

**FROM WATCHDOG TO ATTACK DOG:
EXAMINING THE CFPB'S CHOPRA-ERA ASSAULT
ON DISFAVORED INDUSTRIES**

HEARING
BEFORE THE
**SUBCOMMITTEE ON OVERSIGHT AND
INVESTIGATIONS**
OF THE
COMMITTEE ON FINANCIAL SERVICES
U.S. HOUSE OF REPRESENTATIVES

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FROM WATCHDOG TO ATTACK DOG: EXAMINING THE CFPB'S CHOPRA-ERA ASSAULT ON DISFAVORED INDUSTRIES

Thursday, June 26, 2025

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS,
COMMITTEE ON FINANCIAL SERVICES,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:03 a.m., in room 2128, Longworth House Office Building, Hon. Dan Meuser [chairman of the subcommittee] presiding.

Present: Representatives Meuser, Loudermilk, Haridopolos, Moore, Green, Tlaib, Williams of Georgia, Fields, Liccardo, and Waters.

Chairman MEUSER. Well, good morning. The Subcommittee on Oversight and Investigations will come to order.

Without objection, the chair is authorized to declare a recess of the committee at any time.

This hearing is entitled "From Watchdog to Attack Dog: Examining the CFPB's Chopra-Era Assault on Disfavored Industries."

Without objection, all members will have 5 legislative days within which to submit extraneous materials to the chair for inclusion in the record.

[The information referred to can be found in the appendix.]

Chairman MEUSER. I now recognize myself for 5 minutes to give an opening statement.

OPENING STATEMENT OF HON. DANIEL MEUSER, CHAIRMAN OF THE SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS, A U.S. REPRESENTATIVE FROM PENNSYLVANIA

Today's hearing is titled "From Watchdog to Attack Dog: Examining the CFPB's Chopra-Era," what one may describe as, "Assault on Disfavored Industries."

I would like to take a moment to thank the witnesses for being here to discuss the actions of the Consumer Financial Protection Bureau (CFPB) under the leadership of former Director Rohit Chopra.

The CFPB was created to be a nonpartisan watchdog, an agency tasked with protecting American consumers from deceptive, unfair, and abusive financial practices, but under Director Chopra, that mission was largely abandoned. The CFPB ceased to be a pro-consumer agency and instead became an ideological weapon used not to protect the public but to pressure businesses into aligning with

the CFPB's goals through aggressive rules, enforcement, and supervision.

Chopra targeted entire sectors he disfavored, wielding the agency's enforcement powers to intimidate and financially exhaust companies that did not share his ideological progressive vision for the marketplace.

One of the most troubling examples of this overreach was the aggressive use of civil investigative demands, or CIDs. CIDs are powerful legal tools that allow the CFPB to demand vast amounts of documents, data, and testimony, often with little to no justification or judicial oversight.

Under Chopra, the CFPB issued CIDs to effectively weaponize the agency's authority to bury small firms in compliance costs and reputational damage before any wrongdoing was even proven.

While a business can petition a CID, the decision on any petition was ultimately at the discretion of the Director, sending it back to the organization that issued it in the first place. Unsurprisingly, Director Chopra denied 100 percent of the petitions that were received. Under the first Trump Administration, six petitions were granted to overturn CIDs.

For many businesses, especially small ones, the process of responding to a CID is a very challenging task, often leading to layoffs, loss of customers, and in many cases closures. One of our witnesses here today will explain just how devastating these CIDs were.

Under Chopra, the process became the punishment. The threat of a CFPB investigation was less about compliance and more about survival, especially for smaller businesses. This is not consumer protection. It is a bureaucratic attempt at intimidation, and it has no place in a system governed by the rule of law.

I applaud President Trump for ending this campaign of coercion at the CFPB. Businesses operating legally should not have to fear their own government.

That is why, today, I have sent a letter to the CFPB's Acting Inspector General, requesting a formal investigation into whether Director Chopra consistently exceeded his statutory, lawful authority. Congress must act to ensure that the CFPB cannot be weaponized again.

Under the Trump Administration, legally operating, ethical businesses no longer live in fear of the CFPB and their punishment. Chopra's tenure has made one thing clear: Congress must ensure the CFPB—or any agency, for that matter—can ever again be weaponized for ideological purposes.

Of the countless banks and compliance officers, both large and small, that I have spoken to over the last 2 to 3 years, I have not heard from one that had anything positive to say about Director Chopra and the CFPB's work. I have met with former Director Chopra several times and told him about these concerns, and it made no difference, and the CFPB continued its crusade.

I look forward to hearing from the witnesses on how Congress can help the CFPB return to its core mission of protecting the American consumers from unfair and abusive practices.

Sadly, the one investigating the abuses became the abuser.

Now I want to recognize my friend and ranking member of the subcommittee, the gentleman from Texas, Mr. Green, for 4 minutes for an opening statement.

OPENING STATEMENT OF HON. AL GREEN, RANKING MEMBER OF THE SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS, A U.S. REPRESENTATIVE FROM TEXAS

Mr. GREEN. Thank you, Mr. Chairman, and I acknowledge you as a friend as well.

However, notwithstanding the fact that the title of this hearing is “From Watchdog to Attack Dog,” I believe that a better title for the hearing would be “From Watchdog to Lapdog,” and “How Trump’s CFPB has Abandoned Consumers in Favor of Corporations.”

It is not just the CFPB that is under attack, and we should not view these things in a silo, because if we do, we will miss the big picture. Federal agencies are under attack. We are currently defunding the Department of Education, defunding the Department of Health and Human Services (HHS), defunding the Federal Election Commission (FEC), defunding the Department of Housing and Urban Development (HUD), and defunding the Federal Emergency Management Agency (FEMA).

With all of these agencies under attack, we should understand that there is an effort afoot not only to defund the CFPB, which is, of course, being done, but also to literally remove from these agencies dollars—dollars—so that these dollars can go to the pockets of the very wealthy in this country.

It is not just from these agencies. The very essence of a country is the ability for its citizens to have good healthcare. We are removing dollars—dollars—from healthcare so that persons who are very wealthy can have more money in their pockets.

We seem to believe in this country that the poor can do more with less, but the wealthy need more to do more. This is an abomination and I believe that Trump’s CFPB has not only stopped initiating new investigations into abuses into the financial industry, but it also has discontinued examinations that are ongoing from Director Chopra’s CFPB.

Most alarmingly, Trump’s CFPB has taken the unprecedented step—the unprecedented step—of rescinding settlements with companies that the CFPB had negotiated following investigations into consumer harm.

In April, Trump’s CFPB announced a wide-scale reduction in force affecting 90 percent of the agency’s staff. That 90 percent of agency’s staff cut will benefit persons who are very wealthy.

This administration seems to believe that you can take from the needy to support the greedy. I am not with that. I believe that this country has been built upon the foundation of agencies that are helping people.

The CFPB is at the very core of this, and we have to do what we can to protect consumers. We do not want the CFPB to become the agency for the financial institutions. It was for consumers. It has now become an institution that is going to protect financial institutions from consumers that are under attack. This is unimaginable.

Finally, I want to mention something else as we move to closure. Something has happened today that I cannot believe. The Trump Administration has indicated that they will sue all 15 Federal judges in Maryland over an order that those courts issued.

Rather than appeal the cases, the Trump Administration is now suing the judges who rendered the decisions. We have already heard the administration indicate that it would want to have judges impeached for decisions that it disagrees with.

This administration is out of control. This administration is causing the demise of democracy to take place before our very eyes, and we have to stop it. We cannot allow American democracy to become authoritarianism with an authoritarian President.

I yield back the balance of my time.

Chairman MEUSER. The gentleman yields.

The chair recognizes the ranking member of the full committee, Ms. Waters, for 1 minute.

**STATEMENT OF HON. MAXINE WATERS, RANKING MEMBER OF
THE COMMITTEE ON FINANCIAL SERVICES, A U.S. REP-
RESENTATIVE FROM CALIFORNIA**

Ms. WATERS. Thank you.

Today, my colleagues on the other side of the aisle are holding yet another hearing to attack the Consumer Financial Protection Bureau under former Director Chopra's leadership for fulfilling his duties to protect consumers.

That Consumer Financial Protection Bureau returned \$21 billion to harmed consumers. On the other hand, under Trump's leadership, the agency has abandoned American consumers and the dedicated public servants who protect them.

I am once again calling on Chairman Hill to bring Acting Director Vought before this committee to explain the Trump Administration's unlawful efforts to delete the Consumer Financial Protection Bureau and fire 90 percent of its workers.

Where is the accountability, Mr. Chairman?

Unfortunately for consumers, who broadly support having a strong Federal watchdog protecting them from financial rip-offs, this Republican-led Congress is not providing it.

Mr. Green, I join you in my outrage and disgust at this administration. They are trying to wear us out, and they are almost doing it. Of course, none of the members on the opposite side of the aisle are willing to stand up to—

Chairman MEUSER. The gentlelady's time has expired.

Ms. WATERS [continuing]. stop this mess.

I do not know if I will stop or not.

Chairman MEUSER. The gentlelady is out of order.

We will now move to witness testimony.

Today, we welcome the testimony of Mr. James Kim. Mr. Kim is a partner at Cooley LLP, where he advises clients on compliance with Federal and State consumer financial laws and regulations. Previously, Mr. Kim was a Senior Enforcement Attorney at the CFPB. Mr. Kim holds a bachelor's degree from Brown University and a J.D. from Cornell University.

We also have with us Ms. Jennifer Bassett. Ms. Bassett is the Chief Executive Officer at Pacific Rim Alliance Corporation, where

she served for 17 years in several leadership roles. She also serves on the board of INFiN, a national trade group for consumer financial services, and CFSP, a California-based trade association. Ms. Bassett earned her bachelor's degree in mathematics from the University of Texas.

We also have with us Mr. Devin Watkins. Mr. Watkins is an attorney at the Competitive Enterprise Institute, where he evaluates regulations and develops strategies to curb over-regulation. He holds a computer science degree from Stevens Institute of Technology and a J.D. from George Mason University's Antonin Scalia Law School; and with us is Ms. Morgan Harper. Ms. Harper is the Director of Policy and Advocacy at the American Economic Liberties Project. Ms. Harper holds a J.D. from Stanford Law School, a master's degree in public affairs from Princeton, and an undergraduate degree from Tufts.

Thank you all very much for being with us.

Each of you will be recognized for 5 minutes to give an oral presentation of your testimony. Without objection, your written statements will be made part of the record.

Mr. Kim, you are now recognized for 5 minutes for your oral remarks.

STATEMENT OF JAMES KIM, PARTNER, COOLEY LLP

Mr. KIM. Thank you, sir.

Chairman Meuser, Ranking Member Green, and members of the subcommittee, thank you for inviting me to testify today.

My name is James Kim. I am a partner at the law firm Cooley. I am presenting my own views today and not those of my firm or any of its clients.

The CFPB has a critical mission—to protect American consumers—and I believe in that mission. That is why I joined the Bureau in 2012 as one of the first enforcement attorneys in New York Regional Office.

Between working at the CFPB for 2 years and spending the last 11 years in private practice working on matters involving the Bureau, I have been immersed in agency matters over three different administrations.

There is no question the CFPB, over the years, has strengthened consumer protections since its inception, but some of the Bureau's actions during the past administration exceeded the boundaries of the laws and rules that it enforces.

Notably, the CFPB issued interpretive rules, guidance documents, and advisory opinions that supposedly interpreted or clarified Federal consumer financial laws but, in reality, sought to change the substance of those statutes and rules. These actions created confusion rather than clarity.

It started enforcement investigations and filed lawsuits to create new compliance requirements rather than go through the public notice-and-comment rulemaking process mandated by the Administrative Procedure Act. This unilateral approach deprived stakeholders, including other Federal agencies, State lawmakers, and State regulators, from participating in policy discussions directly impacting their jurisdictions.

The CFPB pressured companies to submit to the Bureau's supervisory authority, its most powerful and least transparent regulatory tool, under the threat of the Bureau exercising its so-called dormant authority to examine companies that posed risk to consumers.

Compared to other Federal agencies, the CFPB is still a startup. Like other startups who have gotten off the ground, it needs reminders to stay faithful to its mission and its core principles, and it needs adjustments to better execute its mission.

Most importantly, the Bureau should focus on engaging with and gathering information from stakeholders at the ground level. All CFPB functions, from supervision to rulemaking to enforcement, should be driven by data collected from a wide range of sources, rather than siloed, top-down decisions from agency leadership.

Thank you again for the opportunity to testify today. I look forward to any questions that you may have.

[The prepared statement of Mr. Kim follows:]

**WRITTEN TESTIMONY OF
James Kim
Partner, Cooley LLP**

**BEFORE THE
United States House of Representatives Committee on Financial Services
Subcommittee on Oversight and Investigations**

**IN A HEARING ENTITLED
From Watchdog to Attack Dog: Examining the CFPB's Chopra-era Assault
on Disfavored Industries**

June 26, 2025

Chairman Meuser, Ranking Member Green, and Members of the Subcommittee, thank you for inviting me to testify today. My name is James Kim. I am a partner at the law firm, Cooley LLP. Today, I am presenting my own views, and not those of my firm or any client of the firm.

Background and Perspective

My testimony and the views I will express today are informed by my tenure at the Consumer Financial Protection Bureau ("CFPB" or "Bureau") and my subsequent practice focusing on financial services regulatory matters. My clients range from banks and other traditional institutions to medium-sized and early-stage companies seeking to launch innovative products and expand choices for consumers in the marketplace.

From 2012 through 2014, I had the privilege of serving at the CFPB, where I was the lead attorney in the Bureau's first enforcement action involving mobile devices and payments. In addition to my duties as an enforcement attorney, I worked with colleagues in the Office of Supervision and supported examinations behind the scenes. I was also a member of an inter-departmental working group focusing on emerging payment products and services. After leaving the Bureau, much of my practice involves helping companies navigate examinations and investigations by the CFPB and other government agencies.

Reflection on the CFPB's Recent History

The CFPB was created after the 2008 financial crisis to address perceived gaps in federal oversight of consumer financial products and services. Congress granted the Bureau broad authority over a large universe of companies offering a wide range of financial products and services that help consumers in their everyday lives. There is no question the CFPB has strengthened consumer protections since its inception. But some of the Bureau's actions in the past four years pushed its authority beyond the confines of the laws and rules that it enforces. During the last administration, the Bureau issued interpretive rules, guidance documents, and advisory opinions that purported to interpret or clarify federal consumer financial laws, but in reality expanded the Bureau's already far-reaching jurisdiction.

My testimony will focus on recent Bureau enforcement practices that exceeded the agency's statutory authority:

1. First, I will discuss the source of the CFPB's authority to investigate and take action against companies offering consumer financial products and services.
2. Second, I will describe how certain CFPB actions exceeded this authority.
3. Third, I will highlight how the Bureau's actions result in companies paying penalties that are not tethered to alleged consumer harm.

Source and Scope of the CFPB's Authority

Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") after issues in the residential mortgage industry led to the collapse of the secondary mortgage market. In the wake of the aftermath, Congress created the CFPB to strengthen federal oversight of consumer financial products and services, which at that time were regulated by the Federal Trade Commission alongside a patchwork of federal and state agencies. The CFPB's mission is ensuring that the market for consumer financial products and services is fair and transparent.¹ The Bureau's mandate includes ensuring compliance with a host of statutes and regulations, such as the Equal Credit Opportunity Act ("ECOA"),² Real Estate Settlement Procedures Act,³ and the Electronic Fund Transfer Act.⁴

The CFPB's core functions include writing rules, supervising companies, and enforcing federal consumer financial laws.⁵ The CFPB has rulemaking, supervisory, and enforcement authority over "covered persons," which include "any person that engages in offering or providing a consumer financial product or service."⁶ Such products or services are defined as those that are offered or provided to consumers "primarily for personal, family, or household purposes" or that are "delivered, offered, or provided in connection with" a financial product or service.⁷ In addition, the Bureau has supervisory authority over mortgage lenders and servicers, payday lenders, private student lenders, and "larger participant[s] of . . . other consumer financial products or services."⁸ And the Bureau can seek to supervise *any* covered person it believes "is engaging, or has engaged, in conduct that poses risks to consumers with regard to the offering or provision of consumer financial products or services."⁹ Through rulemaking, the Bureau has expanded this authority to supervise, among others, credit reporting agencies, student loan servicers, and money transmitters. The Bureau also has non-exclusive supervisory and enforcement authority over insured depository institutions, such as banks, thrifts, and credit unions, with assets over \$10 billion.¹⁰

Under this expansive authority, the Bureau may examine covered persons to assess compliance with federal consumer financial law, obtain information about covered persons' activities and compliance systems, and "detect[] and assess[] risk to consumers and to markets for consumer financial products and services."¹¹ I have testified before that the Bureau's examination power is the CFPB's "most powerful and least transparent tool" due to the lack of an objective third party charged with overseeing the process and adjudicating disputes. The Bureau's enforcement powers bear the same hallmarks, but with potentially greater consequences because of its broad enforcement authority, power to bring *public* lawsuits and administrative actions, and impose significant civil money penalties.

¹ *The CFPB*, CFPB, <https://www.consumerfinance.gov/about-us/the-bureau/> (last accessed June 23, 2025).

² 15 U.S.C. § 1691 *et seq.*

³ 12 U.S.C. § 2601 *et seq.*

⁴ 15 U.S.C. § 1693 *et seq.*

⁵ 12 U.S.C. § 5511(c)(4).

⁶ 12 U.S.C. § 5481(6).

⁷ 12 U.S.C. § 5481(5).

⁸ 12 U.S.C. § 5514(a)(1).

⁹ 12 U.S.C. § 5514(a)(1)(C).

¹⁰ 12 U.S.C. § 5515–16.

¹¹ 12 U.S.C. § 5514(b)(1)(C).

CFPB's Power to Conduct Investigations

Civil Investigative Demands for Documents, Reports, and Written Responses

Before starting proceedings in federal court or before an administrative law judge, the Bureau may commence investigation by issuing a civil investigative demand ("CID") to any person or entity if the agency has reason to believe that they possess documents or information relevant to a potential violation.¹² The Bureau can issue CIDs for documents, written reports—which often require the production of incredible amounts of data—and written responses to interrogatories, all of which must be furnished within a short time period after receiving the CID.¹³ In recent years, the Bureau expected companies to collect and provide tens of thousands of pages (all of which must be reviewed for responsiveness and privilege) and millions of data points, sometimes dating back more than half a decade, within 30 days. Companies can negotiate extensions and modifications to CID requests. Under the past administration, however, CIDs were typically overly broad. It was exceedingly difficult for companies to narrow CIDs or secure extensions. And this was especially difficult for small companies, who were often negotiating against nearly impossible expectations. This unfortunate pattern resulted in companies spending significant sums of money, not to mention thousands of personnel hours, responding to CIDs, which in some cases targeted practices that allegedly caused little, if any, consumer harm.

According to the CFPB's own rules, CIDs must include a notification of purpose that advises the recipient of "the nature of the conduct constituting the alleged violation that is under investigation."¹⁴ But the Bureau often crafted exceedingly broad statements of purpose that provided little transparency about the investigation. Past notifications provided that the CFPB was investigating whether a company has "engaged in unlawful discrimination" in violation of ECOA, "improperly originated mortgage loans" in violation of the Consumer Financial Protection Act, or "made false or misleading representations to consumers." These statements of purpose did not describe, with any particularity, conduct the Bureau was investigating and sometimes allowed the Bureau to engage in fishing expeditions when initial productions did not uncover any violations. In one of the few instances where a company challenged a CID, a federal court struck down the CID because the statement of purpose was too vague to comply with the statutory requirement that it describe the conduct being investigated.¹⁵

While CIDs must describe the materials requested with "such definiteness and certainty as to permit such material to be fairly identified,"¹⁶ the law contains virtually no limitation on the scope of what the CFPB can request. Unlike litigation governed by the Federal Rules of Civil Procedure, the Bureau has virtually unlimited power to demand the production of documents, data, and written responses pertaining to any aspect of a covered person's business, even those that are entirely unrelated to the company's offering of consumer financial products. At times, when a company's CID responses did not reveal any potential violations, the Bureau issued multiple CIDs, resulting in investigations lasting three years or longer.

Civil Investigative Demands for Oral Testimony

In addition to requesting documents, written responses, and data reports, the Bureau has the power to issue CIDs for oral testimony. The CFPB conducts these investigational hearings without any oversight from a court or administrative law judge, meaning witnesses are afforded little to no due process protections. Notably, the Bureau is not required to follow the Federal Rules of Civil Procedure during investigational hearings. Those rules are intended to protect witnesses, promote fairness, and provide ground rules for the parties. For example, the Federal Rules allow counsel for the witness to object to

¹² 12 U.S.C. § 5562.

¹³ 12 C.F.R. § 1080.6

¹⁴ 12 C.F.R. § 1080.5.

¹⁵ *CFPB v. Accrediting Council for Indep. Colleges & Sch.*, 183 F. Supp. 3d 79, 82–83 (D.D.C. 2016) (holding that the CFPB lacked the authority to issue a CID stating that the agency was investigating the third party's "unlawful acts and practices in connection with accrediting for-profit colleges" (emphasis omitted)).

¹⁶ 12 U.S.C. § 5562(c)(3)(A).

questions that are unclear, confusing, or improper.¹⁷ But these rights are not afforded to covered persons and other witnesses in CFPB investigational hearings. Although counsel may attend, the ability to object is severely limited,¹⁸ allowing the Bureau to pose compound, convoluted, or leading questions that would be impermissible in other civil proceedings.¹⁹ As discussed below, companies can object to the hearing through a petition to modify or set aside the CID, which the CFPB, rather than a neutral third party, decides.²⁰

Challenging Civil Investigative Demands

Information obtained through CIDs and investigational hearings is generally non-public. While covered persons often pay high prices to comply with CIDs, the investigation remains confidential and businesses can protect their reputations so long as the investigation is pending. If, however, a company wishes to challenge the CID, it must file a petition with the CFPB, who posts the petition on its website,²¹ making the matter public and harming the business's reputation and risking its financial future *before* the CFPB has gathered any evidence of a violation from the company. Few businesses, therefore, have the appetite to challenge CIDs even if the CFPB has exceeded its authority. In the absence of proper mechanisms to challenge or limit the scope of CIDs, companies have been subjected to defective, unreasonable, and overly broad CIDs that were ripe for challenge.

CFPB's Vast Enforcement Powers

Once the Bureau concludes its investigation, it affords the target an informal opportunity to present its positions and defenses to the Bureau before a public lawsuit is filed.²² The Bureau describes this process as the "Notice and Opportunity to Respond and Advise" ("NORA"). The NORA process should "strike[] a balance between fairness to those under investigation and protection of the public interest" by allowing the agency to respond quickly to "unlawful conduct."²³ Under the past administration, unfortunately, this process often failed to provide a fair and thorough consideration of the facts and legal issues.

