemic financial abuse.

5. **The bill severely limits the CFPB's ability to return money to people when they have been harmed by financial companies and monitor the market to prevent the next financial crisis (Title V)**

In Title V, the bill limits penalties that the CFPB is able to levy when financial companies break the law, blocks its staff from conducting robust reviews of financial markets to identify and address emerging issues, and puts in place onerous requirements to submit a complaint. Taken together, these provisions will make it far more difficult to prevent the next financial crisis and nearly impossible to make sure people who are harmed by broad market and consumer protection failures are compensated for any harm they incur.

5.1. ***Congress must not block the CFPB from deterring widespread and systemic harm*** (Sec. 501. Civil Money Penalties)

Congress should make sure the CFPB can reasonably deter systemic financial abuse. To do so, the CFPB must be able to issue civil penalties that are significant enough that they hold some deterrent effect and they are not simply considered a cost of doing business. Instead of limiting CFPB's authority to carry out enforcement actions, Congress should make sure that the CFPB has all the tools it needs to enforce important consumer laws.

The provisions in this section will undermine the CFPB's ability to fully and flexibly use the Civil Penalty Fund to address consumer harms. The section would revise the structure of the civil penalty system, reducing the amount of penalties that lawbreaking companies would be required to pay. The threat of civil penalties is meant to deter companies from violating the law, but cutting back on penalty amounts will tell companies that there is little consequence for misconduct. In addition, the bill would narrow CFPB enforcement options and let financial wrongdoers off the hook simply because companies report their wrongdoing.

5.2. ***Congress must not hinder critical market monitoring functions designed to identify emerging risks*** (Sec. 502. Limitations on market monitoring functions)

Congress should fully empower the CFPB to monitor the financial markets to identify emerging trends, size markets, and understand new technologies rather than limit its ability to carry out this work. The CFPB under the current administration has already scaled back its market monitoring work considerably. Since February 2025, the CFPB has reduced its reporting function to primarily backward looking year-in-review type reports and has largely ceased publishing forward looking reports on emerging trends before they bring pervasive damage across the market.

The provisions in this section would gut the CFPB's market monitoring authority, which helps the CFPB identify and address emerging and novel consumer risks including new technologies in non-traditional markets. The CFPB's risk-monitoring informs its work, including its rulemaking, supervision, and enforcement. Restricting its market monitoring in this manner would all but end its ability to identify risks in critical areas such as harmful practices targeted towards servicemembers and emerging problems in the credit card market.

Additionally, if adopted, this section would prevent the CFPB from publishing any information collected under its Section 1022 market monitoring authority, which currently allows the agency to collect information directly from one or several financial companies to research product terms and conditions, sales practices, and pricing, and publish aggregate reports on market conditions. The CFPB is prohibited from using this authority to collect any personally identifiable information[8] and can only publish these data if it is deemed to be in the public interest and only then in aggregated reports or other appropriate, de-identified formats.[9]

If adopted, this section would substantially limit the CFPB's ability to warn the public and policymakers of dangerous emerging trends and, in some cases, to carry out the requirements of existing legislation. In general, the CFPB is required to publish at least one report of significant findings of its monitoring work each year. In the past, the CFPB has, using its ability to collect and publish information on emerging

[8] 15 U.S.C. (c)(4)(C).
[9] 15 U.S.C. (c)(4)(B).

issues such as a 2025 report that found that servicemembers pay higher auto loan rates and often get sold expensive add-on products when they finance their cars.[10] Additionally, some reports, including reports to Congress, rely on the ability to publish the results of the CFPB's monitoring work. The Credit Card Accountability Responsibility and Disclosure Act of 2009 (Credit CARD Act) requires the CFPB to conduct a review of the credit card market every two years. The report must contain an assessment of how the CARD Act has affected the cost and availability of credit, the safety and soundness of card issuers, and credit card product innovation, among other requirements.[11] The CFPB relies, in part, on its Section 1022 market monitoring authority and its ability to publish anonymized findings to comply with this statutory requirement.[12]

5.3. ***Congress must not curtail the enforcement powers of states or the ability of the CFPB to work with them*** (Sec. 503. Enforcement powers of the States)

The Dodd-Frank Act carved out an integral role for the states to play in enforcing consumer financial protection laws. Congress should preserve, rather than curtail the dual federal/state enforcement framework established in the law.

Instead, this section would dismantle that dual framework. It allows the CFPB to block state attorneys general from pursuing an enforcement action against a financial institution simply by providing written notice of intended rather than actual CFPB enforcement actions, and creates an easy pathway for weak federal settlements that supplant stronger state-level actions. It also strips state AGs of their independent authority to hold bad actors accountable when federal regulation or enforcement is largely inactive. This section also extends the restrictions on CFPB enforcement of specific sectors, such as those for auto dealers and real estate brokers, to state enforcement agencies.

5.4. ***Congress must not limit consumer and fair lending protections to only the customers of the largest banks*** (Sec. 504. Indexing of asset-based thresholds in regulations)

Rather than attempting to raise asset thresholds, Congress should lower asset thresholds to expand the number of people protected by CFPB regulations.

The provisions in this section would automatically increase regulatory asset thresholds and expand safe harbors that exempt financial companies from critical consumer protections. It would require automatic adjustments to the threshold for all CFPB issued regulations every five years based on a GDP-based inflation threshold. However, this conflicts with other legislative requirements. For example, federal consumer financial laws often require thresholds to be adjusted based on the consumer price index, such as the Home Mortgage Disclosure Act. Over time, these provisions will gradually decrease the number of people that the CFPB can protect as the thresholds inevitably grow and potentially outpace company growth.