All paths through which a covered person can obtain impartial review of the Bureau's investigative findings are public. The Bureau may bring an enforcement action in federal court or through an administrative proceeding. Administrative proceedings are adversarial proceedings before an administrative law judge, who issues a recommended decision to the CFPB Director. Ultimately, the Director issues a final decision adopting or modifying the administrative law judge's recommendations.²⁴

Historically, the Bureau has extracted consent orders from companies who fear the reputational damage from being sued by the CFPB and lack the resources to litigate against the CFPB.²⁵ Past consent orders levied outsized financial penalties, often without identifying meaningful consumer harm and or evidence-based link between the amount of redress and the alleged harm to consumers. In some instances, the CFPB has sought to name chief executive officers and hold them personally liable for activities outside of

¹⁷ Fed. R. Civ. P. 30(c).

¹⁸ 12 C.F.R. § 1080.9(b).

¹⁹ Fed. R. Evid. 611(c).

²⁰ 12 C.F.R. § 1080.6(e).

²¹ 12 U.S.C. § 5562(f).

²² See *CFPB Bulletin 2011-04 (Enforcement)*, CFPB (Nov. 7, 2011), available at <http://www.consumerfinance.gov/wp-content/uploads/2012/01/Bulletin10.pdf>.

²³ *Life Cycle of an Enforcement Action*, CFPB, <https://www.consumerfinance.gov/enforcement/life-cycle-of-enforcement-action/> (last modified Dec. 12, 2024).

²⁴ 12 C.F.R. § 1081.400–408.

²⁵ A single CFPB Bulletin contains the Bureau's limited policies on the NORA process. See *CFPB Bulletin 2011-04 (Enforcement)*, CFPB (Nov. 7, 2011), available at <http://www.consumerfinance.gov/wp-content/uploads/2012/01/Bulletin10.pdf>.

the officer's duties. The result is that, too often, the CFPB has sought enormous sums of money for purported violations that caused little to no consumer harm.

Pending Legislation

The Civil Investigative Demand Reform Act of 2025, introduced by Representative Andy Barr to the House of Representatives on February 27, 2025, recognizes this history of investigatory overreach and aims to provide safeguards to the Bureau's investigative powers.²⁶ The bill would limit the scope of CIDs by grounding the notification of purpose in "specific reference to particular facts."²⁷ It permits company counsel to submit questions to the Bureau related to the scope and breadth of the CID.²⁸ The bill introduces additional grounds for setting aside CIDs, including for being "unduly burdensome, disproportionately expensive, and outside the scope of the inquiry" or "unreasonably cumulative or duplicative, or [for materials that] can be obtained from some other source that is more convenient, less burdensome, or less expensive."²⁹ Finally, the bill would make the CFPB's denial of a petition to set aside or modify a CID appealable.³⁰ The bill merits meaningful consideration because it introduces sensible ways to reform the CFPB's enforcement powers.

Thank you again for the opportunity to participate today. I look forward to addressing any questions you may have.

²⁶ H.R. 1653, 119th Cong. (2025).

²⁷ H.R. 1653, 119th Cong. § 2(b) (2025).

²⁸ H.R. 1653, 119th Cong. § 2(c) (2025).

²⁹ H.R. 1653, 119th Cong. § 2(e) (2025).

³⁰ H.R. 1653, 119th Cong. § 2(f) (2025).

Chairman MEUSER. Thank you.

The gentleman yields back.

Ms. Bassett, you are now recognized for 5 minutes for your oral remarks.

**STATEMENT OF JENNIFER BASSETT, CHIEF EXECUTIVE
OFFICER, PACIFIC RIM ALLIANCE CORPORATION**

Ms. BASSETT. Thank you.

Chairman Meuser, Ranking Member Green, and members of the subcommittee, thank you for the opportunity to testify before you today.

My name is Jennifer Bassett. I am CEO of Pacific Rim Alliance Corporation, a small, women-owned financial services company based in Phoenix. For 36 years, we have provided small-dollar loans and essential financial services to underserved consumers. We are a State-licensed, federally compliant business with no outside investors.

Our customers are everyday, working people who rely on our services for short-term credit when traditional options fall short. Our products help them afford urgent car repairs, appliance repairs, and avoid utility shutoffs, overdraft fees, or even eviction.

I am here today because our business, along with others in the small-dollar-lending sector, were designated for enforcement by the CFPB under Director Chopra's leadership. The CFPB pressured our small, compliant business to the brink, not because of any proven wrongdoing but due to a bias against our industry.

We are a small company that is getting smaller. Since the start of this targeted enforcement campaign, we have closed 35 percent of our locations and laid off a third of our staff. We currently operate 30 branches across 5 States and employ 80 people.

At some of our lower-performing locations, as they approached lease renewals, we were forced to make difficult decisions, including closing branches we had successfully operated for over 25 years. Rather than reinvesting to improve underperforming branches, we had to divert resources, both financial and human, to comply with burdensome demands by the CFPB.

We have been the subject of an ongoing investigation by the CFPB for 3 years, since July 2022. The Bureau has issued three CIDs, each more burdensome than the last. None has been tied to any specific allegation, consumer complaint, or exam finding.

Despite our full compliance with the first CID, which included producing over 11,000 pages of documents and my participation in an entire-day 8 hours of testimony, we never received any follow up or feedback from the Bureau.

Rather than focusing their investigation, we received a second sweeping CID demanding detailed data on every loan made for a period of 6 years, as well as all internal communications, all personnel files, and more. We were also expected to review and produce 3.8 million emails. Still, no violations were cited.

The third CID requested additional written responses and multiple investigational hearings with employees.

Each time, we complied in good faith. We had to hire outside counsel. We do not have in-house attorneys. The legal fees and

costs have now reached nearly half a million dollars. A half a million dollars is an extraordinary burden for a company of my size.

We petitioned the Bureau twice for relief. Both petitions were denied by the very agency that issued the demands. There is no neutral arbiter, no check on the Bureau's authority. Director Chopra served as the judge, jury, and executioner.

Even worse, after submitting confidential financial data to support the tremendous strain we were under in our first petition, the CFPB published our sensitive business and financial information while redacting their own most aggressive CID demands. This kind of selective transparency has a chilling effect on participation, and it intimidates businesses.

We have a history of working cooperatively with the CFPB. We underwent full, lengthy examinations in 2015 and 2018 with no violations of law, zero fines, and no penalties.

We suspect we were targeted, in part, because I participated in the 2015 Small Business Regulatory Enforcement Fairness Act (SBREFA) panel for the CFPB's Small Dollar Lending Rule. When that rule was deemed unworkable and largely rescinded, Chopra's Bureau shifted tactics, regulating not through rulemaking but through enforcement. Multiple small lenders like us were hit with nearly identical CIDs. This was not a company-specific investigation; it was an intimidation campaign against our industry.

Director Chopra has claimed that the Bureau was focused on large participants and repeated offenders, but our experience tells a different story. We are neither large nor a repeat offender. Yet we have been hammered, our reputation damaged, and our ability to serve customers weakened.

This is not how regulatory oversight should function in America. Enforcement should be targeted, fair, and transparent, not arbitrary or punishing.

The current CID process lacks procedural safeguards. That is why I urge the subcommittee to support real, meaningful reforms to this process, including supporting the bipartisan CID Reform Act.

The CFPB should be a watchdog, not an attack dog.

Thank you, and I look forward to your questions.

[The prepared statement of Ms. Bassett follows:]

**Statement of Jennifer Bassett, CEO
Pacific Rim Alliance Corporation**

**U.S. House Committee on Financial Services
Subcommittee on Oversight and Investigations**

**Hearing Entitled: From Watchdog to Attack Dog:
Examining the CFPB's Chopra-era Assault on Disfavored Industries**

June 26, 2025

Chairman Meuser, Ranking Member Green, and members of the Subcommittee, thank you for the opportunity to testify before you today as the Subcommittee examines an issue that is of great personal interest to me, and to my small business: the transition of the Consumer Financial Protection Bureau (the "CFPB" or the "Bureau") from watchdog to attack dog.

Introduction

My name is Jennifer Bassett, and I am the CEO of Pacific Rim Alliance Corporation ("Pacific Rim"). Pacific Rim is a licensed consumer financial services company headquartered in Phoenix, Arizona. We are a women-owned small business operating for 36 years. We do not have any outside investors or private equity financing. As I will detail below, Pacific Rim was the target of a concerted and unjust campaign by the Consumer Financial Protection Bureau (CFPB) for the past three years. This was not due to any illegal conduct on our part, but rather because we operated in an industry disfavored by Director Chopra and members of the Bureau's enforcement staff. Simply put, Pacific Rim was the victim of Chopra's weaponization of the CFPB. We were not treated as a regulated entity deserving of fair oversight, but as an adversary whose business model was unwelcome, regardless of our compliance with the law.

Today, Pacific Rim operates 30 branch locations across five (5) states. We employ a total of 80 people. We are clearly a very small business. At the start of this ideologically driven investigation in July of 2022, we had 46 locations and 110 employees. Our company has shrunk, requiring the closing of 35% of our locations and separating from a third of our staff. As some of our lower-performing locations approached lease renewal, we were forced to make difficult decisions, including closing branches we had successfully operated for over 25 years. Under normal circumstances, we would have reinvested resources to support and revitalize underperforming locations. However, the extraordinary burden imposed by the CFPB

investigation—both in terms of financial strain and human resources—left us with no capacity to do so.

This investigation, which has been carried out for almost three (3) years, and has still not concluded, was not the result of any wrongdoing by our company, it was not precipitated by consumer complaints or exam findings, and it was not the result of state regulatory concerns. In fact, the CFPB has never articulated the legal theories under which they have pursued us. More importantly, the investigation has not resulted in a single finding or violation by the CFPB with respect to our company.

The principal method employed by the CFPB to pursue their crusade involves Civil Investigative Demands (CIDs). These demands have been issued repeatedly and without constraints, yet they have not identified any issues, consumer harm, or legal violations. We engaged with the CFPB and responded to the CIDs in good faith, and have even used the Bureau's appeal process, to no avail. The Bureau's CIDs have cost us hundreds of thousands of dollars in legal fees and consumed thousands of hours of staff time—resources that should have been devoted to improving and growing our business. The investigation has also damaged our reputation, leading to the loss of valued employees due to its public nature. We've also had to provide explanations to concerned vendors. Collectively, these impacts have caused lasting and, in some respects, irreparable harm to our company.

Pacific Rim's Business is Essential for Consumers and Complies with All Applicable Laws

Pacific Rim offers small dollar loans, along with other essential financial services to consumers in five Western states. In addition to small dollar loans, we offer check cashing, money transfers, electronic bill payment services, money orders, prepaid cards, and other money services businesses. Thousands of consumers rely on our services to conduct their day-to-day financial affairs. Pacific Rim's business was among those declared to be essential by the U.S. Treasury Department and by the governors and financial regulators of all 50 states during the COVID-19 pandemic. The closing of locations by Pacific Rim impacts not only our company and our employees, but the tens of thousands of customers who rely on our products and services.

Small dollar loans offer a lifeline to a wide array of consumers, providing critical access to credit to those underserved, ignored, or left behind by other financial institutions, or those who simply do not trust those providers. These loans provide essential support to borrowers facing unexpected expenses or temporary financial shortfalls, especially in an increasingly costly and uncertain economic environment. In short, small-dollar loans serve a critical role in the financial lives of the individuals and families who depend on them.

We are a state-licensed lender, and the small-dollar loans we offer are authorized and comprehensively regulated under applicable state laws, as well as several federal laws. These state laws require us to undergo regular supervision, obtain and maintain licenses, clearly disclose loan costs and fees, inform borrowers of their rights—including the right to rescind—and comply with limits on interest rates and fees. Our lending and refinancing practices align with industry standards and best practices. We operate within a robust framework of state and federal consumer protection regulations that ensure borrowers receive all necessary information to evaluate our loan products and make informed financial decisions based on their needs and circumstances. Our customers consistently report satisfaction with our services and demonstrate a clear understanding of the associated costs. Notably, we account for just 0.08% of all CFPB complaints, underscoring both our compliance and our commitment to responsible lending.

The Small Dollar Loan Products Offered by Pacific Rim are not Favored by the CFPB

In 2015, during the administration of former CFPB Director Richard Cordray, the CFPB promulgated an extensive and highly prescriptive set of regulations on small dollar loans. Prior to finalization of those regulations, the Bureau was required to conduct a Small Business Review Panel pursuant to the Small Business Regulatory Enforcement Fairness Act (“SBREFA”). Since Pacific Rim is a “Small Business” under the Small Business Administration’s standards, I was invited to participate in the SBREFA Panel for the proposed Payday Lending Rule (the “Small Dollar Rule”).¹ I believe that it was my participation on the SBREFA Panel made Pacific Rim a target for the CFPB.

The CFPB issued its final Small Dollar Rule in 2017, containing two parts: an “ability-to-repay” provision and a “payments” provision. The Rule was overly prescriptive and imposed unrealistic borrower requirements that would have effectively eliminated small-dollar lending. It was also unduly influenced by consumer advocacy groups. The industry challenged the Rule in federal court, and in 2018, under Director Kathy Kraninger, the CFPB rescinded the ability-to-repay provisions, recognizing they would unjustly restrict access to credit for millions. Due to ongoing litigation and the rescission, the Rule has never taken effect. Recently, the Bureau indicated it is deprioritizing enforcement of the remaining payments provisions.

When the Bureau failed in its efforts to finalize the Rule’s prescriptive lending requirements, the Enforcement Office under Director Chopra began investigations of several small dollar lenders, including Pacific Rim. From the start, it has been clear that the investigation into Pacific Rim sought to use the Bureau’s broad UDAAP authority to challenge our business model itself,

¹ 1 Final Report of the Small Business Review Panel on CFPB’s Rulemaking on Payday, Vehicle Title, and Similar Loans, p. 13 (June 15, 2015), available at: https://files.consumerfinance.gov/f/documents/3a_-_SBREFA_Panel_-_CFPB_Payday_Rulemaking_-_Report.pdf. Note that Ms. Bassett has, in the past (including when she served on the SBREFA panel), gone by Jennifer Robertson.

although small dollar loans are lawful products that provide consumers with valuable access to credit. These investigations were an obvious attempt to “regulate through enforcement.” Interestingly, the Bureau has issued identical CIDs to at least three (3) other small dollar lenders at the same time ours were issued, demonstrating that the investigation was aimed broadly at the industry and not at any business practice of Pacific Rim.

The campaign waged against us, and other consumer lenders, by the CFPB has negatively impacted the consumer lending industry at large, adversely affecting our customers who have few regulated alternatives for credit.

The CFPB’s Investigations into Pacific Rim are Without Any Basis

We have a history of cooperating with the Bureau. In 2015, the CFPB conducted a supervisory examination of our business. They sent ten examiners to our small corporate office for ten weeks. We underwent another examination again in early 2018 with a similar number of examiners. For a small business, I believe that this level of scrutiny is extraordinary. Nevertheless, neither of these supervisory exams identified any violations of law whatsoever. Despite these extensive examinations, we received no fines, no penalties, and were not required to provide any restitution to our customers—clear evidence that the Bureau found no wrongdoing on our part.

Neither of these prior exams should have given rise to CIDs nor the extensive investigation into our business. We are simply a small player – but in an industry that the Bureau does not like.

Frustrated by its Inability to Implement its Small Dollar Rule, or Uncover Exam Findings, the CFPB Began a Campaign Against Pacific Rim Powered by Civil Investigative Demands

The First CID

The CFPB’s CID campaign against Pacific Rim began with its issuance of an initial CID on July 8, 2022. This initial CID included extensive interrogatories, a request for a written report from the company, document requests, and a demand for an investigative hearing inquiring into our business practices. The CID was not based upon any finding of a violation of law substantiating the investigation. Despite this failure, and the burdens imposed on us by the CID, we fully complied with the CFPB by producing over 11,000 pages of documents and information. In addition, I personally appeared for a full day of testimony and answered questions on a wide array of topics. No specific legal issues or violations were raised at the hearing. Following our response, and my testimony, the Bureau never advised us that it had found any violation, nor did it conclude its investigation. The Bureau never asked any follow up questions or additional explanations. Instead, we were left to wonder whether the matter was closed or ongoing. This CID cost us close to \$100,000, in addition to the extreme personnel strain on our resources.

The Second CID

Then, on January 5, 2023, the Bureau issued a second, sweeping CID, which expanded the scope of the first CID that remained unresolved. This CID sought, among other things, detailed data on every loan made by the company over a six-year period, reports and audits covering nearly every aspect of our consumer lending business, communications (including 3.8 Million emails) relating to marketing, origination, servicing, and collection (the soup-to-nuts of our lending business), and thousands of loan files. In total, the 2023 CID included eight interrogatories (with 23 subparts), 18 document requests (with 26 subparts), and eight requests for written reports (with 75 subparts).

The Bureau's second CID was overly broad, burdensome, bore little relation to its notification of purpose, and failed to focus its inquiry following the 2022 CID. More specifically, the CID requested nearly every document and communication concerning our consumer business, detailed information and personnel files for former and current employees, and all transactional information about every loan made by us since 2017 (more than 1.8 million loans). It sought information the Bureau knew did not exist or which had already been provided, and, once again, failed to reflect any narrowing of the Bureau's focus following the 2022 CID. But still, we followed procedure and, after a "meet and confer" conference, we asked the CFPB to withdraw the CID, narrow its focus, and identify its specific concerns. The Bureau refused to do so.

Pacific Rim Petitions for Relief – The First Time

On January 25, 2023, we filed a Petition seeking to set aside the CID. In our Petition, we explained the CID's tremendous burden (in particular, relating to its massive email requests) including that it would require us to spend millions of dollars on attorney's fees and document production costs. In support of our Petition, we provided the Bureau with confidential and proprietary financial information to demonstrate the detrimental impact of the process on Pacific Rim. We specifically requested that the Bureau treat this information confidentially due to its sensitive nature. In utilizing the CFPB's petition process, we felt that we would get a fair hearing of our reasonable requests.

Despite our valid arguments, on March 23, 2023, Director Chopra denied our Petition. When the Bureau published our Petition and its decision on its website, it curiously redacted information about the scope and breadth of its CID but published the confidential and proprietary financial information that was included in our Petition. The portions of the CID that were redacted

concealed from public scrutiny the most egregious aspects of the requests, demonstrating the massive amount of information requested from us.

This outcome led to a realization: The CFPB's petition process is patently unfair. No neutral party considers the arguments of the petitioner and the burdens of the process. It is one in which the victim is without recourse and the director of the CFPB is the judge, jury, and executioner.

Over the next several months following the denial of our Petition, we diligently produced documents, information, and email communications to the Bureau. Given our limited personnel, I was required to handle nearly all these tasks, in addition to my day-to-day duties as CEO. The process caused great financial strain on our company in terms of legal fees, document production costs, personnel costs, and drain on my time. We produced emails and loan files on a rolling twice a month basis. We predicted this process would take several years and much more money than we could afford to complete, thus we continually asked the CFPB to narrow the scope. Nevertheless, we responded to every request in the CID with remaining emails and loan files continuing the rolling monthly schedule.

The Third CID

Even though there were no violations or findings against us, on August 14, 2024, the Bureau issued another CID (the "2024 CID") to Pacific Rim. The 2024 CID sought four "investigational hearings" with testimony of three of our employees, along with a corporate representative. The testimony, which was to be conducted over five days, was supposed to cover seven different topics and 15 sub-topics. In addition, the CID included detailed, multi-part written requests.

Once again, we requested that the CFPB modify the CID to limit the burden of the proposed hearings. The Bureau still did not identify any issues, consumer harm, violations of law, or specific concerns about unfair, deceptive, or abusive acts or practices. We advised the Bureau that complying with the CID, which included overbroad and burdensome demands, would seriously hinder the operations of the business. Again, the Bureau ignored our requests.

Pacific Rim Petitions for Relief – The Second Time

After our request was denied, on September 3, 2024, we petitioned the Bureau to set aside the CID (the "2024 Petition"), citing the financial and personnel strain of preparing four witnesses for testimony along with the costs of travel and legal fees. We advised the Director that responding to the 2024 CID would put our total attorneys' fees and costs in connection with the investigation across all three CIDs at upwards of **half a million dollars**. On November 13, 2024, Director Chopra denied our second Petition. This denial came even after the election of President Donald Trump.

Once again, no neutral party evaluated the reasonableness of the CID or our arguments. As a result, the burdens of the CID on a small business like Pacific Rim were completely ignored. On January 6, 2025, we advised the CFPB in writing that we disagreed with the Decision and that we would not respond to the 2024 CID until the new Administration could review the investigation.

The CFPB Refuses to Adhere to Protocol and Halt the Investigation

Notwithstanding the election and the fact that the new Administration intended to review pending administrative actions, the CFPB pushed ahead, continuing to send interim demands for status updates, requesting additional information related to (but not contained in) the CIDs, and seeking supplements to our prior productions.² It was not until Acting Director Bessent's stop-work order on February 3, 2025, that the Bureau ceased its constant barrage of requests. The investigation into Pacific Rim, which has cost us hundreds of thousands of dollars, and resulted in not a single finding of wrongdoing, has dragged this process on for three years, which is well past the Bureau's two-year investigation goal.³

Indeed, the Bureau's investigation into Pacific Rim represents a "bureaucratic witch hunt" of the kind outlined by the Chairman of the Senate Banking Committee, Senator Tim Scott (R-SC), during former Director Chopra's June 2024 hearing before the Committee. Then-Director Chopra reassured lawmakers that the Bureau's focus was on large market participants and "repeat offenders," neither of which designation applies to Pacific Rim. During similar hearings before the House Financial Services Committee, Director Chopra also expressed concern for small companies facing the Bureau's massive enforcement authority, stating that "You cannot have a situation where small businesses just get . . . the hammer, and everyone else is sort of getting a light touch."

Contrary to Director Chopra's testimony, however, the CFPB approached this investigation of our small business with the blunt force of a hammer. It issued three CIDs to us over the course of the investigation and has continually harangued us for status reports and other information outside of the CIDs. The investigation is a continuing fishing expedition in search of a theory and reeks of regulation by enforcement. We have repeatedly asked the Bureau to identify specific

² In just the two-week time period from December 20 to January 3—which spanned two major holidays—the Bureau sent three separate communications demanding documents and information (January 2, 2025 letter from A. Seabrook to L. Morris; December 23, 2024 letter from A. Seabrook to L. Morris; December 20 email from A. Seabrook to A. Caton and L. Morris), one of which contained 10 separate requests (December 23, 2024 letter from A. Seabrook to L. Morris).

³ Consumer Financial Protection Bureau, Evaluation Report, 2024-SR-C-002 (January 8, 2024), "The CFPB Can Enhance Certain Aspects of Its Enforcement Investigations Process," available at: [chromeextension://efaidnbmnnnibpcjpcglclefindmkaj/https://www.consumerfinanceinsights.com/wpcontent/uploads/sites/9/2024/01/cfpb-enforcement-investigation-proces.pdf](https://www.consumerfinanceinsights.com/wpcontent/uploads/sites/9/2024/01/cfpb-enforcement-investigation-proces.pdf).

concerns regarding our business practices. The Bureau has never identified any issues, consumer harm, or violations of law.

Conclusion: The CID Process Must Be Reformed

The Bureau's endless investigation of Pacific Rim is a prime example of the weaponization of an agency that was designed to provide protection to consumers and recourse for those who have been harmed. The CFPB has never identified any consumer harm or violation of law by Pacific Rim. Further, the process provided to a company like ours for relief is woefully inadequate. Once served with a CID, a company has no way out other than to capitulate to the Bureau's demands, no matter how unreasonable, costly, and burdensome they are. Entrusting the review of a CID to the director of the agency that issued the demand is hollow, and a denial of due process. It should be replaced with a process that is fair to the victims – in this case, the owners, employees, and customers of Pacific Rim. The process must include a neutral arbiter to promptly resolve the issues and should impose standards for the issuance and prosecution of CIDs.

We hope that this Subcommittee will support real meaningful reforms to this process, including supporting the bipartisan Civil Investigative Demand Reform Act (H.R. 1653).

Thank you again for the opportunity to testify before you today. I am happy to answer any questions.

Chairman MEUSER. Thank you, Ms. Bassett, for your testimony. We now recognize Mr. Watkins for 5 minutes for his remarks.

STATEMENT OF DEVIN WATKINS, ATTORNEY, COMPETITIVE ENTERPRISE INSTITUTE

Mr. WATKINS. Chairman Meuser, Ranking Member Green, and members of the subcommittee, I appreciate the opportunity to speak to you today.

My name is Devin Watkins. I am an attorney at the Competitive Enterprise Institute (CEI). CEI has advocated for nearly 40 years for a more accountable government rather than bureaucratic control so people can live freer, healthier, and more prosperous lives.

Two years ago, I testified before this committee to express serious concern about the structure and conduct of the Consumer Financial Protection Bureau. I proposed reforms to the CFPB. Shortly after my testimony, the Supreme Court granted a review in *Jarkesy* and, last year, agreed with me that jury-free administrative trials for the imposition of fines, like those used by the CFPB, are unconstitutional.

The absence of a reform I proposed—that rules clearly define unlawful actions before enforcement—led to the abuses I will discuss today.

Regulatory enforcement abuse, like that which occurred at CFPB, is just another form of prosecutorial abuse. A normal prosecutor waits for a potential victim, examines the evidence to see if a well-known violation of law occurred, and then brings enforcement to protect that specific victim. The problem occurs when prosecutors follow the old Soviet saying, “Show me the man, and I’ll show you the crime.”

That chilling phrase reflects a regime where law is not a constraint on power but a tool of it, where the decision of who to investigate comes first and the legal justifications follow later, where the government does not apply well-known rules, it invents them for the occasion.

Sadly, this has become the reality of too many businesses facing CFPB enforcement actions. Let me illustrate with three concrete examples.

Consider the case of Comerica Bank, which CFPB sought to penalize over consumer-call wait times. I know the CFPB regulates banks, but there is no law or CFPB rule stating how long is too long for a wait time. The agency simply declared that the wait time was too long and sought to retroactively punish Comerica for violating the new rules.

John Locke described freedom as having a standing rule to live by, not to be subject to the inconstant, uncertain, unknown, arbitrary will of another man. If a company cannot know in advance what conduct it will be punished for, that is not regulation; it is an ambush.

The second example involves Acima, Snap Finance, and the broader rent-to-own industry. Such rent-to-own leases were not previously treated as credit, but one day the Bureau simply announced they were now subject to its authority as credit products, and then, in violation of the *ex post facto* prohibitions, or at least

the spirit thereof, the CFPB fined companies for transactions that occurred before the new interpretation was announced.

Lastly, Townstone Financial is a small Chicago mortgage company. The CFPB did not go after Townstone for denying anyone a loan. There were no consumer complaints; so, what was CFPB's issue? Townstone's owner, Barry Sturner, had a weekend radio talk show. On the radio talk show, Mr. Sturner expressed concern about crime in urban neighborhoods. CFPB targeted Townstone Financial for his protected speech.

The CFPB then destroyed his business by claiming complaints about neighborhood crime on the radio were really disguised attempts to dissuade minority applicants from mortgages.

Facing a mountain of fines and after 7 years and spending a million dollars to defend itself, Townstone was offered a settlement for \$105,000. That might sound big, but it is less than it would cost to hire a private attorney to fight those charges in court.

Townstone was defended by many great lawyers, including Pacific Legal Foundation, an excellent nonprofit law firm that defends many worthy causes. Townstone's costs could easily have doubled but for the legal assistance provided pro bono, but, still, the burdens of litigation were too much for Townstone to continue.

Coerced plea agreements are far too common in today's legal system. When people are facing millions in fines and offered a settlement for less than what it costs to defend yourself, many innocent people give in. A coerced agreement of an innocent person is not a badge of honor for the prosecutors but a mark of shame.

These cases represent a broader pattern where the CFPB has brought cases for the purpose of stretching its authority. Congress never gave CFPB authority to regulate consumer-call wait times, comments on radio talk shows, or rent-to-own leases. The agency just seized that power.

Fortunately, there is cause for hope. Under new leadership, the CFPB has dismissed many of these abusive actions. It has also tried to unwind the Townstone settlement, recognizing that the enforcement violated the First Amendment.

Shockingly, a Federal judge has refused to let the agency correct its own mistake. According to the judge, the people cannot be allowed to select new leaders to reverse constitutional violations by their government.

A President has the power to pardon even the most atrocious terrorists and traitors, but for some reason an unconstitutional settlement in a civil proceeding cannot be vacated. This is wrong.

The rule of law is not a partisan issue. It is the foundation of our Republic.

Thank you.

[The prepared statement of Mr. Watkins follows:]



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**Testimony of Devin Watkins
Attorney at the Competitive Enterprise Institute**

**United States House of Representatives
Financial Services Committee
Subcommittee on Oversight and Investigations**

**From Watchdog to Attack Dog:
Examining the CFPB's Chopra-era Assault on Disfavored Industries**

June 26, 2025

Chairman Meuser, Ranking Member Green, and Members of this Subcommittee, I appreciate the opportunity to speak to you today.

My name is Devin Watkins. I am an attorney at the Competitive Enterprise Institute. CEI has advocated, for nearly forty years, for more accountable government rather than bureaucratic control, so people can live freer, healthier, and more prosperous lives.

Two years ago, I testified before this committee to express serious concerns about the structure and conduct of the Consumer Financial Protection Bureau. I proposed reforms for the CFPB, and shortly after my testimony, the Supreme Court granted review in *Jarkesy* and last year agreed with me that jury-free administrative trials for the imposition of fines—like those used by the CFPB—are unconstitutional. The absence of my proposed reform—that rules clearly define unlawful actions before enforcement—has led to the abuses I will discuss.

Regulatory enforcement abuse, such as occurred at the CFPB, is just another form of prosecutorial abuse. A normal prosecutor waits for a potential victim, examines the evidence to see if a well-known violation of the law occurred, and then brings enforcement to protect that specific victim. The problem occurs when the prosecutors follow the old Soviet saying: “Show me the man, and I’ll show you the crime.”

That chilling phrase reflects a regime where law is not a constraint on power, but a tool of power. Where the decision of who to investigate comes first and the legal justification follows later. Where the government doesn’t apply well-known rules; it invents them for the occasion.

Sadly, this has become the reality for too many businesses facing CFPB enforcement actions. Let me illustrate with three concrete examples.

Consider the case of Comerica Bank, which CFPB sought to penalize over customer call wait times. I know CFPB regulates banks, but Congress never authorized CFPB to regulate call wait times. There is no law or CFPB rule stating how long a wait time must be. The agency simply decided that the wait time was too long, and sought to retroactively punish Comerica for violating the new rules.

John Locke described freedom as having a “standing rule to live by . . . not to be subject to the inconstant, uncertain, unknown, arbitrary will of another man.” If a company cannot know in advance what conduct it will be punished for, that is not regulation—it is an ambush.

A second example involves Acima, Snap Finance, and the broader rent-to-own industry. The CFPB had never previously regulated rent-to-own leases as credit. Such leases were not previously treated as credit under the law or in CFPB guidance. But one day, the Bureau simply announced that these transactions were now subject to its regulatory authority as “credit” products.

In violation of the spirit of *ex post facto* prohibitions, the CFPB fined companies for transactions that occurred before that new interpretation was announced. That is retroactive enforcement against acts that the government considered lawful at the time. This kind of enforcement regime makes it impossible for good-faith businesses to operate with any confidence. Article I, Section 9, Clause 3 prohibits Congress from passing criminal *ex post facto* laws, “*No Bill of Attainder or ex post facto Law shall be passed,*” but similar punitive civil enforcement should be avoided as well.

Lastly, Townstone Financial is a small Chicago mortgage company. Although this case started before Chopra joined the CFPB, it continued throughout the Chopra-era CFPB. The CFPB didn’t go after Townstone for denying anyone a loan. There were no consumer complaints.

So what was the CFPB’s issue?

Townstone’s owner, Barry Sturner, had a weekend radio talk show. On the radio show, Sturner expressed concern about crime in urban neighborhoods. The CFPB used audio mining software to identify speech it considered beyond the pale, and it targeted Townstone Financial for Barry’s protected speech. The CFPB then destroyed his business by claiming complaints about neighborhood crime on the radio were really disguised attempts to dissuade minority applicants for mortgages.

According to an internal CFPB memo, Townstone could face as much as \$42 million in fines, although CFPB would reduce that to only \$1 million. Facing that mountain of fines, after seven years of spending a million dollars to defend itself, Townstone was offered a settlement for less than it would cost to hire a private lawyer to fight the charges in court. Townstone was defended by Steve Simpson and others at Pacific Legal Foundation, an excellent nonprofit law firm that defends many worthy causes, and Marx Sterbcow. Townstone costs could easily have doubled but for legal assistance provided pro bono, but still the burdens of litigation were too much for Townstone to continue.

Coerced plea agreements are far too common in today’s legal system. When people are facing millions in fines or decades in jail and are offered an agreement to plead guilty for less than it costs to hire a private lawyer to defend yourself and no additional jail time, many innocent people agree to a settlement or plea deal. A coerced agreement of an innocent person is not a badge of honor for the prosecutors, but a mark of shame that they caused an innocent person to be punished.

These are not isolated cases. They represent a broader pattern which the rule of law is supposed to prevent. The CFPB appear to have brought these actions for the purposes of stretching its authority. Congress never gave the CFPB authority to regulate customer service wait times, comments on radio talk shows, or rent-to-own leases, the agency just seized that power.

Fortunately, there is cause for hope. The Trump administration is taking important steps to halt these abuses. Under new leadership, the CFPB has dismissed the abusive enforcement against Comerica Bank, Acima and the rent-to-own industry.

The CFPB has also tried to unwind the Townstone settlement, recognizing that the enforcement violated the First Amendment. This kind of accountability is rare and welcome. But shockingly, a federal judge has refused to let the agency correct its own mistake, blocking the effort to vacate the unjust settlement. According to this judge, the people cannot be allowed to select new leaders to reverse the constitutional violations by their government. President Trump has the power to pardon even the most atrocious terrorists and traitors, but for some reason an unconstitutional settlement in a civil proceeding cannot be vacated. This is wrong.

This situation underscores a disturbing truth: under our current system, constitutional violations may be locked in place—not because the facts are in dispute, but because the process has become more important than justice itself. That is not how the rule of law is supposed to work. The law should be a shield for the innocent, not a weapon of bureaucracy.

The rule of law is not a partisan issue. It is the foundation of our republic. Without it, no one is safe from arbitrary power. If we are to remain a free people, governed by laws and not by bureaucrats, then Congress must ensure that government agencies are themselves bound by the law.

Thank you.

Chairman MEUSER. Thank you, Mr. Watkins.
 Ms. Harper, you are now recognized for 5 minutes.

**STATEMENT OF MORGAN HARPER, DIRECTOR OF POLICY AND
 ADVOCACY, AMERICAN ECONOMIC LIBERTIES PROJECT**

Ms. HARPER. Thank you.

Chair Meuser, Ranking Member Green, members of the subcommittee, thank you again for the opportunity to testify about the CFPB today.

Since its inception, the CFPB has enforced laws to protect consumers and honest businesses. Today's hearing is about attacks but let us be clear who is attacking American consumers and competition: It is this administration's unleashing of corporate lawlessness and the rejection of CFPB's true law enforcement mission.

This mission is personal. Though I currently serve as the Director of Policy and Advocacy at the American Economic Liberties Project, a few years after the financial crisis I left a corporate law firm to join the agency, appalled at how private-equity-funded corporate giants profited from the crash while so many communities in my home State of Ohio were still reeling economically. I had heard this new agency was trying to do something about it, and I wanted to help.

We wrote rules for prepaid cards and sued Wells Fargo for opening millions of fake accounts in customers' names. Though it garnered fewer headlines, I am also extremely proud of how we looked out for special populations like older Americans. My own 82-year-old mother lost an entire month's pension in a scam involving prepaid cards—a painful violation too many American families have experienced and then reported to the CFPB.

In fact, the CFPB has processed over 10 million consumer complaints, returning, on average, over \$1,400 each. The agency has used every tool Congress bestowed to deliver real results, returning \$21 billion to over 200 million Americans and forcing lawbreakers to pay more than \$6 billion in fines.

Former Director Chopra continued this legacy of cracking down on illegal conduct, whether perpetrated by Wall Street, Big Tech, or newer companies. Under his leadership, the agency confirmed that “buy now, pay later” lenders are credit providers and subject to the same legal protections as credit cards; the agency held data brokers accountable for how they mismanaged consumers' personal financial information; and, through the open banking rule, the CFPB expanded consumer access to their own financial data, allowing companies of all sizes to compete.

The agency took action to ensure fintech companies follow Federal laws, cracking down on debanking and holding repeat non-bank offenders like TransUnion accountable. Chopra's CFPB also did not shy away from suing big guys, like Bank of America, Apple, and Goldman Sachs, for numerous violations.

Acting Director Russell Vought, however, has veered dangerously off this course since assuming his role in February. He has taken a sledgehammer to the agency's enforcement function. The CFPB has dismissed or withdrawn more than half of its pending cases with no explanation. Talk about arbitrary. Many of these were permanently dismissed.

Vought is letting J.P. Morgan, Wells Fargo, and Bank of America off the hook for \$870 million in fraud on the Zelle platform and dropping a case against Capital One for cheating consumers out of \$2 billion in interest payments. It comes as no surprise that both J.P. Morgan and Capital One donated to the President's inauguration fund.

The current administration's CFPB has not just handed out corporate pardons to their friends on Wall Street but also reversed course on already-negotiated settlements, robbing consumers blind. Chopra's CFPB ordered Toyota to pay \$60 million for illegally raising borrowers' monthly car payments. Last month, Trump's CFPB inexplicably terminated the agreement. It is again of note that Toyota donated \$1 million to the President's inauguration.

As Americans continue to manage increased costs, the current CFPB, along with the congressional majority, has rolled back rules that would limit junk fees, including overdraft and credit card late fees. Estimates suggest Vought and Trump's rollbacks have already cost Americans \$18 billion—almost as much as CFPB has returned to the public since opening its doors.

In the background of this destructive policymaking are CFPB employees in limbo, punished for working to prevent any American family from experiencing the pain of being cheated, scammed, or made homeless by a faceless corporation that does not give a damn.

After the worst financial crisis since the Great Depression, Congress created the CFPB to ensure, "all consumers have access to financial products and services" and that markets are "fair, transparent, and competitive."

Chopra's CFPB fulfilled this congressional mandate to protect American consumers, mitigate risk to our financial system, and enforce the rule of law without fear or favor. It is a mission 82 percent of Americans, including 77 percent of Republicans, support.

Congress should push this administration to resume the work of stopping lawlessness instead of enabling it. As household debt teeters on \$20 trillion and loan delinquencies rise, the administration's reckless rollback—

Chairman MEUSER. The gentlelady's time has expired.

Ms. HARPER [continuing]. of the CFPB law enforcement agenda—

Chairman MEUSER. We will now turn to member questions.

Ms. HARPER [continuing]. is something that threatens financial stability.

Thank you.

[The prepared statement of Ms. Harper follows:]

Written Testimony of

**Morgan Harper
Director of Policy and Advocacy
American Economic Liberties Project**

**Before the U.S. House Committee on Financial Services
Subcommittee on Oversight and Investigations
For a Hearing on “From Watchdog to Attack Dog: Examining the CFPB’s Chopra-era
Assault on Disfavored Industries”
June 26, 2025**

Chair Meuser, Ranking Member Green, Members of the Subcommittee, thank you for the opportunity to testify today about the Consumer Financial Protection Bureau (CFPB).

Since its inception, the CFPB has enforced laws governing consumer financial markets to protect the hard-earned money of all Americans and honest businesses of all sizes. Now, as more Americans depend on new programs and fintechs to meet their basic needs—including using “Buy Now, Pay Later” loans to buy groceries¹—and dominant companies like Big Tech firms grow their market share in consumer financial products via digital payments,² the CFPB’s role as law enforcer is even more important.

Today’s hearing is about attacks, but let’s be clear about who is actually attacking American consumers and free markets. This administration is enabling corporate lawlessness instead of building upon the CFPB’s legacy of enforcing the rule of law. The U.S. economy has seen this play before—and it led to the 2008 financial crisis. The administration, and Congress, must step in to prevent a replay.

The CFPB’s mission is close to my heart. I am the Director of Policy and Advocacy at the American Economic Liberties Project, a research and advocacy organization dedicated to addressing the problem of concentrated economic power across the economy, including consumer financial markets, to improve conditions for workers, businesses, and consumers. But, a few years after the 2008 financial crisis, I quit a law firm job doing corporate deals to join the CFPB because I was appalled by how private equity-funded corporate giants were profiting from the crash but so many communities in my home state of Ohio were still in economic freefall. I had heard this new agency was trying to do something about it, and I wanted to help.

¹ Megan Cerullo, “More Americans are turning to “buy now, pay later” loans to chase groceries,” CBS News, June 4, 2025, <https://www.cbsnews.com/texas/news/buy-now-pay-later-bnpl-loans-groceries/>.

² Hannah Murphy and Daniel Thomas, “Elon Musk’s X to offer investment and trading in ‘super app’ push,” Financial Times, June 19, 2025, <https://www.ft.com/content/3615dfe2-f739-44f7-9823-a8acce6c0380>.

So, along with one of the most impressive, knowledgeable, and dedicated set of professionals with whom I have ever worked, we set about writing rules to govern the prepaid card industry. We held lawbreakers like Wells Fargo accountable after they opened millions of fake accounts in customers' names without their consent or knowledge, pocketing fees and interest from the accounts and hurting consumer credit scores.³

And though garnering fewer headlines, I am just as proud to have supported the agency's work to monitor the risks special populations – including service members and older Americans – face in the financial marketplace.⁴ A few years ago, my own 82-year-old mother lost an entire month's pension in a scam involving prepaid cards, a painful violation of a retired educator that is sadly not uncommon, and about which the CFPB receives complaints.⁵ The agency was also early in identifying how student debt burden impacts older Americans who serve as guarantors for younger family members' loans.⁶

I saw how the CFPB used every tool Congress gave it—enforcement, supervision, regulation, and consumer education—to hold lawbreakers accountable and deliver real results for American consumers.

Namely, since 2011, the agency has returned more than \$21 billion to over 200 million Americans.⁷ The agency also ordered companies and individuals that violated the law to surrender more than \$6 billion in penalties – almost all of which has been used to

³ Consumer Financial Protection Bureau, ("CFPB"), "Consumer Financial Protection Bureau Fines Wells Fargo \$100 Million for Widespread Illegal Practice of Secretly Opening Unauthorized Accounts," press release, September 8, 2016, <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-fines-wells-fargo-100-million-widespread-illegal-practice-secretly-opening-unauthorized-accounts/>; U.S. Department of Justice, "Wells Fargo Agrees to Pay \$3 Billion to Resolve Criminal and Civil Investigations Into Sales Practices Involving the Opening of Millions of Accounts without Customer Authorization," press release, February 21, 2020, <https://www.justice.gov/archives/opa/pr/wells-fargo-agrees-pay-3-billion-resolve-criminal-and-civil-investigations-sales-practices>.

⁴ CFPB, "Suspicious Activity Reports on Elder Financial Exploitation: Issues and Trends," Office of Financial Protection for Older Americans, February 2019, https://files.consumerfinance.gov/f/documents/cfpb_suspicious-activity-reports-elder-financial-exploitation_report.pdf.

⁵ CFPB, "Complaint Database," Prepaid cards, https://www.consumerfinance.gov/data-research/consumer-complaints/search/?dateRange=All&date_received_max=2025-06-21&date_received_min=2011-12-01&has_narrative=true&page=1&product=Prepaid%20card&searchField=all&size=25&sort=created_date_desc&tab=List; CFPB, "CFPB Begins Accepting Consumer Complaints on Prepaid Cards and Additional Nonbank Products," July 21, 2014, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-begins-accepting-consumer-complaints-on-prepaid-cards-and-additional-nonbank-products/>.

⁶ CFPB, "Snapshot of older consumers and student loan debt," Office for Older Americans and Office for Students and Young Consumers, January 2017, p. 4, https://files.consumerfinance.gov/f/documents/201701_cfpb_OA-Student-Loan-Snapshot.pdf#page=5.

⁷ CFPB, "The CFPB," <https://www.consumerfinance.gov/about-us/the-bureau/>.

compensate harmed Americans.⁸ These figures include \$363 million in monetary relief resulting from 39 public enforcement actions that involved harm to servicemembers and veterans, including six enforcement actions for violations of the Military Lending Act.⁹

The CFPB has processed more than 10 million complaints in the consumer complaint system and returned an average of \$1,470 to harmed consumers.¹⁰ The CFPB returns far more money to the public than it costs to operate it.

Former Director Chopra continued this legacy of cracking down on illegal conduct.¹¹ He made clear that all illegal conduct would be prosecuted, whether perpetrated by Wall Street, Big Tech, or newer financial companies. And under his leadership, the CFPB provided clear guidance for all market participants to understand what conduct was illegal, helping to level the playing field for businesses of all sizes and promote competition.

Specifically, for example, the agency took steps to investigate how large airlines and credit card companies devalue credit card rewards points and airline miles.¹² I testified at a joint DOT/CFPB hearing in May of last year, exploring whether consumer protections were needed to protect the value of rewards to ensure airlines that want to offer fair programs can compete for consumer loyalty.

The agency confirmed that Buy Now, Pay Later lenders are credit providers, and subject to the same key legal protections applying to credit cards.¹³

Through the Section 1033 "open banking" rulemaking, the agency expanded consumer access to their personal financial data, creating opportunities for institutions other than the biggest banks to have a better chance to compete for consumers' business.