[10] Consumer Financial Protection Bureau. "Auto Lending to Servicemembers." Jan. 2025.
[11] 15 U.S.C. §1616(a)
[12] Consumer Financial Protection Bureau. "The Consumer Credit Card Market: Report to Congress." Dec. 2025 at 10.

5.5. ***Congress must not block people from seeking help from the CFPB or hide corporate wrongdoing from the public*** (Sec. 505. Collecting and tracking complaints)

Collecting, investigating, and responding to consumer complaints is a primary CFPB function under the Dodd-Frank Act. Over five million people a year rely on the CFPB to field complaints about their mortgage, credit cards, errors on their credit reports, debt collection abuses, and other issues. The CFPB has implemented a well-received consumer response system to address complaints that would be undermined under the provisions in this section. Under the current administration, however, the CFPB has worked to dissuade people from turning to the CFPB for help and recently announced that they would no longer share people's stories who turned to the CFPB for help with a financial problem. The bill codifies many of these recent changes.

Rather than improving the complaint process to make it more easily accessible for harmed consumers, this section would add onerous requirements, including the attestation of certain information, notification to the relevant company at least 60 days before filing a complaint, and additional requirements for consumers receiving third-party assistance. This section would allow financial institutions to unilaterally close filed complaints and seal currently publicly available complaint narratives on the consumer complaints database. These provisions also threaten people who file complaints with possible perjury charges. Not only does this section seek to intimidate people to discourage them from filing complaints, sealing the narratives will protect repeat offenders and hide patterns of wrongdoing. This proposal would greatly decrease transparency and accountability for financial bad actors and codify existing, harmful CFPB actions.

5.6. ***Congress must not scale bank transparency and fair lending protections for small businesses and small farms*** (Sec. 506. Enhancements to small business loan privacy)

In May, the CFPB finalized a sweeping rollback of the 2023 CFPB 1071 small business and farm lending transparency rule that drastically reduces who must comply with the Congressionally-mandated disclosure of small business lending data and also reduces the comprehensiveness of the information collected and provided to the public. The result will be less transparency to the public about small business lending practices and an increased ability for lenders to hide invidious discrimination in small business lending.

The provisions in this section will institute duplicative privacy requirements for any future modifications to the rule. It would make the collecting and updating of small enterprise data procedurally much more difficult. The CFPB already implements rigorous privacy protections, including scrubbing any personal identifiable information, masking certain public data, instituting strict firewalls between underwriters and data reporters, and limiting staff access to data reports designed to prevent re-identification. These provisions do little to improve on the protections in place and will only serve as a deterrent to making further, much needed, improvements to the data collection rule.

6. Conclusion

Letter from more than 50 consumer, labor, community, and civil rights groups opposing H.R. 10184, the Consumer Financial Protection Accountability and Reform Act of 2026

At a time when the cost of everything skyrockets and everyday people struggle to afford basic necessities, watch as bank fees and interest charges increase, and see financial institutions get one carve-out and handout after another, we urge Congress to reject the provisions in this bill that would weaken the only agency with the sole mission of protecting people in the financial market. Instead, we urge Congress to keep the CFPB intact, independent, and strong, exactly as envisioned in the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Respectfully submitted,

Americans for Financial Reform
AFT
Center for Responsible Lending
Consumer Action
Consumer Federation of America
Consumer Reports
Demand Progress
Demos
The Greenlining Institute
National Association of Consumer Advocates
National Coalition for Asian Pacific American Community Development (National CAPACD)
National Community Reinvestment Coalition (NCRC)
National Consumer Law Center, on behalf of its low-income clients
National Fair Housing Alliance
National Housing Law Project
Protect Borrowers
Public Citizen
Public Good Law Center
Public Justice
U.S. PIRG
Woodstock Institute

Center for Economic Integrity (Arizona)
William E. Morris Institute for Justice (Arizona)
Rise Economy (California)
Consumers for Auto Reliability and Safety (California)
Housing and Economic Rights Advocates (California)
Bell Policy Center (Colorado)
Delaware Community Reinvestment Action Council Inc. (Delaware)
Tzedek DC (Washington, DC)
Affordable Homeownership Foundation Inc. (Florida)
Georgia Watch (Georgia)
Military Veterans Coalition of Indiana (Indiana)
Louisiana Progress (Louisiana)

Letter from more than 50 consumer, labor, community, and civil rights groups opposing H.R. 10184, the Consumer Financial Protection Accountability and Reform Act of 2026

Maine People's Alliance (Maine)
CASH Campaign of Maryland (Maryland)
Economic Action Maryland Fund (Maryland)
Community Economic Development Association of Michigan (CEDAM) (Michigan)
Michigan Poverty Law Program (Michigan)
Exodus Lending (Minnesota)
Economic Empowerment Center DBA Lending Link (Nebraska)
New Jersey Citizen Action (New Jersey)
New Jersey Appleseed Public Interest Law Center (New Jersey)
Action for a Better Community (ABC) (New York)
Fair Finance Watch (New York)
New Economy Project (New York)
New Yorkers for Responsible Lending (New York)
Reinvestment Partners (North Carolina)
Oregon Consumer Justice (Oregon)
Oregon Consumer League (Oregon)
Economic Progress Institute (Rhode Island)
South Carolina Appleseed Legal Justice Center (South Carolina)
Texas Appleseed (Texas)
Virginia Citizens Consumer Council (Virginia)
Virginia Poverty Law Center (Virginia)
Statewide Poverty Action Network (Washington)