⁸ CFPB, "Civil Penalty Fund," <https://www.consumerfinance.gov/enforcement/payments-harmed-consumers/civil-penalty-fund/>.

⁹ CFPB, "The CFPB," <https://www.consumerfinance.gov/about-us/the-bureau/>.

¹⁰ Charlotte Haendler and Rawley Heimer, "The Hidden Costs of Financial Services: Consumer Complaints and Financial Restitution," April 15, 2025, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5218602.

¹¹ The American Economic Liberties Project, "Laws Are Not Suggestions: How the CFPB Has Delivered for the American People," January 2025, <https://www.economicliberties.us/wp-content/uploads/2025/01/2025-01-28-CFPB-Accomplishments.pdf>.

¹² CFPB, "CFPB Takes Action on Bait-and-Switch Credit Card Rewards Tactics," press release, December 18, 2024, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-on-bait-and-switch-credit-card-rewards-tactics/>.

¹³ CFPB, "CFPB Takes Action to Ensure Consumers Can Dispute Charges and Obtain Refunds on Buy Now, Pay Later Loans," press release, May 22, 2024, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-to-ensure-consumers-can-dispute-charges-and-obtain-refunds-on-buy-now-pay-later-loans/>; CFPB, "CFPB Research Reveals Heavy Buy Now, Pay Later Use Among Borrowers with High Credit Balances and Multiple Pay-in-Four Loans," press release, January 13, 2025, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-research-reveals-heavy-buy-now-pay-later-use-among-borrowers-with-high-credit-balances-and-multiple-pay-in-four-loans/>.

The CFPB also made clear that, in the consumer protection framework that Congress envisioned, states are full partners with the federal government in addressing corporate misconduct by vigorously enforcing the federal consumer financial laws.¹⁴

And in 2024, the agency took action to ensure fintech companies follow federal laws just as nonfintech companies do.¹⁵ This rule also would have addressed illegal debanking practices, which hurts consumers and small businesses when they lose access to banking services, often without notice or ability to appeal.

The CFPB launched an effort to ensure accountability for nonbank repeat offenders that considered individual fines from lawbreaking a cost of doing business rather than a deterrent from inflicting further harm on consumers and other market participants.¹⁶ The agency created a dedicated unit and registry to monitor institutions with a history of repeated lawlessness.¹⁷ Nonbank financial companies such as TransUnion would be included in such a registry.¹⁸

Chopra's CFPB also sent a clear signal that no entity was above the law and that the enforcement division would focus its resources on large, repeat offenders. Throughout his tenure, the CFPB took action against the largest banks and Big Tech for abusing their market power, hurting consumers and other market participants in the process. This included requiring Bank of America to pay hundreds of millions of dollars in fines and redress for denying Americans access to their unemployment benefits and freezing their accounts, and \$10 million a few months earlier for illegally garnishing wages of thousands of Americans.¹⁹ The CFPB also ordered Apple and Goldman Sachs to pay more than \$89 million for failing to send customer

¹⁴ CFPB, "Authority of States To Enforce the Consumer Financial Protection Act of 2010," 87 Fed. Reg. 31940, May 26, 2022, <https://www.govinfo.gov/content/pkg/FR-2022-05-26/pdf/2022-11356.pdf>.

¹⁵ CFPB, "CFPB Invokes Dormant Authority to Examine Nonbank Companies Posing Risks to Consumers," press release, April 25, 2022, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-invokes-dormant-authority-to-examine-nonbank-companies-posing-risks-to-consumers/>; CFPB, "CFPB Finalizes Rule on Federal Oversight of Popular Digital Payment Apps to Protect Personal Data, Reduce Fraud, and Stop Illegal 'Debanking'," <https://www.consumerfinance.gov/about-us/newsroom/cfpb-finalizes-rule-on-federal-oversight-of-popular-digital-payment-apps-to-protect-personal-data-reduce-fraud-and-stop-illegal-debanking/>.

¹⁶ CFPB, "CFPB Creates Registry to Detect Corporate Repeat Offenders," press release, June 3, 2024, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-creates-registry-to-detect-corporate-repeat-offenders/>; CFPB, "CFPB's Repeat Offender Unit," <https://www.consumerfinance.gov/compliance/supervision-examinations/cfpbs-repeat-offender-unit/>.

¹⁷ CFPB, "CFPB's Repeat Offender Unit," <https://www.consumerfinance.gov/compliance/supervision-examinations/cfpbs-repeat-offender-unit/>.

¹⁸ Memorandum from Student Borrower Protection Center and Consumer Federation of America, "Dismissed/Terminated CFPB Enforcement Actions," May 28, 2025, <https://consumerfed.org/wp-content/uploads/2025/05/CFPB-Pending-Enforcement-Actions-v2-Fellows-1.pdf>.

¹⁹ CFPB, "Federal Regulators Fine Bank of America \$225 Million Over Botched Disbursement of State Unemployment Benefits at Height of Pandemic," press release, July 14, 2022, <https://www.consumerfinance.gov/about-us/newsroom/federal-regulators-fine-bank-of-america-225-million-over-botched-disbursement-of-state-unemployment-benefits-at-height-of-pandemic/>; CFPB, "CFPB Orders Bank of America to Pay \$10 Million Penalty for Illegal Garnishments," press release, May 4, 2022, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-orders-bank-of-america-to-pay-10-million-penalty-for-illegal-garnishments/>.

disputes of Apple Card transactions to Goldman Sachs and when Apple did, Goldman Sachs did not follow federal requirements for investigating such disputes. Customers dealt with long wait times getting money back, while others suffered decreased credit scores as a result.²⁰ The agency also took action against repeat offender Wells Fargo requiring it to pay \$3.7 billion for widespread mismanagement of auto loans, mortgages, and deposit accounts that resulted in homes being wrongfully foreclosed, vehicles illegally repossessed, customers incurring surprise overdraft fees, and higher interest and fees.²¹

In stark contrast to the previous administration, Acting Director Russell Vought has veered dangerously off this course since taking over in February. By withdrawing guidance, rewarding entities that break laws, refraining from enforcing the law, and attempting to gut the staff, the Vought-led CFPB is laying the groundwork for another financial crisis.

Vought has also taken a sledgehammer to the agency's enforcement function and the rule of law.

This CFPB has dismissed—with prejudice, meaning the agency can never bring the case again—58% of pending enforcement actions that could put money back in consumers' pockets.²² The vast majority of these enforcement dismissals have involved no explanation to the public as to why they were thrown out. J.P. Morgan, Wells Fargo & Bank of America are now off the hook for \$870 million in Zelle fraud.²³ One of the dropped cases involved Capital One, which the CFPB had evidence²⁴ of cheating its customers out of more than \$2 billion in interest. The CFPB's case, which alleged that the bank worked to keep its customers in the dark about better-paying deposit accounts, was preceded by

²⁰ CFPB, "CFPB Orders Apple and Goldman Sachs to Pay Over \$89 Million for Apple Card Failures," press release, October 23, 2024, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-orders-apple-and-goldman-sachs-to-pay-over-89-million-for-apple-card-failures/>.

²¹ CFPB, "CFPB Orders Wells Fargo to Pay \$3.7 Billion for Widespread Mismanagement of Auto Loans, Mortgages, and Deposit Accounts," press release, December 20, 2022, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-orders-wells-fargo-to-pay-37-billion-for-widespread-mismanagement-of-auto-loans-mortgages-and-deposit-accounts/>; CFPB, "CFPB Sues JPMorgan Chase, Bank of America, and Wells Fargo for Allowing Fraud to Fester on Zelle," press release, December 20, 2024, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-sues-jpmorgan-chase-bank-of-america-and-wells-fargo-for-allowing-fraud-to-fester-on-zelle/>.

²² Student Borrower Protection Center, "Consumer Groups Sound Alarm as the Trump/Vought CFPB Dismisses or Terminates Enforcement Actions, Leaving Harmed Consumers High and Dry," press release, May 27, 2025, <https://protectborrowers.org/consumer-groups-sound-alarm-as-trump-vought-cfpb-dismisses-enforcement-actions/>.

²³ Michelle Chapman, "CFPB drops lawsuits against Bank of America, JPMorgan Chase and Wells Fargo over Zelle fraud," AP News, March 5, 2025, <https://apnews.com/article/cfpb-zelle-trump-wells-fargo-jpmorgan-chase-c70332d2b16d733e9c4e72622d4c25f9>; Consumer Financial Protection Bureau, "CFPB Sues JPMorgan Chase, Bank of America, and Wells Fargo for Allowing Fraud to Fester on Zelle," press release, December 20, 2024, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-sues-jpmorgan-chase-bank-of-america-and-wells-fargo-for-allowing-fraud-to-fester-on-zelle/>.

²⁴ CFPB, "CFPB Sues Capital One for Cheating Consumers Out of More Than \$2 Billion in Interest Payments on Savings Accounts," press release, January 14, 2025, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-sues-capital-one-for-cheating-consumers-out-of-more-than-2-billion-in-interest-payments-on-savings-accounts/>.

reporting in the *Wall Street Journal*²⁵ as well as a class-action lawsuit filed in federal court. Though Capital One vociferously denied the accusations from the CFPB, a few short weeks after the agency's case was dismissed—and on the eve of its successful acquisition of Discover Financial—Capital One quietly settled its class-action lawsuit for \$425 million.²⁶ Capital One, a repeat offender extraordinaire,²⁷ has even greater market power to exploit its conflicts of interests for increased profits to the detriment of customers and small businesses throughout the country.²⁸

More troublingly, the Trump CFPB has not just handed out corporate pardons to its friends on Wall Street and in Silicon Valley, but has actually acted to undo settlements already agreed to between companies and the agency, robbing consumers of their money. In November 2023, Toyota's captive financing arm – Toyota Motor Credit – settled with the CFPB for \$60 million regarding evidence that it operated "an illegal scheme to prevent borrowers from cancelling product bundles that increased their monthly car loan payments. The company withheld refunds or refunded incorrect amounts on the bundled products and knowingly tarnished consumers' credit reports with false information."²⁹ That settlement also directed Toyota to pay \$48 million back to its customers that it harmed.

Last month, Trump's CFPB inexplicably terminated the consent order with Toyota, specifically waiving any obligations related to the consumer redress.³⁰ The public has no way of knowing whether Toyota has paid back a single penny of that \$48 million to the people it harmed and ripped off. Bloomberg Law has reported that other companies are now lining up to get their own settlements reversed.³¹

²⁵ Rachel Louise Ensign, "They Thought Their Money Was in High-Interest Accounts—They Got Paid Peanuts," *The Wall Street Journal*, January 21, 2024, <https://www.wsj.com/finance/investing/capital-one-high-interest-savings-complaints-b9adc1e9>.

²⁶ ABA Banking Journal, "Capital One agrees to pay \$425 million to resolve 360 Performance Savings Account allegations," June 2, 2025, <https://bankingjournal.aba.com/2025/06/capital-one-agrees-to-pay-425-to-resolve-360-performance-savings-account-allegations/>.

²⁷ Memorandum from Student Borrower Protection Center and Consumer Federation of America, "Dismissed/Terminated CFPB Enforcement Actions," May 28, 2025, <https://consumerfed.org/wp-content/uploads/2025/05/CFPB-Pending-Enforcement-Actions-v2-Fellows-1.pdf>.

²⁸ Letter to the U.S. Department of Justice, Federal Reserve Board, and Office of the Comptroller of the Currency from American Economic Liberties Project, Americans for Financial Reform Education Fund, National Community Reinvestment Coalition, and Public Citizen, April 4, 2025, https://www.economicliberties.us/wp-content/uploads/2025/04/Letter-to-Regulators-re-CapOne_Discover-4.04.25.pdf.

²⁹ CFPB, "CFPB Orders Toyota Motor Credit to Pay \$60 Million for Illegal Lending and Credit Reporting Misconduct," press release, November 20, 2023, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-orders-toyota-motor-credit-to-pay-60-million-for-illegal-lending-and-credit-reporting-misconduct/>.

³⁰ CFPB, "Order Terminating the Consent Order," in the matter of Toyota Motor Credit Corporation, May 12, 2025, https://files.consumerfinance.gov/f/documents/cfpb_toyota-motor-credit-corp_order-terminating-consent-order_2025-05.pdf.

³¹ Evan Weinberger, "Financial Companies Push Trump's CFPB to Undo More Settlements," *Bloomberg Law*, June 12, 2025, <https://news.bloomberglaw.com/banking-law/financial-companies-push-trumps-cfpb-to-undo-more-settlements>.

Vought's CFPB has revoked nearly 70 pieces of guidance that clarify how the agency interprets and enforces laws, helping consumers and other market participants understand their legal rights and obligations.³² Flip-flopping and withdrawing guidance creates market uncertainty and industry confusion. The Vought CFPB even went out of its way to undermine states' ability to address harm suffered by their citizens, double-withdrawing (if that is even a thing) the Chopra guidance emphasizing the crucial role that states play in enforcing the rules of the consumer financial marketplace.³³

The CFPB is also no longer enforcing the Buy Now, Pay Later rule.³⁴

Vought is closing the repeat offender registry.³⁵

The administration withdrew the agency's proposed data broker rule, which would have limited how consumers' personal and sensitive financial information is collected, used, or sold by third parties.³⁶

Vought's CFPB has rolled back oversight of nonbank digital payment platforms, a giveaway to Big Tech.³⁷

³² Federal Register, "Interpretive Rules, Policy Statements, and Advisory Opinions, Withdrawal," proposed CFPB rule, May 12, 2025, <https://www.federalregister.gov/documents/2025/05/12/2025-08286/interpretive-rules-policy-statements-and-advisory-opinions-withdrawal>.

³³ CFPB, "Authority of States To Enforce the Consumer Financial Protection Act of 2010; Rescission," 93 Fed. Reg. 20565, May 15, 2025, <https://www.govinfo.gov/content/pkg/FR-2025-05-15/pdf/2025-08641.pdf>.

³⁴ CFPB, "CFPB Takes Action to Ensure Consumers Can Dispute Charges and Obtain Refunds on Buy Now, Pay Later Loans," press release, May 22, 2024, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-to-ensure-consumers-can-dispute-charges-and-obtain-refunds-on-buy-now-pay-later-loans/>.

³⁵ Winston & Strawn, "CFPB Plans to Close Repeat Offender Registry," client alert, May 16, 2025, <https://www.winston.com/en/insights-news/cfpb-plans-to-close-repeat-offender-registry>.

³⁶ Federal Register, "Protecting Americans From Harmful Data Broker Practices, Withdrawal of Proposed Rule," proposed CFPB rule, May 15, 2025, <https://www.federalregister.gov/documents/2025/05/15/2025-08644/protecting-americans-from-harmful-data-broker-practices-regulation-v-withdrawal-of-proposed-rule>; CFPB, "CFPB Proposes Rule to Stop Data Brokers from Selling Sensitive Personal Data to Scammers, Stalkers, and Spies," press release, December 3, 2024, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-proposes-rule-to-stop-data-brokers-from-selling-sensitive-personal-data-to-scammers-stalkers-and-spies/>.

³⁷ CFPB, "CFPB Finalizes Rule on Federal Oversight on Popular Digital Payment Apps to Protect Personal Data, Reduce Fraud, and Stop Illegal 'Debanking,'" press release, November 21, 2024, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-finalizes-rule-on-federal-oversight-of-popular-digital-payment-apps-to-protect-personal-data-reduce-fraud-and-stop-illegal-debanking/>; Ashley Nowicki, "Fact Sheet: Why Big Tech Has an Interest in Shuttering the CFPB," American Economic Liberties Project, February 18, 2025, <https://www.economicliberties.us/wp-content/uploads/2025/02/Fact-Sheet-CFPB-Big-Tech-The-Everything-App-clean.pdf>; Julia Shapero, "Trump signs rollbacks of Biden-era overdraft, digital wallet rules," The Hill, May 12, 2025, <https://thehill.com/business/5296010-trump-signs-rollbacks-of-biden-era-overdraft-digital-wallet-rules/>.

And the complaints that on average return over \$1,000 to each consumer? A backlog of more than 16,000 inquiries sit at the agency,³⁸ including dozens of people who were at immediate risk of losing their home to foreclosure.

The current CFPB, along with the Congressional majority, have also worked to roll back rules that would protect consumers, end junk fees, lower costs, and level the competitive playing field. The last administration finalized a rule to cap credit card late fees at \$8 – a fee that large card issuers have turned into a \$14 billion profit bonanza every year – but Vought's CFPB joined hands with the bank lobby to overturn the rule in the Fifth Circuit appellate court.³⁹ Congress also made quick work of the CFPB's rule to limit extortionate overdraft fees charged by the biggest Wall Street banks, overturning it through a Congressional Review Act resolution.⁴⁰

Vought's CFPB is fighting in court to preserve the right of the credit reporting agencies and debt collectors to keep medical debt on Americans' credit reports,⁴¹ even though medical debt is a poor predictor of a borrower's ability to repay other debts and the medical billing system is riddled with mistakes and errors.⁴²

Estimates suggest Vought's rollbacks have already cost Americans \$18 billion.⁴³

In the background of this torrent of destructive policy making are the CFPB employees trained to spot the risks these brazen decisions will inevitably create, who have been told to stay home. Most of these people, including veterans,⁴⁴ are now being punished for deciding to devote some part of their careers to making sure no American family ever had

³⁸ Lauren Feiner, "A judge could save America's financial watchdog," The Verge, March 12, 2025, <https://www.theverge.com/news/628327/cfpb-nteu-vought-shut-down>.

³⁹ Ross M. Speier, "CFPB Credit Card Late Fee Rule Vacated by Banking Trade Group Lawsuit," Kilpatrick Law, May 5, 2025, <https://ktslaw.com/en/Blog/Consumer-Financial-Services/2025/5/CFPB-Credit-Card-Late-Fee-Rule-Vacated-by-Banking-Trade-Group-Lawsuit>.

⁴⁰ Julia Shapero, "Trump signs rollbacks of Biden-era overdraft, digital wallet rules," The Hill, May 12, 2025, <https://thehill.com/business/5296010-trump-signs-rollbacks-of-biden-era-overdraft-digital-wallet-rules/>.

⁴¹ Vanessa Romo, "CFPB wanted medical debt to be off credit reports. That's changed under Trump," NPR, May 26, 2025, <https://www.npr.org/2025/05/26/nx-s1-5406799/cfpbs-medical-debt-credit-report-lawsuit>; *Cornestone Credit Union League and Consumer Data Industry Association v. CFPB and Russell Vought*, Joint Motion for Entry of Consent Judgment, April 30, 2025, https://litigationtracker.law.georgetown.edu/wp-content/uploads/2025/01/Cornestone_2025.04.30_JOINT-MOTION-FOR-ENTRY-OF-CONSENT-JUDGEMENT.pdf.

⁴² Cora Lewis, "How removing unpaid medical bills from credit reports could help consumers," AP News, January 5, 2025, <https://apnews.com/article/rule-banning-medical-debt-from-credit-reports-8a81e776bf4cb3aa3c1bc7187f5af96a>.

⁴³ Douglas Gillison, "Trump's CFPB rollback has cost Americans \$18 billion, consumer groups say," Reuters, June 24, 2025, <https://www.reuters.com/legal/litigation/trumps-cfpb-rollback-has-cost-americans-18-billion-consumer-groups-say-2025-06-24/>.

⁴⁴ *National Treasury Employees Union v. Vought*, Declaration, April 26, 2025, <https://www.courtlistener.com/docket/69624423/127/15/national-treasury-employees-union-v-vought/>.

to experience the pain of being cheated, or scammed, or made homeless by a faceless corporation that didn't give a damn.

Congress created the CFPB following the worst financial crisis since the Great Depression and charged the agency with "ensuring that all consumers have access to ... financial products and services and that markets ... are fair, transparent, and competitive."⁴⁵ Chopra's CFPB fulfilled this Congressional mandate to protect American consumers, mitigate risks to our financial system, promote fair and competitive markets, and enforce the rule of the law – without favor. 82% of Americans – including 77% of Republicans – support this mission and the CFPB's performance.⁴⁶ Unfortunately, the current administration has decided to halt this work and put the economy at risk. At a time where Americans hold a record high \$18 trillion in household debt and loan delinquencies are on the rise,⁴⁷ there is little room for error. This subcommittee, the Trump administration and Vought's CFPB must resume Chopra's work of stopping lawlessness instead of continuing their current path of enabling it.

Thank you.

⁴⁵ "A bill to promote the financial stability of the United States by improving accountability and transparency in the financial system, to end "too big to fail", to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes." See, U.S. Senate, "Roll Call Vote 111th Congress - 2nd Session," Vote Summary, July 15, 2010, https://www.senate.gov/legislative/LIS/roll_call_votes/vote1112/vote_111_2_00208.htm?congress=111&session=2&vote=00208; Dodd-Frank Wall Street Reform and Consumer Protection Act, <https://www.govinfo.gov/content/pkg/BILLS-111hr4173enr/pdf/BILLS-111hr4173enr.pdf>; Brian Montopoli, "Obama Signs Sweeping Financial Reform Into Law," CBS News, July 21, 2010, <https://www.cbsnews.com/news/obama-signs-sweeping-financial-reform-into-law/>; 12 U.S.C. § 5511.

⁴⁶ Kevin Hanley, Cecilia Bisogno, and Lew Blank, "Voters Overwhelmingly Support the Consumer Financial Protection Bureau's Recent Actions," Data for Progress, November 21, 2024, <https://www.dataforprogress.org/blog/2024/11/21/voters-overwhelmingly-support-the-consumer-financial-protection-bureaus-recent-actions>.

⁴⁷ Elizabeth Schulze, "Americans' credit card debt reaches new record high: New York Federal Reserve," ABC News, February 13, 2025, <https://abcnews.go.com/Business/americans-credit-card-debt-reaches-new-record-high/>; Robert Adams, Vitaly Bord, and Haja Sannon, "Rising Auto Loan Delinquencies and High Monthly Payments," Board of Governors of the Federal Reserve, September 26, 2024, <https://www.federalreserve.gov/econres/notes/feds-notes/rising-auto-loan-delinquencies-and-high-monthlypayments-20240926.html>.

Chairman MEUSER. The gentlelady's time has expired. Please follow the rules.

We will now turn to member questions. The chair now recognizes himself for 5 minutes.

Thank you for your testimony, all of you. Interesting perspectives. Real-life examples of unbelievably abusive overreach that have caused you to fly in from all over the country when you could spend your time doing many other things, but you want to come here and talk about the tyrannical crusade taken within a government agency, and we are not going to stand for it. This is America, and it is going to remain a free society, not one where an agency feels it can do whatever the hell it wants.

That is where we start.

Mr. Kim, in your view, was the Bureau's primary mission to protect consumers through evenhanded enforcement of clear rules? Was that pretty much—

Mr. KIM. Yes, sir.

Chairman MEUSER. "Yes, sir"? You—

Mr. KIM. Yes.

Chairman MEUSER [continuing]. think their—well, did they carry out the mission evenhandedly to protect consumers?

Mr. KIM. During the last administration, I think the record is clear that certain actions exceeded its legal mandate and its legal boundaries.

Chairman MEUSER. Okay. Well, I guess that means that they did things that were unlawful according to their scope and their mission and their legal authorities.

Ms. Bassett, flying in from Phoenix, where you of course would have better things to do, like helping to keep your company alive and functioning, you have been under CFPB investigation, which you expressed, and before that you had been in regular contact with your State regulators. You are a very regulated industry and business.

Would you describe those relationships with your State regulators as fair and constructive?

Ms. BASSETT. Thank you for the question.

Yes, our relationship with our State regulators has always been great, and it is very collaborative and effective.

Chairman MEUSER. Okay, so a big difference between your State regulators that have been doing their business for a long time—and then enter the Chopra era, and you had different experiences, to say the least. Do you want to elaborate on that?

Ms. BASSETT. Thank you, Congressman.

Yes, it was extremely different. We received our first civil investigative demand just out of the blue. We had been through two prior examinations in 2015 and 2018. No fines, no violations. Then all of a sudden, we just get this civil investigative demand with no clear purpose.

The amount of data that they expected from us was just overwhelming. It has consumed over half of my time for the last almost 3 years.

Chairman MEUSER. Last 3 years.

What sort of rationale do you give to these CIDs? What were their purposes?

Then what were the results of these CIDs to your company's reputation? Did it help you improve your relationship with your consumers? Did it protect any consumers? Did it provide reputational harm, personal burden, business disruption? Or was there any glimmer of helpfulness in their oversight and intrusive behavior?

Ms. BASSETT. Thank you for the question.

There was absolutely no benefit to consumers based on this investigation. It is still open, actually, today, but we have never had a clear understanding of what they are looking for. They asked for just everything we had. We kept trying to narrow the scope and say "Can we work this out?" We tried to comply the whole time, and it is just—I do not know what the end was going to result in; we never got there.

Chairman MEUSER. Thank you.

Mr. Watkins, you have vast experience, many years in this industry, dealing with oversight bureaus, dealing with government regulations. Yet you used the phrase "show me the man, and I'll show you the crime" in order to describe the Chopra CFPB.

So, you obviously believe that these tactics that were being used, with the CID and everything else, were overly aggressive. Could you elaborate?

Mr. WATKINS. Yes. There are many times, I think, where the CFPB has chosen what its targets are first before it has any evidence that a crime has occurred or even that there is any reason to believe a crime has occurred.

I really think the government needs to have some kind of at least probable cause to believe there is a crime before it creates enormous burdens and harm to these companies.

Chairman MEUSER. All right. Thank you very much.

I yield back.

Now the gentlewoman from California, Ranking Member Waters, is recognized for her questions for 5 minutes.

Ms. WATERS. Thank you very much.

First, I would like to ask those who have come here to undermine the Consumer Financial Protection Bureau, do you believe that it should be deleted from government altogether? Each of the three who have testified, do you want to eliminate it altogether? Yes——

Mr. KIM. No, ma'am.

Ms. WATERS [continuing]. or no?

Mr. KIM. No.

Ms. WATERS. Yes or——

Ms. BASSETT. Yes.

Ms. WATERS [continuing]. no?

Ms. BASSETT. Yes.

Ms. WATERS. Yes or no?

Mr. WATKINS. I would have Congress write the rules and transfer its enforcement authority from the CFPB to Department of Justice.

Ms. WATERS. You made an interesting statement. You said that President Trump "has the power to pardon even the most atrocious terrorists and traitors, but for some reason an unconstitutional settlement in a civil proceeding cannot be vacated."

I am so happy that it cannot be vacated, because you are right. You are absolutely right. He supports the terrorists. He supports those who came to the Congress of the United States to kill us all. Thank you for that, in the record.

Now let me go to our witness Ms. Harper.

The Consumer Financial Protection Bureau has returned \$21 billion to consumers. Do you believe that alone should justify the work that they are doing?

Do you believe that—in early May, Trump’s Consumer Financial Protection Bureau asked a Federal judge to scrap the previously finalized medical debt that would take medical debt off credit records and help 15 million people in the United States with unjustly lowered credit scores due to medical debt. The Consumer Financial Protection Bureau previously researched this matter and found medical debt has little value in predicting a consumer’s creditworthiness.

Should someone who experienced an unexpected medical event through no fault of their own deserve to end up with a damaged credit score that prevents them from getting mainstream credit or forces them to pay much more for a loan?

Ms. HARPER. Thank you for the question, Congresswoman.

I think the \$21 billion figure that the CFPB—the money that CFPB has been able to return to consumers is evidence of just how effective it is as a regulator of the consumer financial markets.

I think the reason why it should continue to exist is because Congress said so, and we should respect the rule of law. It has not been a priority of this administration or the leadership under Acting Director Vought, but that is something that is a principle of this country. Regarding medical debt, I am glad you mentioned it, because this has been a very troubling development in this administration, seeing the lack of support for doing something about this industry. We have millions and millions of dollars and millions of consumers that are now being caught up in this system of their debt now informing—their debt from a healthcare system that has been monopolized by corporate giants and has not been checked yet through government action now informing credit decisions.

Really, what the result of this could be and a question that this committee needs to be asking itself is, do we want a system where a healthcare giant, like UnitedHealth Group, is now determining who gets mortgages in this country or whether you get a credit card?

That is the end result of this kind of reckless decision making from this administration and not supporting the medical debt rule, which would address some of the abuses that have been happening in that industry.

Ms. WATERS. Thank you very, very much.

You know that the chairman here today talked about rules, follow the rules. He even made that point when he talked to you.

Do you know and understand that the Consumer Financial Protection Bureau Director should be brought, according to the rules, before this committee every 6 months, and it has not been done?

Why do you think they did not follow the rules?

Ms. HARPER. It is a great point, because, yes, that is an obligation that has not been fulfilled.

I think it is very interesting for all of us as panelists to share our views on different consumer financial protection policies, but the elephant in the room is, there is a guy that is in charge of that right now, his name is Russell Vought, and he should be here at this hearing explaining some of his decision making.

I mean, I would also like to come back to this Townstone case, because “following the rules.” What we had in that case—a Republican judge who agreed with the settlement that had been negotiated by the CFPB, a panel of judges that also were Republican-appointed that agreed to it, and then this administration that said, “Oh, no, do not worry, we no longer care whether fair-lending laws have been violated.”

“Follow the rules”? What are we talking about?

Ms. WATERS. Wow. It could not be better stated. What are we talking about?

I guess I will yield back the time so he can continue with this hearing. All right. Thank you.

Mr. WATKINS. Mr. Chairman?

Ms. WATERS. I yield back.

Mr. WATKINS. If I could have a minute?

Chairman MEUSER. Time has expired.

We will now—the chair now recognizes the gentleman from Georgia, Mr. Loudermilk, for 5 minutes.

Mr. LOUDERMILK. Thank you, Mr. Chairman.

Before I start with my questions, Mr. Watkins, I will yield a little time for you to respond.

Mr. WATKINS. I just wanted to correct the record. I did not say the current President supported terrorists and traitors. I was talking about any President’s power, whether that is Biden, Obama, or any President, to pardon terrorists and traitors, such abusive people being given a second chance. Civil penalties should also fall under the same provisions.

Mr. LOUDERMILK. Thank you, Mr. Watkins.

Ms. WATERS.

[Off-mic.]

Mr. LOUDERMILK. Reclaiming my time. This is my time.

Mr. Kim, in your opinion, did the Chopra-era CFPB target companies outside the financial services industry through enforcement actions?

Mr. KIM. Yes, sir. I believe Mr. Watkins touched upon a few examples.

One public one is the rent-to-own industry. It is not new; it has been around for decades. About 46 States have rent-to-own specific laws and regulations. It is also policed by the Federal Trade Commission.

It is clear in the law that it is not an extension of credit under the Bureau’s jurisdiction, but the CFPB, under the past administration, brought multiple enforcement actions and lawsuits against that industry. It took that industry 4 years—or the companies involved—4 years to be vindicated with a dismissal in Federal court, with a decision by a district court judge, not a dismissal by the Bureau.

Mr. LOUDERMILK. It was dismissed by the judicial branch that there was nothing to the accusation. How many millions of dollars were spent defending that?

Mr. KIM. I do not know, and I cannot say. Like I said, it took several years to get that vindication.

Mr. LOUDERMILK. The industry obviously suffered, but would it not be the consumer who ended up really bearing the costs of those actions?

Mr. KIM. I presume so. Companies tend to pass on costs to end users if there are costs imposed on them.

Mr. LOUDERMILK. That was not a whole lot of protection of consumer finances, was it?

Mr. KIM. Not that I am aware of, especially—

Mr. LOUDERMILK. Okay.

Mr. KIM [continuing]. when States can police that industry.

Mr. LOUDERMILK. Right.

Mr. Watkins, did any Chopra-era CFPB regulations undermine other Federal or State regulators' existing regulatory authority?

Mr. WATKINS. Yes. Comerica Bank that I was talking about, they were directly regulated and under the oversight of the financial services of the—in Department of the Treasury. The CFPB went after them in a sense because they thought that the Treasury Department was not being aggressive enough.

Mr. LOUDERMILK. Okay.

Ms. Bassett, how would you describe your engagement with the CFPB's team in terms of your request to modify the various CIDs, the civil investigative—I am forgetting the term—

Ms. BASSETT. Demands.

Mr. LOUDERMILK. Yes. Thank you—the various CIDs they served on you? In making those requests, you were not trying to hide anything, were you?

Ms. BASSETT. Thank you for the question, Congressman.

Absolutely not. We did try to work with them in their meet-and-confer process, where we asked that they just narrow the scope, because they were asking for everything that we had, and the experience is just detrimental to a company my size.

When I said I wanted to delete the CFPB earlier, the reason that I would even go that far is because my experience with my company has been horrible. It has really hurt our company and our reputation.

I have been through examinations with them with no issues, but that was also so time-consuming and crazy, when we already are State-regulated and examined by our States all the time.

Thank you.

Mr. LOUDERMILK. The CIDs we were talking about are civil investigative demands.

Ms. BASSETT. Yes.

Mr. LOUDERMILK. These are demands on your company that you have to respond, whether you are guilty of anything or not. Are they even—they are not even accusing you of anything.

Ms. BASSETT. No, they were not. They issued these CIDs to at least four or five companies in our industry with the exact same notification purpose and the exact same document request. It was not company-specific to me.

Mr. LOUDERMILK. So, they had no probable cause.

Ms. BASSETT. Correct.

Mr. LOUDERMILK. They were just fishing.

Ms. BASSETT. It was a fishing expedition.

Mr. LOUDERMILK. Which is a violation of the Fourth and Fifth Amendment of the Constitution.

The Bureau's investigation of your company has taken 3 years. In that time and to this day, were you ever told of a single violation your company is guilty of? You said "no"——

Ms. BASSETT. No.

Mr. LOUDERMILK [continuing]. correct?

Chairman MEUSER. The gentleman's time has expired.

Mr. LOUDERMILK. Thank you, Mr. Chair. I yield.

Chairman MEUSER. The gentleman yields.

The chair now recognizes Mr. Liccardo of California for 5 minutes.

Mr. LICCARDO. Thank you, Mr. Chair.

Thank you to our witnesses for coming to testify.

Ms. Harper, I was very interested in your testimony, specifically about specific actions that were taken by CFPB, the Consumer Financial Protection Bureau, against companies that subsequently were dismissed.

My understanding was, in November 2023, Toyota settled a \$60 million legal scheme that increased monthly car loan payments on consumers.

You indicated Toyota was a contributor to President Trump. Is that right?

Ms. HARPER. Yes.

Mr. LICCARDO. How much?

Ms. HARPER. A million dollars, I believe.

Mr. LICCARDO. In May 2025, the consent order that Toyota agreed to was actually terminated by the administration. Is that right?

Ms. HARPER. Yes.

Mr. LICCARDO. Is there much precedent for an administration terminating a consent order that the opposing corporation actually agreed to?

Ms. HARPER. No. I think it is fairly safe to say that what we are seeing from the current CFPB, led by Acting Director Vought, is beyond any normal parameters of what we would expect from a financial regulator.

Mr. LICCARDO. Do we know anything about the \$48 million that was supposed to be returned by Toyota to consumers?

Ms. HARPER. In terms of?

Mr. LICCARDO. That consent order, was it actually—was any of that money actually returned?

Ms. HARPER. No, I do not think a dollar has been returned yet.

When I said in my opening testimony that this is really robbing consumers blind, this is money that should have been going back to consumers who were harmed. Especially in this period where we know that the American public is facing so many challenges around the cost of living, it is really inexplicable to be adding to that burden and prevent consumers from getting more money.

The last thing I would add is: These are legal violations. This is a law enforcement agency. We all should be encouraging that. That should be a bipartisan issue, and the fact that it is not saying a lot about who Russell Vought wants to benefit in this administration—their friends.

Mr. LICCARDO. Well, let us go to that in a moment.

Bank of America and J.P. Morgan were both under investigation regarding the Zelle network, regarding a failure to reimburse customers that were defrauded by scam artists, and that action was taken to the CFPB. What was the result of that action?

Ms. HARPER. Those are also among the cases that have been dismissed.

Mr. LICCARDO. Bank of America contributed to Donald Trump and his inauguration, did not he?

Ms. HARPER. Yes.

Mr. LICCARDO. Was it half a million dollars?

Ms. HARPER. I believe so.

Mr. LICCARDO. J.P. Morgan, another million dollars?

Ms. HARPER. Yes.

Mr. LICCARDO. Capital One, the evidence from the CFPB indicated they may have cheated customers out of as much as \$2 billion. How was—how is it that Capital One engaged in that fraud?

Ms. HARPER. Yes. What was happening in that case was that Capital One was signing consumers up for accounts that they said were going to be high-yield-interest accounts, that consumers, by putting their money in those accounts, through interest payments, would be able to earn some additional money, and instead of actually doing that, they were keeping them in lower-yield accounts and not telling them.

Again, just another example of straight-up taking money away from people in this country that need it more than ever.

Especially when we are looking at an entity, an institution like Capital One, talk about a repeated offender. Long litany of legal violations.

That is why it was also very disconcerting to see from this administration that they green-lit the Capital One-Discover merger that is only going to increase Capital One's market power and make it really difficult for small businesses and consumers to get ahead.

Mr. LICCARDO. Ms. Harper, Capital One contributed a million dollars to Trump's inauguration.

Ms. HARPER. Also true.

Mr. LICCARDO. What happened as a result to the CFPB case?

Ms. HARPER. They got their case dismissed.

Mr. LICCARDO. I am puzzled as to why we are having this hearing. As we are watching the defunding of the financial police happening over the last several months and weeks, all I have heard is criticism of whatever happened in the last administration. I am sure there is plenty of criticism that is legitimate against the last administration. I do not understand why we are still spending time on whatever happened in the last administration when we know what is happening under this administration is so corrupt and so clearly undermining the interests of every American consumer.

I hope that our next hearing is going to actually focus on protecting American consumers and what we can do now and prospectively with a CFPB that has been utterly gutted as Republicans continue to defund the financial police.

I yield.

Chairman MEUSER. The gentleman yields.

The chair now recognizes Mr. Haridopolos from Florida for 5 minutes for his questions.

Mr. HARIDOPOLOS. Thank you, Mr. Chairman. I appreciate this conversation. It is one that has been happening way too often, in the idea that this previous administration seemed to pick winners and losers over and over again.

Let us just be clear: If the CFPB did not exist—it does—if it did not exist, there are still 12 different Federal and State regulators that could oversee these financial markets. As many people even said after they created the CFPB, you could have just consolidated all of this into the Federal Trade Commission (FTC). After all, it has been around—as a history teacher, I know this—since 1914 and the Progressive Era.

Let us make sure that this is not some “Wild West” we are talking about here. There are 12—12—different agencies that oversee these type of things.

What we have heard consistently in this very committee, as both Mr. Moore and I are new members, is that this was clearly—this agency was playing politics. That is the frustration I think we are going through, is that they would pick on folks who they necessarily did not like and they would run them into the ground—run up expenses and make it very hard for them to compete in an increasingly competitive world, and so, I am glad to see we are having conversations like this.

Let us also be clear that the U.S. Supreme Court aggressively told the CFPB that they violated the Seventh Amendment. That was a recent Supreme Court decision.

Now all we are asking is, “Hey, CFPB, would you mind following the Administrative Procedure Act (APA) standards?” That is a good idea so we could actually know what the rule book is.

In this committee we have heard over and over again—it is the reason why our Chairman, Mr. Hill, has been so effective. He was saying, with things like cryptocurrency and the blockchain, let us make sure we know who is actually going to regulate it so out-of-control regulators do not get to pick winners and losers. I think that is a commonsense thing to do.

Mr. Kim, let me ask you this with that premise: We saw the violations of the Seventh Amendment. The Supreme Court ruled very clearly on that measure. What are we doing now, as I think that our previous questioner asked—what are we talking about in the future? I cannot go in the past either, folks. Let us talk about the future.

What can we do so we do not have these fishing expeditions, and these people do not pick winners and losers before they even get into the game? What have they done to make sure that this does not happen again?

Mr. KIM. If we are looking forward, I think the guidelines and rules are clear, and you have referred to them. There is the Admin-

istrative Procedure Act. There are a host of requirements for public rulemaking through a transparent process.

I think that is your answer, sir, is that—

Mr. HARIDOPOLOS. Let me ask Mr. Watkins.

Mr. KIM [continuing]. the rules are there—

Mr. HARIDOPOLOS. Mr. Watkins, I would love to get your opinion.

Mr. WATKINS. We need to do more. The APA is not sufficient here.

We should require that any kind of civil investigative demand go before a judge to show that it is reasonable in its scope and that it is supported by probable cause and allow the individual or business to dispute that before the judge to ensure that these businesses are protected from these enormous burdens before they are forced to undertake them.

Mr. HARIDOPOLOS. I will just close with this, Mr. Chair.

I want to thank Ms. Bassett for coming in. These are not easy, and I know that—these challenges you have had. I appreciate your willingness to testify, because some people like to play games in retribution, and it is very much the wrong way just to do things.

Also I would mention the last thing we want to do in this business is start getting into the discussion about who gave money to who. I mean, I think it diminishes the quality of the conversation we can have here.

What I am excited about is that we are taking a fresh look at, whether it be the CFPB, whether it be how the FEC regulates, or the Commodity Futures Trading Commission (CFTC) regulates. That is, I think, the mission of our committee.

I am glad to see that our chairman here has done a great job of bringing testimony forward, because I do not want to litigate fights in the past either. I want to move this country forward, and I am glad to see that we are taking a fresh look about how we administer the APA and how we are going to—when a company comes into play, that they feel like they are going to have a fair umpire instead of someone coming in and picking winners and losers, which clearly some of the folks before were doing.

I am not here to litigate that, but I am here to litigate the idea that we are going to use this committee effectively, find out what the consumer is dealing with, and when they go before one of these huge Federal administrative agencies, that they feel like they are going to get a fair shake and that the die has not already been cast.

Mr. Chairman, I applaud this oversight meeting, and I think it is going to be very helpful as we move forward, once we complete the work with bitcoin, cryptocurrency, and other crypto-type measures.

Thank you, Mr. Chairman, and I yield back.

Chairman MEUSER. I thank the gentleman for his remarks.

The gentleman yields back.

I now recognize Ms. Williams from Georgia for 5 minutes.

Ms. T4Williams of Georgia. Thank you, Mr. Chairman.

You all, as I prepared for this hearing, I was initially very excited, because I thought maybe the hearing would focus on oversight of the CFPB and I would finally get an answer about all of the jobs lost and the consumer protection investigations that have

been halted after my Republican colleagues stood by as the Trump Administration has gutted the CFPB.

Then I read the title, “From Watchdog to Attack Dog.” I guess my Republican colleagues are right about something: They have consistently attacked the CFPB and consumer protection since I have arrived on this committee. No matter what the facts are, my colleagues on the other side of the aisle, they just want to continue to attack the CFPB under the guise of accountability.

Well, here are the facts. Congress has already placed conditions on the CFPB to ensure that it is accountable. Now we just need the Trump Administration to follow the law, which seems to be a pretty high bar in this administration.

The CFPB Director is required to testify before this committee twice a year. We have not had that first hearing yet, you all, and it is almost July. It might have something to do with; we still do not have a permanent director at the CFPB.

It is a shame that we are here today to help my Republican colleagues feel like they care about accountability with this sham of a hearing when we could and should be focused on consumer protections.

Let us be real: This hearing is not about making the CFPB work better. House Republicans are just hurt that former Director Chopra prioritized the most important piece of our financial system—the consumer—and not their billionaire buddies.

Despite how some of my colleagues feel, the work of the CFPB—well, the work that the CFPB did do before it was gutted, and we are still dealing with that—but it was imperative for my constituents in Atlanta, across the Fifth District in Georgia, and across the country, in Democratic and Republican districts because the CFPB is nonpartisan. Reducing excessive junk fees, that is nonpartisan. Relieving the burden of medical debt on consumer credit reports, that is nonpartisan. Combating housing discrimination and holding banks accountable for deceptive practices, that is nonpartisan.

These are consumer protections. Are we really describing those actions as those of an attack dog? To me, those are actions that are all critical to the financial well-being of the American people—people that I fight for every single day in Congress, people who are seeing prices skyrocket under the Trump Administration, people who already could not afford to buy a home, send their kids to college, or just get ahead because of years of my Republican colleagues’ blocking investments in people and communities who need them most.

With the Trump Administration’s lack of a consumer protection agenda, he has already turned the consumers’ watchdog into a muzzled little puppy.

In my district alone, according to the Student Borrower Protection Center’s own data, the CFPB helped over 196,000 consumers find financial relief in Georgia’s Fifth District. That is not an attack dog. That is a watchdog—a watchdog for the people.

I want to take this time to help American consumers understand exactly what is happening now, now that we do not have a consumer watchdog.

I will start with you, Ms. Harper.

Ms. Harper, I understand that you used to work at the CFPB, and we thank you and your colleagues for your work and service on behalf of the American people.

Georgia's Fifth District is home to 13 higher-ed institutions and the largest consortium of Historically Black Colleges and Universities (HBCUs) in the Nation. For many young consumers in my district, especially first-generation college students, they are taking out a loan for the first time to finance their education. Students may also be opening a bank account or getting a credit card for the first time on campus, and this makes students a very captive market for financial firms.

Ms. Harper, how are students currently at risk of being targeted without protections from the CFPB?

Ms. HARPER. Thank you for the question. Yes, your point about being marketed when you are a young person, I know my brother fell into one of those traps—

Ms. WILLIAMS of Georgia. I fell into those traps.

Ms. HARPER. Yes. Yes. It used to be very bad before there was a cop on the beat, and in order to continue to make sure laws are enforced, you have to have people working at the CFPB to supervise some of that conduct.

Right now, based on the decisions out of this administration, we have seen the supervisory staff drop from a few dozen in some cases for certain departments to just a handful of people, that is not enough to keep track of what is going on out there in the market to protect students.

If I may just clarify a couple of other points that have come up because I think a lot of today's focus is that—suggesting that there is some targeting, and Ms. Bassett, though I have heard some of her testimony, I think it is important to keep in mind, again, that the CFPB's mission is to follow legal violations. Sometimes people who conduct and participate in legal violations, it is not comfortable to go through that process.

Ms. WILLIAMS of Georgia. My time has expired because this conversation is so important in protecting the consumers. Mr. Chairman, I yield back, and I look forward to having this conversation as we continue to work on this committee to protect consumers in this country.

Chairman MEUSER. The gentlewoman yields. The chair now recognizes Mr. Moore of North Carolina for 5 minutes.

Mr. MOORE. Thank you, Mr. Chairman. This has always been an intriguing subject for me because before being a Member of Congress I was an attorney for 30 years. During those 30 years I had cases over the time where I actually represented victims who were defrauded, civilly defrauded, some actually criminally defrauded, and I am a big advocate for consumer protection, but I will tell you, under the former Director, under Direct Chopra, the CFPB was essentially I would say fundamentally reshaped to reflect a progressive agenda, prioritizing aggressive enforcement over clear guidance and balanced oversight.

The big injustice that always stuck out to me, and we have talked about this before the committee hearings, was how like rules are made up on the fly. They would be like press releases that came out. Then the fundamentally flawed way that the agency

was funded was that it got more money based on the number of fines and penalties and so forth that were leveraged. I mean, that is just fundamentally unfair.

That is—and Mr. Haridopolos made the good point that consumer protection has been the law before this monstrosity of CFPB was ever dreamed up where you have had multiple agencies. States have laws dealing with consumer financial protections, with unfair and deceptive trade practices, other Federal agencies that cover this and this you simply had an agency that I would submit was a rogue agency, particularly in the last administration.

I will just ask a couple of questions. I will start with Mr. Kim. You have extensive experience with enforcement at CFPB, as well as the Administrative Procedures Act. I have asked this before, I just want to confirm, does the APA apply to the CFPB?

Mr. KIM. It does.

Mr. MOORE. Is agency guidance, is that a rule?

Mr. KIM. It is not.

Mr. MOORE. Is a press release a rule?

Mr. KIM. No.

Mr. MOORE. Is a simple statement by the Director, is that a rule?

Mr. KIM. No.

Mr. MOORE. Should a press release or statement by the Director be the basis of any enforcement action?

Mr. KIM. I do not think so. I cannot think of a situation in which it should.

Mr. MOORE. I agree with you. My understanding is that kind of thing was happening on a routine basis in the prior administration.

Ms. Bassett, thank you for being here with us today. You have experienced this abuse first-hand as a small business owner. My understanding is your business was specifically targeted by the previous Director, and you received civil investigative demands. Can you explain what a CID is and what it has cost your business dealing with this mess?

Ms. BASSETT. Congressman, thank you for the question. Yes, so the civil investigative demand, I was—it was unknown to me until I received one in July 2022, but it is basically a subpoena where they are asking you for an unbelievable number of—for us, an unbelievable number of documents from our company. The statement of purpose was very vague in general, and it was the same—they were issuing them to everyone in our—or lots of people in our industry. So the process was—it is still ongoing for us, and it has been 3 years, and we spent close to \$500,000, and for my small business, that is just crippling.

Mr. MOORE. My understanding is that you, in effect—you lost about a third of the value of your business; is that correct?

Ms. BASSETT. That is correct.

Mr. MOORE. It just—it just shocks me, and frankly I wish more Americans knew about this rogue agency and how it is just wrong in terms of what it has done. I think that our constituents back home expect us—they expect to know if they are dealing with any level of Government, particularly the heavy hand of the Federal Government, that there are rules in place that protect them, that there is due process in place, that there is not an incentive, if you will, for an agency to go after them.

You had the entire, the entire funding stream, Mr. Chairman, the way CFPB was arranged, they were incentivized, they were incentivized to go out and actually levy these fines, these penalties. That was the basis of their funding, and it would be the same as if you asked—if a police officer got paid more if he wrote you up for a bigger ticket or something, and that is just a fundamentally flawed system. I think it goes to show why this agency, frankly, should be abolished. We have other agencies that can do this and have done a better job when it comes to actually protecting consumers instead of just trampling over people's individual rights.

I hope as we move through this session and as we tackle some of the other serious matters this committee is charged with dealing with, that this is something we will deal with. With that, Mr. Chairman, I yield back.

Chairman MEUSER. The gentleman yields back. The chair now recognizes Mr. Fields of Louisiana for 5 minutes.

Ms. FIELDS. Thank you, Mr. Chairman, and Ranking Member, and let me thank all of the witnesses for being here today. Ms. Harper, I do have a question for you. Given your research on financial industry practices, what do you anticipate will happen to consumer protection if the CFPB is effectively eliminated through workforce reduction or enforcement sensation? What alternative mechanisms could protect consumers from predatory practices that necessitate strong oversight, and what would you recommend to this committee to preserve meaningful consumer protection?

Then lastly, I mean, if you look at the number—the States with the members of this committee, the complaints that have been lodged to the CFPB, you have over a half a million in Georgia, and you have over a million in Florida. With that, looking at that as your basis, what would be your response?

Ms. HARPER. Thank you for the question, Congressman. I think it is an important question, especially as we have folks that are reflecting on the past and what got us here.

Not having—the CFPB not having resources, not being appropriately staffed, not really having any enforcement agenda to protect the rule of law to speak of, which is what we have seen under this administration, is laying the groundwork for another financial crisis. It is interesting that so many of your colleagues on the other side of the aisle are saying we would love to have all of these resources focused on the CF—on the FTC, I should say, that there are other agencies that can handle this, that we can have these authorities scattered. That was the situation before the financial crisis. We have played that tune before and it devastated the lives of millions of Americans.

I think it is also very interesting that they are saying that because if there is so much respect for the FTC, it is interesting that this administration has actually dismissed Democratic commissioners from the FTC that were doing the important work of some of that market monitoring and being able to look into investigations of different practices that might hurt consumers across the country.

Mr. FIELDS. Thank you. Let me ask a question to Ms. Bassett. Small businesses historically create two-thirds of the new jobs. In my district, I have 2,478 older Americans who have filed com-

plaints with the CFPB. How does eliminating transparency help these folks have access to the broader economic developments in our community?

Ms. BASSETT. Congressman, thank you for the question. I think I understand what you are asking, but through the—I want to say that through the complaint—the CFPB has a huge data base of complaints, and with that my industry, which is small dollar lending, accounts for .08 percent, not my company, but my industry, of those complaints. We do not—our customers are very satisfied with our services. Maybe you can restate your question.

Mr. FIELDS. Well, make it very simple, I mean, how does—you understand the complaints that we have at the CF—the CFPB, the Congressional Media Consumer Protection Bureau, you understand the number of complaints we have nationwide of how would eliminating that department help consumers?

Ms. BASSETT. Thank you. As I said before, when I stated that I wanted to, I did not believe in keeping the CFPB, a part of that is just my personal experience which has just been, for our industry, has just been such an overreach, and it just seems like an out of control agency at times.

Mr. FIELDS. Do you feel it serves any meaningful purpose?

Ms. BASSETT. For me, no. There was no—I was never accused of any violation of law or consumer harm.

Mr. FIELDS. Not for you, but for the consumer.

Ms. BASSETT. I am sorry. I do not really have a complete answer for that. I think again, like the other gentleman said, I think there are other agencies that are available to protect consumers.

Mr. FIELDS. All right. Name one in the financial industry.

Ms. BASSETT. We have our State agencies that regulate, audit us, and also take complaints in as well; so, I believe that our States have done a great job. We have been in business for 36 years and so I believe that the States do a great job.

Mr. FIELDS. I yield back, Mr. Chairman.

Chairman MEUSER. The gentleman yields back. The chair now recognizes Ranking Member Green of Texas for 5 minutes.

Mr. GREEN. Thank you, Mr. Chairman. Thank the witnesses for testifying as well. Ms. Harper, I especially want to thank you for your bold, brave and brilliant testimony. You are a superior talent. BA from Tufts, JD from Stanford, MPA from Princeton, clerked for a Federal judge, senior advisor to the Director of the CFPB for some 3 years. You are a superior talent, and I must tell you something, I am afraid for you. I am afraid for you because of the vindictive nature that is permeating this society emanating from the very top, from the President of the United States of America.

There are some other people who would agree with me. I have in my hand statements from 25 current and former employees of the CFPB. I would like to place them in the record, if I may, Mr. Chairman.

Chairman MEUSER. Without objection.

[The information referred to can be found in the appendix.]

Mr. GREEN. These 25 people have not allowed their names to be associated with these statements. They live in fear. These are former employees, not just the current, people who are no longer with the CFPB, afraid to be associated with the actions that they

believe to be unfair, and to some degree unlawful. We will place this in the record.

I am afraid for you because I have in my hand an article styled; Trump Administration Sues all 15 Maryland Federal Judges Over Order Blocking Removal of Immigrants. Sued all 15 judges because he did not like the decision. Where are we headed in this country when we refuse to honor court orders. It is one thing for this to happen at some lower level by some lawyer. This is the President of the United States of America. He sets the tone and tenor for everything that happens in this country.

I am afraid for you, and I want you to know this, I am going to stand with you. If you receive anything that causes you a good deal of consternation, causes some fear, I want you to contact my office. I am not among the pusillanimous politicians who are afraid to take a stand. I am going to stand, and I appreciate the boldness and the brilliance of your testimony.

Now, I have said earlier that what we are doing in this country does not only impact the CFPB. The Department of Education is being defunded. We cannot view these things in a silo, one hearing, one bit of information, and then we go to another. We have to connect the dots. Let us connect the dots. Defunding the Department of Education, crippling the ability to help our Nation's most vulnerable children. Defunding HHS, which provides essential services, especially those regarding Centers for Disease Control, Food and Drug Administration. Defunding department known as HUD, Department of Housing and Urban Development, at a time when Congresswoman Waters is trying to help more people get into homes. Affordability is a real problem in this country. She has legislation that would help with affordability, especially for first-time home buyers.

Here is one that is personal, defunding FEMA. I live along the Gulf Coast. I know what the severity of hurricanes is. I know how they impact the lives of people. If we defund FEMA, who is going to be there after a natural disaster to protect people who are sometimes living literally in the streets of life.

We have gone too far now. We have put the people who live in the suites of life above all other people, especially those who live in the streets. This country has to stop and take notice of what is happening. This President is destroying democracy in this country.

Sir, you said you wanted to make sure that rule of law is a foundation. I respect you, Mr. Chairman, I am going to yield back, but I am going to tell this gentleman, you are right, it is, and it is being diminished by the President of the United States of America. I yield back.

Chairman MEUSER. The gentleman's time has expired. The chair now recognizes the chairman of the full committee, Mr. Hill of Arkansas, for 5 minutes.

Chairman HILL. Thank you, Chairman Meuser. It is good to have our panel. Thanks for helping us analyze the CFPB 15 years later. It is hard to believe that 15 years have passed by since Dodd-Frank, and all of you bring your expertise to our members, and so that is very very, very helpful.

Before I was in Congress, both in the brokerage industry and in the commercial banking industry, I was subject on and off to Fed-

eral regulation for years both in public companies and private companies, and I have to tell you, and I always tell my colleagues, I never once saw the Federal Government ever shirk its consumer protection enforcement responsibilities at any of the businesses I worked for. In fact, quite the contrary. I mean, just intensively disciplining the businesses I was associated with, enforcing the law, enforcing the regulations. So you can count me as—I know there are exceptions, and I know there are bad actors, and that is why we have Federal law. That is why we have fair housing laws and consumer protection laws and credit protection laws, and they are all enforced, and they were enforced before the CFPB existed. I want to be very clear about that.

The question here is not whether this committee is interested in consumer protection. It is dedicated to consumer protection. The facts here are how to do it and do it in the right way, the appropriate way based on business strategy, business size, business entity, and in conjunction with, what, the Federal statute.

The title of Dodd-Frank that set up the CFPB, being true to that statute and not inventing law out of whole cloth or operating by regulation by enforcement. That is not the way our State and Federal regulatory system has operated over the decade.

Mr. Kim, thank you for your enforcement responsibility. I looked at your resume. It looks like you were an early enforcement attorney working for Director Cordray, who I had the pleasure to know when I was first in Congress and you have seen now as an attorney, outside attorney, good enforcement and bad enforcement, or enforcement over past the fridge of statutory authority. I want to talk about that a little bit.

Can you explain how the CFPB skirted the Administrative Procedures Act process by stating that it would consider discrimination as an unfair, deceptive or abusive practice, UDAP, where we do not have the right defined terms here, we have been talking about this for years, give me your assessment on that.

Mr. KIM. Thank you, Chairman Hill. On that specific issue, trying to impose antidiscrimination requirements through UDAP authority, you do not have to take my word for it, there is a district court in Texas that made that very ruling. Right. That it was improper to basically legislate through an enforcement action, and that district court struck down that section of the UDAP manual that would impose these new kind of antidiscrimination requirements outside of existing Federal law, outside of ACOA, outside of the Fair Housing Act, and by imposing it kind of through the backdoor as UDAP requirements through a manual, which it is just a manual, like I can write a manual, not through the APA process.

Chairman HILL. Right. This is such a good point. Look, we have a system in place, let us use it. If you want to come advocate through the Federal register and promulgate a rule, or promulgate the interpretation of a rule, do it, but this backdoor enforcement work, I just cannot condone it.

Ms. Bassett, do you believe that the CFPB under Former Director Chopra engaged with you on a good-faith basis? As I understand it, under Director Cordray, your work had been reviewed carefully and you have been given a clean bill of health more than once, and then suddenly it is overturned by Director Chopra, and

I do not think anybody thinks Richard Cordray is a patsy for the right, so where is the consistency and the application of CFPB procedures? Could you reflect on that?

Ms. BASSETT. Thank you, Chairman Hill. You are right, we were thoroughly examined by the Cordray CFPB. They sent 10 examiners to our small corporate office for 10 weeks in 2015. They visited 17 of our locations. At the end of that, again, there were no findings of law, no fines, no penalties.

They came back in 2018, looked again, 10 examiners, they were not there quite 10 weeks this time, but by the end of 2019 they had closed out that exam and there were no findings.

Then we are just going along dealing with our State regulators, just business as normal, and 2022 in July we get this CID out of nowhere. It is very vague as to its purpose and we were—again, there were multiple of those.

Chairman HILL. Thank you. My time has expired. I hope you will expand to that in your answer in writing. Chairman, thank you for the hearing. I yield back.

[The information referred to was not submitted prior to printing.]

Chairman MEUSER. The gentleman yields back.

Ms. WATERS. I ask for unanimous consent—

Chairman MEUSER. The chair now recognizes the gentlelady from Michigan—

Ms. WATERS. To submit to the record—

Chairman MEUSER. Ms. Tlaib for 5 minutes.

Ms. WATERS. Unanimous consent, I request unanimous consent to submit to the record—Mr. Chairman, I ask unanimous consent to enter into the record a copy of section 1016 of the Dodd-Frank Wall Street Reform and Consumer Protection Act which requires this committee to hold a semi-annual hearing with the CFPB Director.

We have not done so since June 2024. I wrote Chairman Hill reminding him of this requirement, and it is high past time that committee Republicans follow the rules and hold the current administration accountable. I have both documents to submit to the record. I ask unanimous consent.

Chairman MEUSER. Without objection.

[The information referred to was not submitted prior to printing.]

Chairman MEUSER. The chair now recognizes Ms. Tlaib of Michigan for 5 minutes.

Ms. TLAIB. Mr. Kim, you are for-profit, right? For-profit?

Mr. KIM. I work for a for-profit.

Ms. TLAIB. Yep. Ms. Bassett, for-profit, right?

Ms. BASSETT. Yes.

Ms. TLAIB. How about you, Mr. Watkins?

Mr. WATKINS. I work in a non-profit.

Ms. TLAIB. You are non-profit.

Mr. WATKINS. Yes.

Ms. TLAIB. Great. How about you?

Ms. HARPER. Non-profit.

Ms. TLAIB. Okay. I only say this because some of the for-profit people are like, poof the agency just sent us a notice and we—like you all did not do anything wrong. Like it just came out of thin air.

I want to apologize to you, Ms. Harper, I was not here. This institution sometimes utters people that look like you and I and try to dismiss us or silence us, and I apologize. I seriously apologize for that. There is no sense of I think really understanding, sometimes our lived experiences are the passion that we have and the advocating for what is important.

This month, CFPB's acting head of enforcement, Cara Petersen, as you might have read or heard, and maybe you guys celebrated and had like pizza or something, and she quit in protest of this administration's attempt to undermine the bureau. I want to quote her email. She said, quote, never before have I seen the ability to perform our core mission so under attack. It is clear, she said, that the bureau's current leadership has no intention to enforce the law in a meaningful way.

Sadly, Ms. Petersen's departure should have come as no surprise to many of my colleagues. I mean, the administration's Acting Director Vought sought to fire, what, 90 percent of CFPB's staff. They have dropped 22 pending enforcement actions against corporate lawmakers. No wonder people that are listening, because I hear my colleagues really—400,000 complaints by veteran servicemembers. I know for a fact that the fraud and the schemes targeting the American people right now is rampant. I know for a fact the bigger banks, their business plans are, what, 50 percent junk fees and overdraft fees. Corporate greed is like a disease in our country, and it is hurting the American people.

You all are acting like CFPB is sitting there just like picking on your donor friends. That is not—they are doing wrong actions against people. They have to have actual evidence and complaints, you all, to investigate.

One of the things that really is—they have overturned almost 70 pieces of non-binding guidance which can help inform consumers of their rights. Consumers are our residents. Residents. People. Servicemembers. Seniors.

The administration has allowed the backlog of 16,000 consumer complaints to pile up and has actually returned millions of dollars that were meant to compensate consumers back to the companies that broke the law. Like the loan, student loan servicers, I know they got the calls from their residents. You see how they were wrong just really violating the process and so forth, and they got caught. The student loan services. They were supposed to give money back to—well, here he comes and he is like, we are not going to do that anymore.

Ms. Harper, one of the things that, I know CFPB for me, I always was explain to my residents, it is like the 911 for consumer protection. I know romance fraud, I am being serious, like these outside entities, but in there are the corporations that set up plans and business plans because they know no one is going to watch over them. I mean, CFPB did not just come from thin air. It did not just go, oh, we are just going to do this. It is because they were doing illegal and unlawful actions that were hurting the American people. Like they needed a babysitter. That is exactly what you all need is a babysitter because you will never put our people, the best interests of the American people before the interests of your for-profit clients and schemes.

Ms. Harper talks about the importance of CFPB and the reaction, I mean, right now the reaction out there in regard to what is happening without any consumer protection.

Ms. HARPER. Thank you for the question, Congressman. I am glad you used the term 911 because when you look at some of the complaints, and we have been talking about the consumer complaint data base, you can actually feel the emergency and urgent emotions that the American people are having with things like—

Ms. TLAIB. They have no where to go.

Ms. HARPER. Medical debt.

Ms. TLAIB. That is right.

Ms. HARPER. Being hounded at their jobs to pay medical debt that is not the right amount, that they had no control over that now is influencing their employment.

The other thing I would note that has come up in terms of the risks that are in the market now, and it is more important than ever to have a CFPB that is staffed and focused on a strong enforcement agenda is around big tech. We were talking earlier about entities that are outside the financial industry. Looking at big tech and how they are trying to move into payments, this is something the Chopra CFPB was trying to regulate and be able to have supervisory authority to see risk there, and this administration has completely rejected and the—

Ms. TLAIB. I want to—I only have 3 seconds because he will cut me off. \$3.5 billion in overdraft fees. I want residents out there in Republican, Democratic, do not matter, \$3.5 billion of overdraft fees that were illegal, they have just let it go. We are not going to go ahead and enforce that. I just want the American people to know exactly what is happening.

Chairman MEUSER. The gentlelady's time has expired.

Ms. WATERS. Mr. Chairman, a request to—recognition to correct the record.

Chairman MEUSER. The lady is recognized.

Ms. WATERS. I indicated that President Trump, based on the testimony of the—

Chairman MEUSER. Madam Chairwoman, my apologies, time has expired. Cannot be recognized.

Ms. WATERS. I want to correct the record. I asked permission to correct the record.

Chairman MEUSER. Is there a unanimous consent request?

Ms. WATERS. The request that I am making was I quoted the gentleman who has—

Chairman MEUSER. The gentlelady is not recognized.

Ms. WATERS. Said President Trump has the power to pardon even the most atrocious terrorists and traitors, but for some reason—

Mr. MOORE. Point of order, Mr. Chairman.

Ms. WATERS. Settlement in a civil proceeding cannot be—

Chairman MEUSER. The gentlelady is not recognized.

Ms. WATERS. This is wrong and the gentleman tried to say that he did not say President Trump.

Chairman MEUSER. The gentlelady is not recognized.

Ms. WATERS. That he had said any President. The record needs to be corrected.

Mr. MOORE. Mr. Chairman, point of order.

Ms. WATERS. The gentleman has written in the——

Chairman MEUSER. Ms. Waters, the gentlelady is not recognized. You understand that.

Ms. WATERS. I want the record corrected.

Chairman MEUSER. Nobody would do this during your hearing. It is inappropriate and out of order.

Ms. WATERS. I want it to be corrected that the gentleman said——

Chairman MEUSER. I would like to thank our witnesses for their testimony today.

Ms. WATERS. The gentleman said——

Chairman MEUSER. I request unanimous consent to enter two documents——

Ms. WATERS. That he did not say President Trump. He did say President——

Chairman MEUSER. Ms. Waters, this is highly inappropriate and completely out of order.

Ms. WATERS. It is in the record.

Chairman MEUSER. Yes, nice. I want to thank our witnesses very much. I request unanimous consent to enter two documents into the record.

One is a statement from the Consumer Credit Insurance Association.

The other document is titled, the Abuse and Vilification of James and Melissa Carnes. Without objection, so ordered. Without objection, all members will have legislative days——

[The information referred to was not submitted prior to printing.]

Mr. GREEN. Mr. Chairman, I ask for unanimous consent.

Chairman MEUSER. In which to submit additional—as soon as I am finished, I will yield to you.

Mr. GREEN. Thank you.

Chairman MEUSER. Written questions for the witnesses to the chair. The questions will be forwarded to the witnesses for their response, and I ask our witness to please respond no later than July 31, 2025. This hearing is adjourned.

Mr. GREEN. Mr. Chairman, you were going to—my unanimous consent. You were going to entertain it, my unanimous consent. I ask unanimous consent that Ms. Waters' comments be entered into the record as corrections.

Mr. MOORE. I object.

Chairman MEUSER. There is an objection. The hearing is adjourned. We are not going to do it twice.

[Whereupon, at 11:36 a.m., the subcommittee was adjourned.]

APPENDIX

MATERIALS SUBMITTED FOR THE RECORD

Testimonies of CFPB Workers, gathered by NTEU Chapter 335 - June 25, 2025

Worker 1

Position at the CFPB

- Consumer Financial Protection Analyst

Time at the CFPB:

- Five years and two months

Chief responsibilities:

- Process registration related filings by property developers for compliance with statute, regulations, and CFPB policies and procedures.
- Verify and decide whether the appropriate registration filing was submitted, evaluate documentation such as property reports, real estate deeds, and ownership.

Benefit to consumers:

- Ensures information is accurate to homebuyers and buyers of housing development lots.

How upheaval at CFPB has impacted ability to serve the American People:

- We are not allowed to communicate with the property developers, so we're unable to inform them of errors in their property reports that will be shared with potential homebuyers/lot buyers.
- Since late March, we have been assessing property development reports, but were unable to communicate as usual with external stakeholders due to orders by the CFPB's Acting Director.

Sole source of income for household?

- Yes.

Personal Impact:

- With this stressful uncertainty about my career, I have been negatively impacted physically and mentally. I have trouble sleeping and I have lost weight.
- As the sole provider and only parent of my two children, one of whom has severe special needs, I worry about my ability to keep our house and continue to live in this town, and our residence here is necessary for my special needs child to continue his placement in an school for autistic learners.
- I went to graduate school with the goal of working within the Federal Reserve System, which I have for almost 18 years.
- This is my career and I worked hard for it. It feels unfair and arbitrary that individuals who do not know my strong character, integrity, patriotism and dedication to public service could ruin me and my family.

Why it is important for the CFPB to be able to do its work for the American people:

- The work that Registrations performs ensures property developers are complying with Regulation J to provide accurate information regarding properties for sale, which could be intended for houses, vacation homes or cabins, or RV parks, for example.
- Without our ability to fully communicate our assessments of their property reports, potential lot and homebuyers may not get accurate information about a development, or there may already be title claims on land that they are buying but buyers may not be aware, or the developer's insurance may not be sufficient

Testimonies of CFPB Workers, gathered by NTEU Chapter 335 - June 25, 2025

Consequences for consumers if the CFPB can't do its job:

- I worry about the bigger picture of consumer protection and believe one federal agency, the CFPB, is necessary to ensure consistent oversight and protections rather than an inconsistent application of consumer protection laws and regulations by states.
- I worry the U.S.A. could have another financial crisis and without the CFPB, American consumers will be harmed and won't have anyone to provide helpful guidance. In my previous work experience as a CFPB examiner, providers of credit have been appreciative of our guidance, which helps them to limit legal costs, protect their reputations, and foster positive relationships with their consumers. Property developers share the same view.

Additional remarks:

- Congress created the CFPB for many reasons after the 2008 financial crisis. Those economic and societal risks still exist, and now one could add investments by average Americans in crypto to that list of risks.
- Congress, please stand up for Americans and fight to save the CFPB. We deserve this little agency that costs nothing to taxpayers to operate, but has returned \$21 billion to individuals since its founding 14 years ago. Americans of all economic and political demographics deserve and need the CFPB.

Worker 2

Position at the CFPB:

- Commissioned Compliance Examiner

Chief responsibilities:

- As a Commissioned Compliance Examiner, I lead examinations of financial institutions to ensure compliance with federal consumer financial laws, including ECOA, TILA, RESPA, HMDA, and UDAP. I evaluate compliance management systems, identify risks, and develop supervisory strategies.
- My work includes assessing internal controls, conducting fair lending reviews, and ensuring that institutions treat consumers fairly and transparently. I also collaborate with legal and policy teams to issue findings, recommend corrective actions, and support enforcement efforts when necessary.

Benefit to consumers:

- My work directly benefits consumers by ensuring that financial institutions follow federal laws designed to protect their rights.
- Through examinations, I help uncover and address unfair, deceptive, or discriminatory practices—ensuring that consumers receive accurate information, fair treatment, and equal access to financial products and services.
- By holding institutions accountable and promoting strong compliance programs, I help create a safer, more transparent financial marketplace where consumers can make informed decisions and trust that their interests are safeguarded.

How upheaval at the CFPB impacted your ability to serve the American People:

Testimonies of CFPB Workers, gathered by NTEU Chapter 335 - June 25, 2025

- The upheaval at the CFPB has significantly impacted my ability to serve the American people, as it has effectively halted my work.
- Due to shifts in leadership, internal uncertainty, and changing policy direction, I have not been able to carry out examinations, initiate supervisory actions, or engage in meaningful oversight.
- This lack of activity limits our ability to identify risks, address consumer harm, and hold institutions accountable.
- Despite this standstill, my commitment to the CFPB's mission remains strong. I'm ready to resume work the moment stability returns, with the goal of restoring consistent protections for consumers and ensuring that financial institutions operate fairly and transparently.

Sole source of income in your household:

- No

Personal impact:

- Personally, the upheaval at the CFPB has taken a deep and lasting toll on me. I've gone from being fully engaged in work that protects consumers to being sidelined by chaos and political interference.
- I'm watching in horror as lies are spread about what this administration is doing to the Bureau—misleading the public while dismantling the very foundation of consumer protection we were built to uphold.
- The emotional and psychological stress has been immense. I've endured threats of termination, was actually fired, and then abruptly reinstated—each event destabilizing and demoralizing.
- Living in a constant state of uncertainty about whether I'll have a job tomorrow has bled into every part of my life. My family feels it too. I'm always on edge, trying to remain composed while the rug keeps getting pulled out from under us.
- This experience has not only shaken my sense of security but also my faith in how we value public service. And yet, I remain committed to doing this work—because protecting consumers isn't just my job, it's my purpose.

Time at the CFPB:

- 5 to 10 years

Why is it important for the CFPB to be able to get back to doing its work for the American people?

- It's critical for the CFPB to return to its full capacity because millions of Americans rely on us—often without even knowing it—to ensure that the financial system is fair, transparent, and accountable.
- When we're functioning properly, we prevent discrimination in lending, stop abusive debt collection practices, ensure people aren't being misled by fine print, and hold powerful institutions accountable when they harm consumers.

Consequences for consumers if the CFPB can't do its job:

- If we don't get back to doing this work, the consequences for everyday people will be serious and far-reaching.
- Predatory practices will go unchecked, bad actors will feel emboldened, and consumers—especially the most vulnerable—will be left without a watchdog.

Testimonies of CFPB Workers, gathered by NTEU Chapter 335 - June 25, 2025

- Families could face hidden fees, unlawful foreclosures, discriminatory lending, and more, with no meaningful recourse.
- The CFPB was created after a financial crisis to ensure that such harm never goes ignored again. Without it functioning as intended, we risk returning to a system where profits come before people and where consumer protection is optional, not essential. The stakes couldn't be higher.

Additional remarks:

- It's not just about policies—it's about people. Talented, mission-driven professionals are being silenced, displaced, or forced out. Morale is low.
- The American public is losing a team of experts who care deeply about their financial well-being.

Worker 3

Please state your position at the CFPB:

- IT Specialist

Chief responsibilities:

- Software development and engineering for the web site and web applications.

Benefit to consumers:

- Folks who have worked on the web site at CFPB have been dedicated since the Bureau's inception to providing accurate, helpful information to consumers. We aim to use our position as a government agency to provide unbiased information that consumers can trust.
- We also provide the same service to those organizations we regulate - easy access to our regulations, interactive informational graphs about market trends, and web access to things like amicus briefs, etc.
- We've also taken the next step to provide modern web applications that work on phones, tablets, and computers that help consumers learn about everything from interest rates to college costs. This gives consumers a free, trustworthy resource that they can depend on for information and answers to their financial questions.

How upheaval at the CFPB impacted ability to serve the American People:

- The cancellation of contracts and loss of employees has severely impacted our ability to maintain and update our web resources. The loss of contracts has also forced us to shut down at least one of our applications, and threatens the existence of several others.
- The CFPB has been a model agency for serving citizens digitally (while never abandoning those who don't have access to computers and the internet), and the chaos so far this year has severely impeded our ability to continue to deliver those services as a model to other agencies.
- If efficiency is a key aim, then it is being poorly served by endangering resources which are easy and free to access, and which run as efficiently as possible in the digital space. Instead, we are left with little direction, constant threats to our continued existence, and thus we are unable to serve the American consumer. Meanwhile, the CFPB costs Americans nothing in terms of tax dollars, so I fail to see the efficiency.

Testimonies of CFPB Workers, gathered by NTEU Chapter 335 - June 25, 2025

Sole source of income in your household?:

- No, but primary source of income

Personal Impact:

- My family has made a lot of financial changes because I am the primary source of income. It has caused a great deal on anxiety for my family.
- It has impacted me emotionally, because I love my job and I love public service, and having to find a job in the private sector that I feel is as impactful as my career in public service feels like a futile venture.

Time at the CFPB:

- > 10 years

Why is it important for the CFPB to be able to get back to doing its work for the American people?

- My job, to provide helpful information to the public, is always an easy win, and it can be done efficiently and effectively through digital services. It is a waste to hold back such an easy win.
- But more importantly, the CFPB as a whole keeps the American consumer safe from another financial crisis, such as the one we had in 2008. With the CFPB sidelined, its critics and detractors are essentially "defunding the police" - they are taking the financial cop off the beat.

Consequences for consumers if CFPB can't do its job:

- With no one examining banks and regulating market, the consequences are both unknowable and unforeseeable.
- We won't know that the American consumers and the American economy are in peril until its too late.
- Such a crisis would once again harm every consumer, and would once again impede American prosperity with unnecessary losses and costs.

Worker 4

Position at CFPB:

- Examiner

Chief responsibilities:

- I evaluate the adequacy of the compliance management systems, product lines, and/or programs at our regulated entities to assess compliance with applicable Federal laws and regulations.

Benefit to consumers:

- We are the first line of defense for consumers at the regulated entities.

How upheaval at the CFPB impacted ability to serve the American People:

- We are unable to provide an unbiased assessment to the American Consumer that financial entities are treating consumers fairly, and not taking advantage of consumers.

Sole source of income in household?

- Yes

Personal Impact:

Testimonies of CFPB Workers, gathered by NTEU Chapter 335 - June 25, 2025

- I have been going through a lot more stress and just being doubtful about the future of the Bureau and how that effects the American Consumer.

Time at CFPB:

- 10 years

Why it is important for the CFPB to be able to get back to doing its work for the American people?

- Large financial institutions commonly take advantage of low to middle class consumers.
- When we are not performing our statutory duties, the American consumer is harmed, from bad practices to UDAAP.

Worker 5

Position at the CFPB:

- Business manager

Chief responsibilities:

- I work with our complaints data, making it accessible for internal users like enforcement attorneys, government partners like state attorneys general offices via complaint explorer, and external users like journalists via the Consumer Complaint Database

Benefit to consumers:

- Making complaints accessible enables both our agency and government partners to assess risk in the industry, determine which institutions to examine, and uncover widespread consumer harm.
- Many of the cases we pursue are either borne out of complaint and whistleblower data or substantiated by consumer narratives. Consumers often choose to make their narratives public and we should continue to keep their voices accessible by publishing their stories.

How upheaval at the CFPB impacted your ability to serve the American People:

- We have struggled to scope out long term infrastructure projects or new features for our complaint applications due to a lack of clarity regarding the agency's future and budget.
- We all just want to get back to work and fulfill the agency's mission under a permanent director.

Sole source of income in your household?

- Yes

Personal Impact:

- I have been at the bureau since I first graduated college, initially in the DFA program and then converted to a full time employee - this July will mark 10 years of service. I've loved working here so much, I did my master's degree part time so that I wouldn't have to quit.
- I can't imagine another job that would allow me to make the kind of impact I feel I've had at this agency on behalf of consumers.

Length of time at CFPB:

- 10 years

Why it is important for the CFPB to be able to get back to doing its work for the American people:

Testimonies of CFPB Workers, gathered by NTEU Chapter 335 - June 25, 2025

- Without the CFPB there will no longer be a cop on the beat protecting consumers and listening to their stories - online there is already confusion about the status of the agency and I see users on personal finance sites and Reddit saying that there is no longer anywhere for them to turn when they have an issue with their mortgage servicer or credit card processor.
- This agency was formed during a recession caused in part by the mortgage and mortgage servicing industry - there's no telling what new or existing financial instrument may be the next to veer into dangerous territory and without consumer complaints, supervision, and enforcement it is impossible for us to prevent or mitigate it

Worker 6

Position at the CFPB

- Paralegal Specialist

Chief responsibilities:

- Working on all stages of the the rulemaking process

Benefit to consumers:

- Our regulations provide the only protection that consumers have for a host of critical issues, including mortgages, credit cards, and loans.

How the upheaval at the CFPB impacted your ability to serve the American People:

- The stoppage caused chaos and continues to prevent the Bureau from having an orderly process for drafting regulations, including deregulatory efforts.
- The Acting Director's Office is silent and random.

Sole source of income in your household?

- No.

Personal impact:

- Severe depression, anxiety, fears, anger, despair. Disbelief. Like a war has been launched on you.

Time at the CFPB:

- 5 years

Why it is important for the CFPB to be able to get back to doing its work for the American people:

- The economy is in tough shape and this is exactly the time when the Bureau needs to be on full-on work mode.
- Scammers are always going to take advantage of people, and with the CFPB slowed or stopped, they have no reason to stop scamming people until we're back up and running without interference.

Additional remarks:

- The CFPB is only hated by greedy banks and scammers. We're here to serve the American people and that pisses them off.

Testimonies of CFPB Workers, gathered by NTEU Chapter 335 - June 25, 2025

Worker 7

Position at the CFPB:

- Senior Counsel

Chief responsibilities:

- I ensure that the Bureau's actions are rigorously grounded in the 20+ statutes we administer and that our legal theories will stand the test of time.

Benefit to consumers:

- The CFPB is the only federal agency responsible for federal consumer financial law, a collection of 20+ statutes that govern everything from mortgages to credit cards to debt collection to credit reporting to electronic payments to data privacy.
- The CFPB is also the agency exclusively authorized to supervise the very largest banks. And the CFPB's consumer complaint system is a powerful resource for so many issues where companies give ordinary folks the runaround but that the CFPB helps solve.
- These are the kitchen table issues that people worry about every night. And the impact of the work we do is evident, extensive, and deeply rewarding.
- Congress gave the CFPB these tools to prevent another financial crisis, and on a daily basis to help hardworking people who are just trying to get by.
- No one else can do what the CFPB can do, and the American people need the CFPB now more than ever.

How upheaval at the CFPB impacted ability to serve the American People:

- Starting late at night February 11, 2025, I was locked out of the CFPB's systems and received a generic template termination letter that did not even say my name. For more than a month, I was not paid and could not serve the American people.
- I also lost my benefits including several forms of insurance I and my family relied upon. A court found these actions so obviously illegal, it set the firing aside and commanded the agency to provide me with back pay.
- I gladly returned to work but many functions were still either completely shut down or operating in name only.
- On April 17, 2025, I received a specific notice of a reduction in force, along with 90% of my colleagues. Again, a court set aside that obviously illegal action and the CFPB rescinded those notices. These illegal actions have traumatized many of my colleagues, and morale is at an all time low.
- I and my colleagues have worked tirelessly for the American people under several different administrations led by different political parties, always with our eye on the mission Congress gave us and always under the leadership of our Directors and Acting Directors, who, until now, have always been true to that mission. All of us were prepared to do so under President Trump as we had when he was President before.
- Although Acting Director Russell Vought has spoken about the importance of following statutory requirements, much of the work of the CFPB, which is plainly described in detail across more than 100 pages of the Dodd-Frank Act, and throughout the 20+ substantive laws Congress put the CFPB in charge of carrying out, remains at a stand still four months after DOGE's initial invasion.

Sole source of income in your household?

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- No, but both of us work for the federal government.

Personal Impact:

- Having been illegally fired twice and fearing that more cuts will come, like many of my colleagues, I am taking on a new job. I am devastated to be leaving the CFPB.
- This is by far the most rewarding job I have ever had. Our mission and our impact are unmatched.
- And the people who work here are the most dedicated and selfless servants I have ever seen, who apply their brilliance and talent to make our country a better place for everyone. It is a devastating loss for me personally and for our country.

Time at the CFPB:

- 1 - 2 years

Why it is important for the CFPB to be able to get back to doing its work for the American people:

- The CFPB has already suffered significant damage, and the backlogs in the consumer complaint service will continue to grow.
- Many staff have left knowing that leadership is not interested in allowing the agency to function. Together with the hiring freeze, this means there are far too few people left to do the work.
- The CFPB is a highly effective agency. It has cost taxpayers nothing. It has reined in unfair, abusive, and deceptive practices across dozens of industries. It has delivered more than \$20 billion back into the pockets of ordinary Americans who were cheated by companies who broke the law. And it has prevented magnitudes more harm that did not happen because the CFPB caught the issues in supervision before they grew into real problems.
- The efforts of these past four months have broken something that was working very well for the American people at no cost to them. Americans will be paying for this brutal mistake for decades to come. Congress must act swiftly to restore the CFPB, safeguard its authorities, and fully fund it to achieve its mission.

Additional remarks:

- Congress must remember that it alone makes the law. The President's only power is to carry out the law that Congress makes. Congress must also remember that it serves the American people. The real harms that are happening now don't have to happen. We the people trusted Congress to cast their votes for us, to look out for us and protect us. The CFPB has proven well that Congress made a good decision in establishing and insulating the CFPB.
- As contentious as some think the agency has been, Congress has wisely not changed that structure in 14 years. What we see now is that the CFPB is needed more than ever. As a model of effective, efficient government, the CFPB should be celebrated.
- Congress must vote to restore and defend the CFPB. Anything else is a vote to harm your own constituents, who you hear daily are struggling just to get by. That is not the prosperity you promised on the campaign trail, and it would not be true to the oath you willingly took when we entrusted you with this responsibility.

Testimonies of CFPB Workers, gathered by NTEU Chapter 335 - June 25, 2025

Worker 8

Position at the CFPB:

- Examiner

Chief responsibilities:

- Verifying entities' compliance with consumer protection laws by conducting reviews and performing transaction testing.
- Assist entities in strengthening their compliance management system.

Benefit to consumers:

- Examiners have identified violations and Unfair, deceptive or abusive acts or practices which have led to refunds to consumers.
- Examiners have identified risks to consumers, allowing entities to mitigate the risks to prevent harm to consumers.

How has upheaval at the CFPB impacted ability to serve the American People:

- I have not been authorized to perform any meaningful work since mid February of this year.

Sole source of income in your household?

- I am a widow, and the only source of income for my household.

Personal impact:

- The stress of potentially losing my job has affected my physical health and my mental health.
- As I am over 55, I would be eligible for retirement. If I am forced to take an immediate annuity in order to keep my health insurance, I would only receive less than 60% of my pension. Also, I would not qualify for any severance pay.
- This causes extreme anxiety that I will be unable to meet my financial obligations if I do lose my job.
- Relocating to get another job is difficult as my 84 yr old mom and 90 yr old mother in law both depend on me to run errands, drive them to doctor appointments and help manage their respective dwellings.

Time at the CFPB:

- 5 to 10 years

Why it is important for the CFPB to be able to get back to doing its work for the American people:

- I fear that entities may return to their business practices that led to the financial crisis. This will hurt all Americans.

Worker 9

Position at the CFPB:

- Technologist

Chief responsibilities:

- Support examiners in conducting supervision exams and evaluate entity responses to cyber events (ransomware, data breaches, etc...)

Testimonies of CFPB Workers, gathered by NTEU Chapter 335 - June 25, 2025

Benefit to consumers:

- Identify deficiencies in the implementation of technology, algorithms, and AI that result in consumer harm, and ensure that consumers are made whole when they are directly impacted.

How the upheaval at the CFPB impacted ability to serve the American People:

- I have not been allowed to work. I am not sure if I am authorized to continue to monitor the complaint database or the FTC Sentinel for issues impacting consumers.
- The exams that I was directly involved in have been put on hold, and issues that entities needed to address have been closed without evidence of corrective action.
- Consumers continue to be at risk because of those uncorrected deficiencies.

Sole source of income in your household?

- Yes

Personal impact:

- The uncertainty of my employment is stressful. I am close to retirement, and decisions regarding that are in limbo. I may have to move depending on future employment opportunities.

Time at the CFPB:

- 1 to 2 years

Why it is important for the CFPB to be able to get back to doing its work for the American people:

- Unregulated FinTechs put consumers at risk and the recourse options for consumers is limited. Changes in CFPB enforcement decisions mean that consumers who were expecting relief from illegal activities of financial institutions will not receive that compensation.
- Consumers are vulnerable to risks related to cryptocurrencies and meme coins, and financial entities will be able to gamble in these new arenas without oversight.

Additional remarks:

- In the RIF actions taken in April, disabled veterans were the first to receive notices of their termination. In addition, the entire division focusing on protecting veterans has been rendered ineffective.
- The treatment of federal employees at the CFPB is intentionally cruel, and traumatizing employees is an important component of how the CFPB is being dismantled.

Worker 10

Position at the CFPB:

- Youth Financial Education Analyst

Chief responsibilities.*

- Work with internal and external stakeholders to share CFPB resources with consumers.
- Create and update external resources as needed.

Benefit to consumers:

- Create, update, and share external resources with adult and youth consumers. Train and support educators and practitioners as they learn how to best teach and serve consumers who are in need of financial literacy education.

Testimonies of CFPB Workers, gathered by NTEU Chapter 335 - June 25, 2025

- We provide training, posters, flyers, online databases, answers to questions, and tools for financial well-being, planning for retirement, planning for college, learning about interest rates for buying a home or getting a credit card.

How upheaval at the CFPB impacted your ability to serve the American People:

- I have had to cancel many opportunities to work with external stakeholders including trainings, webinars, and in-person events. Some events were in the planning stages, others were scheduled and ready to be completed.
- In some cases, we could not contact the organization so we just didn't show up when expected. In other cases, we just didn't respond to multiple queries from stakeholders that we have relationships with.
- We are not sure if they will ever want to work with us again since we didn't even reply with a polite out of office notice or simple, "we are unavailable for an indeterminate period of time."
- Since most contracts were cancelled, I have stopped working on procurements that were planned to complete various projects. The lack of contracting work also impacts my skills since they diminish when they are not used for an extended period of time.
- Stakeholders have stopped reaching out to us for assistance because even if we do agree to assist for a date in the future, they can't be sure we will actually attend or if we will be open for business, they have learned they can't trust us anymore.

Sole source of income in your household:

- No, my husband is retired and has pension.

Personal impact:

- I was three years from retirement. After 34 years of exemplary public service (the many awards I have received support that claim) I expected to exit on my own terms, following a plan I developed many years ago. I did not expect to be pushed out early, on someone else's schedule.
- I have spent nearly 30 years planning, saving, and scraping by for a certain kind of retirement, created resources to teach others how to plan and save. To then have my hard work be imploded through no fault of my own is one has been a hard pill to swallow.
- My mental health and need to make many (unneeded) adjustments to my plans is difficult. Especially when I am at a time in my life when it is harder to pivot. My retirement plan is not my own, it was developed as part of partnership (my spouse) and I am not upholding my part of the bargain, again through no fault of my own. If THEY want us gone, THEY could have done it in the usual (respectful) manner. We do not deserve to be treated as the enemy for having the audacity to report for work everyday, do our best work for pay not commiserate with the general public, keep our private lives out of our work, all with an eye on a final, hard earned prize, a stable retirement.

Length of time at CFPB:

- 10 years

Why it is important for the CFPB to be able to get back to doing its work for the American people:

- Consumers rely on us to have their backs when it is them against a large corporation with deep pockets that they could not fight any other way.

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- Consumers rely on us to provide them with plain language explanations of complicated technical information.
- Educators and community leaders rely on us to provide them with clear, concise, and accurate information they can share with the the people they serve.

Consequences to consumers if CFPB can't do its job:

- Without us, things will go back to the way they were.
- Rich people and corporations will get richer. Groups who are experts and making things confusing and tricking people into agreeing to things that are not in their best interests will once again be able to do so without someone checking them and warning consumers. Americans will be on their own and they will be worse off for it.

Worker 11

Position at the CFPB:

- Senior Research Fellow, Consumer Response

Chief responsibilities:

- My role is to use advanced analytical tools like natural language processing and AI to identify users who are struggling the most in our consumer complaint database

Benefit to consumers:

- My work uses data driven methods to find the consumers in our 10 million complaint database, who need the most help.
- By applying these advanced analytical tools, we can find consumers who otherwise would be difficult to find using other methods, so they don't get lost in the cracks.

How upheaval at the CFPB impacted your ability to serve the American People:

- Being fired and rehired multiple times with the potential for another layoff, has been extremely stressful for me and my family. It is challenging to prioritize work goals when it is not clear if the work will be able to be completed and actually make its way to consumers.
- My whole team was laid off (before being reinstated again) so if that happens again, this work will never see the light of day. The whole goal of my role is to listen to the voices of consumers and help find the ones who might not otherwise be found. It is difficult to do that without working servers and the ability to finish and share the work.

Sole source of income in your household?

- I provided the steady source of income to help buffer the fluctuations in my husband's income as a small business owner

Personal impact:

- I was a term employee who was fired illegally, then rehired multiple times (and now I am waiting to see if I will be laid off soon again). I took this job so I could use my expertise as a Ph.D.-level psychologist and statistician to directly help American citizens protect their money and assets.
- As a parent with two young children and a husband who is a small business owner, being let go is increasing my insurance premiums from hundreds to thousands of dollars, and is putting my ability to afford childcare in jeopardy.

Time at the CFPB:

Testimonies of CFPB Workers, gathered by NTEU Chapter 335 - June 25, 2025

- 2 to 5 years

Why it is important for the CFPB to be able to get back to doing its work for the American people:

- Consumers need to have smart, caring people like those at the CFPB advocating for them so they are able to experience more financial stability.
- A financially healthier society makes for a more stable, happier, and more economically prosperous country.

Worker 12

Position at the CFPB:

- Senior Advisor to the Chief Technologist

Chief responsibilities:

- I led a team of technologists investigating the growing influence of big tech on the financial marketplace.
- My personal focus was on how technology is used to collect children's data and threaten the financial well-being of families.
- Before my dismissal, I was working on a proposed interpretive rule to clarify consumer rights under the Electronic Fund Transfer Act—including rights for gamers and their parents or guardians. Gamers frequently reported issues to the CFPB: problems converting dollars to in-game currency, unauthorized transactions, account hacks, theft, scams, and lost assets. Many described receiving little to no help from gaming companies or financial institutions. Refunds were often denied, accounts suspended after seeking help, and users trapped in frustrating loops with AI chatbots just trying to get answers.
- I was also investigating the rise of AI-powered customer service in banking. Many large banks now use chatbots to help customers manage finances and reduce spending. I was examining how these algorithms were built and whether companies could pay to have a competitor's service flagged as a cost to cut.
- Additionally, I worked to ensure the government had the technical expertise it needed to regulate AI and the growing use of technology in all industries.
- Recognizing that hiring in government is slow and confusing, I led a cross-agency effort to bring technologists into investigative roles focused on consumer protection, civil rights, and competition. I partnered with federal, state, and local regulators to understand their needs and demonstrate how technologists could support their investigations.

Benefit to consumers:

- In under a month, the CFPB received over 100 comments from gamers and their parents supporting the proposed interpretive rule.

How the upheaval at the CFPB impacted ability to serve the American People:

- My entire team was cut during the initial round of firings. Since being reinstated, we have not been approved to continue work on any case or investigation into big tech, crypto, or AI.

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- Our biggest projects, including a rule to ensure that data brokers obtain Americans' consent before selling or sharing sensitive personal information, have been killed.

Sole source of income in your household?

- I'm the primary source of income for my household.

Personal impact:

- My partner, a disabled veteran, and I just had a beautiful baby girl in March. During the initial firings in February, I was 38 weeks pregnant. I spent the final days of my pregnancy terrified I was about to give birth without health insurance. I was in labor during the hearing on March 3rd and advocating for my colleagues and the continued existence of the CFPB from a hospital bed. The stress on my body dramatically impacted my delivery experience.
- When I received my RIF notification, I was on leave under the family medical leave act. I'm my family's primary source of income and insurance.

Time at CFPB:

- I've worked at the CFPB for nearly 12 years. I started first as a contractor and took my oath of public service 10 years ago.

Why it is important for the CFPB to be able to get back to doing its work for the American people:

- It's imperative during this time that everyday Americans have someone looking out for them. It's the CFPB's job to work on behalf of the consumer--not the billionaire, not the big tech company, not the too big to fail bank. It's clear that this administration is not focused on helping everyday people and someone has to.

Worker 13

Position at the CFPB:

- Compliance Examiner

Chief responsibilities:

- Perform examinations at financial institutions which ensures financial institutions are treating consumers fairly which assess their compliance with federal financial laws.
- These laws protect consumers from deceptive, or abusive practices in the financial marketplace, ensuring that they are treated fairly by banks, lenders, and other financial institutions.

Benefit to consumers:

- Since our work focuses on the consumer like no other federal entity does, our examinations have resulted in the return of \$21 billion dollars to consumers harmed by financial institutions.
- The remediation includes principal reductions, cancelled debts and monetary relief.

How upheaval at the CFPB impacted your ability to serve the American People:

- We have missed countless opportunities since February to continue helping consumers. This stop work order is causing a tremendous backlog with complaints and so many (unnecessary) missed opportunities to help our consumers.

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- So many (unnecessary) missed opportunities to put the dollars back in the pockets of consumers that have been taken advantage of and treated unfairly in the financial marketplace.

Sole source of income in your household?

- Yes I am. I am also the holder of much needed health insurance and retirement benefits.

Personal impact:

- This past few months have been stressful. Not only for me, but for all the other federal government employees who have been negatively impacted by the bull-doing of these agencies.
- So many of us have dedicated several years to the public sector and yes, we have also built our careers and savings with the desire to someday retire and live somewhat comfortably in this economy that seems to become more and more expensive yearly.
- I truly don't understand how this administration could be so inconsiderate about so many people and their livelihoods and overall well-being. No one deserves to be treated this way - our consumers need us and our families do too.

Time at the CFPB:

- > 10 years

Why is it important for the CFPB to be able to get back to doing its work for the American people?

- Some financial institutions may resume their practices of unfair treatment without any oversight. The need for our existence is in the numbers, enforcements and other actions taken as a result of identified violations.

Additional remarks:

- The CFPB needs its employees and consumers need us. No other agency is going to protect the consumer like we do. Let us get back to work.

Worker 14

Position at the CFPB:

- Manager

Chief responsibilities:

- I manage a team responsible for sharing consumer complaint data and analysis through the Consumer Complaint Database.
- We provide this information to the public, as well we have tools to share data with the federal, state, and local government partners, and to internal CFPB stakeholders to support enforcement, supervision, and rulemaking activities.
- My primary responsibility is to lead the development and ongoing operations of the Bureau's data analytics tools, which are designed to facilitate data sharing and deliver actionable insights.
- I collaborate closely with internal users and external partners, including state and federal agencies, to gather requirements and continuously enhance these tools. Additionally, I oversee all use cases and manage user support for more than 2,500 tool users.

Benefit to consumers:

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- My work supports the sharing of consumer complaint data with the public, government agencies at all levels (federal, state, and local), and various internal functions within the CFPB.
- For the public, the Consumer Complaint Database provides transparency and valuable insights into financial companies and marketplace practices. This empowers consumers to make more informed financial decisions and holds companies accountable. To date, we have handled over 12 million complaints and helped millions of consumers navigate financial issues and resolve problems.
- Sharing data with other government entities strengthens collaboration to protect consumers from unfair, deceptive, or abusive practices. It also supports the supervision, enforcement, and rulemaking activities of partner agencies.
- Internally, the complaint data and related analysis provide a deep understanding of the challenges consumers face. This insight directly informs the Bureau's rulemaking, enforcement actions, and consumer education efforts, all of which are aimed at strengthening consumer protections across the financial marketplace.

How the upheaval at the CFPB impacted your ability to serve the American People:

- The recent upheaval at the CFPB, including changes in leadership and shifting priorities under the new administration, has presented real challenges—particularly for the work my team does to promote transparency and accountability through public sharing of consumer complaint data.
- Some of the efforts we've led—such as maintaining the Consumer Complaint Database and supporting intergovernmental collaboration—have faced attempts to scale them back or deprioritize them. These changes risk undermining tools that have helped millions of consumers make informed financial decisions and enabled enforcement actions that protect people from harmful practices.
- Despite these challenges, I remain committed to serving the American people. I continue to advocate for the value of consumer complaint data and its role in protecting individuals from unfair, deceptive, or abusive practices. Even in a shifting policy environment, my focus remains on ensuring that data and insights are used to inform, protect, and empower consumers—because their need for transparency and protection does not change with political cycles.

Sole source of income in your household?:

- Yes

Personal impact:

- This situation has affected me deeply on a personal and emotional level. I've been with the CFPB almost since its inception—joining in September 2012, when we had just 88,000 complaints (over to 12 million complaints today) and were in the early stages of building our robust complaint handling system.
- From the beginning, this work has meant far more to me than just a job. My team and I worked tirelessly to develop consumer complaint analytics tools that make consumer data accessible, actionable, and meaningful. Our goal has always been to help and protect consumers in every way we can.
- Being able to serve the American people and contribute to something bigger than myself has been incredibly special. I feel a strong emotional connection to this mission and to

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the work we've done over the years. It's heartbreaking to now be in a position where that work is at risk, and where the tools and systems we've built to empower and protect consumers may no longer be supported.

Time at the CFPB:

- >10 years

Worker 15

Position at the CFPB:

- Data Scientist

Chief responsibilities:

- Entity risk assessment and prioritization

Benefit to consumers:

- Using sophisticated techniques and technology my team and I synthesize feedback from consumers, input from policy makers, and hard economic data to assess the risk posed to consumers by businesses under CFPBs supervision. Assuring accurate, fair, and efficient examinations.

How upheaval at the CFPB impacted your ability to serve the American People:

- No assessment of the risk of malfeasance within the consumer finance space has been conducted since this administration came into office. Only vague and unclear guidance on policy or priorities has been given.

Sole source of income in your household?:

- No, but I am the primary source of income.

Personal impact:

- Besides the personal anguish around potentially losing my job it has strained personal relationships with close friends and family who support the administration and are unable to square the narratives in media with the effects they see in my life.
- We've had to cancel family reunions and scale back on spending for childcare to make sure we would have cash on hand in case the worst happens.

Time at the CFPB:

- 2 to 5 years

Why it is important for the CFPB to be able to get back to doing its work for the American people:

- CFPB is a primary regulator of consumer financial markets in the US. No other state regulator can do what we do as effectively or with the same authority.
- Furthermore, with the ascendancy of crypto and the GENIUS Act looking to be passed into law there is an growing arena of financial criminality festering in the US economy - leaving us all vulnerable to another crisis if CFPB isn't there to enforce the law.

Additional remarks:

- Without CFPB around to monitor the burgeoning crypto markets we may cross over from a "too big to fail" crisis to a "too big to save" in only a matter of years.

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Worker 16

Position at the CFPB:

- Team Lead

Chief responsibilities:

- Prioritization of exams, coordination of exam schedules with other regulators, drafting and publishing legally required supervised entities list, participate in interagency banking task forces, create and publish lists of prohibited holdings, analyze and publish Supervision's metrics for Government Performance Results Act and the Semi Annual Report (SAR) to congress.

Benefit to consumers:

- My team's work is to develop the reports and analytic tools to answer the very question of how to maximize the Office of Supervision's effectiveness and efficiency for the benefit of consumers that expect a safe and well regulated financial marketplace.

How the upheaval at the CFPB impacted your ability to serve the American People:

- This upheaval and potential for a full RIF of my entire team means all of our work that is specifically required in statute will not get done and not a single person remaining would know how to do any of it.

Sole source of income in your household:

- No

Personal impact:

- Devastating, I joined the Bureau shortly after it started and it has been my dream job. I have been at the Bureau for 12 years because I want to serve the American people.

Time at the CFPB:

- >10 years

Why it is important for the CFPB to be able to get back to doing its work for the American people:

- A functional and fully working CFPB protects all American consumers from predatory practices and fraud committed by unscrupulous financial companies. The American people expect their government to do the basic work of protecting them from scammers as required by law.

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Worker 17

Position at the CFPB:

- Commissioned Examiner

Chief responsibilities:

- Assessing a financial institution's adherence to consumer protection laws and regulations, evaluating the effectiveness of their compliance management systems, and reporting findings to management and regulatory bodies.

Benefit to consumers:

- It protects the financial interests of all consumers (citizens and non-citizens) and not just billionaires from fraud and abuse.

How upheaval at the CFPB impacted ability to serve the American People:

- Ensure the markets (such as Banks and non-Banks) serve not only the billionaires but average Americans like myself who make an honest living.

Sole source of income in your household?

- No

Personal impact:

- Not having CFPB fully functioning right now is scary to think as Banks are not being monitored to ensure proper checks and balances are being done.
- Without the CFPB regulating the Banks— all consumers including myself are at risk of being deceived and taken advantage of.

Time at the CFPB:

- 10 years

Why it is important for the CFPB to be able to get back to work for the American people:

- Again, the CFPB needs to exist due ensure discrimination in lending is not taking place regardless of your color, gender and etc., when making payments on my mortgage I'm getting right amount deducted or being charged the right amount, my car loan is properly charging me interest and the list goes on and on.
- The more time we stay away from regulating Banks the longer it will take to clean the mess this is causing especially when people file complaints about financial complaints. State's are not fit to carry out the federal financial laws (and they don't have the resources).

Additional remarks:

- I'm a military veteran who served in war time and the CFPB is here to ensure our men and women who served are protected. When DOGE tried to RIF the CFPB employees illegally they illegally messed with my Veterans Preference paperwork and I and many veterans were first to get RIFed. Until recently all paperwork was corrected.
- It's disappointing to be a war time veteran and have some DOGE kids come into our workplace and mess with my paperwork and illegally change codes for my Veterans Preference Paperwork to fire me without a justification.
- We need CFPB to exist to ensure not only veterans but all of Americans are protected by the Banks and Non-Banks that run America. We can't have Billionaires thinking they do what they can and the average American gets left behind.

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Worker 18

Position at the CFPB:

- Regional Analyst

Chief responsibilities:

- Regional liaison between guidance and decision-making and implementation between region and HQ. Provides direct support to regional management and staff and serves as SME for SES, QMP, and regional reports.

Benefit to consumers:

- Ensuring examinations are being performed timely and risks and violations are being noted and corrected by the institutions is no longer happening. Our own internal audit processes have also stopped so that impacts consumers because are not following our own guidance.
- My work benefits consumers in analyzing institutional risk and setting examination priorities for subsequent examination periods based on review of consumer complaints, product mix, and market risk factors.

How upheaval at the CFPB impacted your ability to serve the American People:

- It has created reputational risk among consumers because the very minimal tasks we are allowed to perform are just "window dressing" to appease the entity versus continuing to help at-risk consumers.
- We have become an agency that protects the interests of financial institutions instead of consumers.

Sole source of income in your household?

- Yes and I am a sole provider and care taker for my elderly mother.

Personal impact:

- It has created stress, trauma, depression, and anxiety to not know whether or not we will have a job and agency.
- As a sole source of income for my household it has been a nightmare seeing so many people in the Federal Government lose their jobs over the last 6 months.
- As a Veteran, it's also concerning that we have no recourse and nowhere to turn as they are trying to strip us of all our legal rights.

Time at the CFPB:

- >10 years

Why it is important for the CFPB to be able to get back to work for the American people:

- It's important because everyday we go without working for consumers is another day consumers will continue to get taken advantage of by financial institutions. There is a reason we were created out of the 2008 mortgage crisis.
- No other agency can do what we have done. We have given back to consumers way more than what we have ever taken and we continue to cost taxpayers zero dollars a year. Especially in this current economy, consumers need us now more than ever. It's time for us to get back to work and correct course again. Let us work!

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Worker 19

Position at the CFPB:

- Project Delivery Analyst

Chief responsibilities:

- Continuous and smooth operations of the Mosaic system which provides US consumers of financial services an ability to submit complaints about misbehavior of financial institutions

Benefit to consumers:

- Mosaic processes upwards of 2.5M consumer complaints per year and the number is growing every year.
- Without my and my colleagues' work, the processing of all the complaints is at risk (failed submission, misrouting, no response from financial institutions, no referral to other Government agencies or investigators).

How upheaval at the CFPB impacted your ability to serve the American People:

- Inability to plan for any reasonable length of time means we cannot work on any mid- to long-term improvements, which directly impacts consumer experience.
- The best we can hope for is to patch some bugs while waiting for clarity.
- Feeling like we are on the Titanic also does not help efficiency or productivity.

Sole source of income in your household?

- No, but I have a higher income between the two of us.

Personal impact:

- It is destroying my long-term plans, driving me into depression and creating a day-to-day sense of hopelessness. Which is exactly what Vought and other people destroying the CFPB are hoping for, so congratulations.

Time at the CFPB:

- <2 years

Why it is important for the CFPB to be able to get back work for the American people:

- It's very simple: the CFPB did not spring out of some liberal fantasy. It was a response to the (bipartisan) binge-deregulation of the financial industry.
- Without the CFPB and other similar regulators we are bound to be back in 2008 hell soon enough. Of course, by then the people destroying CFPB today will be wallowing in their billions amassed while the CFPB had been crippled

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Worker 20

Position at the CFPB:

- IT Specialist / Data Management

Chief responsibilities:

- I serve as one of the managers within the Enterprise Data and Analytics (EDA) team at the CFPB. My work directly supports statutory mandates related to how the United States runs its information technology, and data systems - as well as consumer finance and protection laws.
- I oversee data governance, artificial intelligence, strategy, budget formulation execution, contracts and compliance for the Bureau's enterprise data platforms and cybersecurity initiatives.
- These systems support consumer complaint intake, data governance, supervisory analytics, and fraud detection efforts critical to the Bureau's mission.

Benefit to consumers:

- My work ensures that the systems behind consumer protections such as complaint handling, supervision of abusive practices, and data-driven policymaking function securely and effectively.
- By maintaining legally compliant data platforms and executing vendor contracts for mission critical analytical tools, I help safeguard the Bureau's data and ability to detect patterns of American consumer harm.
- Without this infrastructure, American consumers lose access to responsive enforcement and protections promised under federal law.
- I am also central to ensuring all of our sensitive financial institution and American consumer data, data storage, and data systems are safe.

How upheaval at the CFPB impacted your ability to serve the American People:

- American consumer data and proprietary data from financial institutions faces serious cybersecurity risks and may already have been compromised due to the actions of DOGE staff.
- The effort to dismantle the CFPB has disrupted contractual workflows, frozen or delayed critical cybersecurity and data renewals, and severed access to secure enterprise platforms. These disruptions have halted time sensitive projects essential to maintaining data integrity and legal compliance.
- Contractors responsible for data operations and software patching have been offboarded. These conditions severely undermine the Bureau's operational integrity, credibility, and ability to protect the American public.
- The sabotage directed by Russell Vought, Mark Paoletta, and DOGE personnel has not only paralyzed the agency it has placed sensitive consumer and financial institution data at elevated risk of exposure, loss, or attack. Current managers, under intense pressure, are making hasty and ill-informed cuts to critical data contracts. These are decisions that directly undermine the security of American consumer and financial institution data, operational continuity, and statutory compliance.

Sole source of income in your household?

- yes

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Personal impact:

- I've dedicated over eight years of patriotic American federal service to strengthening government integrity and consumer protections.
- My landlord is asking me to move out my apartment and I don't know where to go or how to afford it.
- I have curtailed spending, deferred medical procedures, and paused long-term life planning.
- Being treated as "the enemy" (Vought/Paoletta/DOGE) despite fulfilling a mission critical role for the American public has taken a toll on my health causing me severe health psychological damage which has manifested into physical ailments that have sent me to the emergency room multiple times.

Time at the CFPB:

- 5 - 10 years. I came in under the first Trump administration.

Why it is important for the CFPB to be able to get back to doing its work for the American people:

- If the Bureau cannot function, predatory financial actors operate unchecked. The dismantling of the CFPB removes a line of defense for military families, seniors, students, and working-class Americans navigating opaque credit products, fraud, and systemic abuse. Data analysis halts. Complaints go unanswered. Supervision fades. Markets regress.
- The cost will not be borne by corporations but by American households.
- Congress created the CFPB to be independent for this very reason. Undermining it now opens the door to the same unchecked abuses that led to the 2008 crisis. My work is central to this as I oversee all the systems, contracts and processes that handle all of our data.

Additional remarks:

- I chose this career path because of the 2008 financial crisis. As a young adult witnessing families lose their homes, livelihoods, and savings, I became determined to understand how such a widespread collapse could happen and how to prevent it from happening again. That formative experience led me to pursue a college degree focused on financial systems and data, followed by a graduate degree to deepen my ability to design and manage resilient, compliant, and mission-critical government data infrastructure.
- I joined the CFPB because I believed in its founding purpose: to prevent the kind of unchecked financial abuse that devastated millions of Americans. To see that mission now disrupted is deeply disheartening not just on a personal level, but because it compromises the protections the Bureau was established to deliver to the American people we serve.
- The ongoing dismantling of core functions and attempts to get rid of career staff undermines the CFPB's ability to fulfill its obligations to the American public that we proudly serve. If this continues unchecked, it sets a troubling precedent for the stability and effectiveness of any federal agency charged with carrying out congressionally mandated work.

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- This moment is not simply about preserving positions and functions it is about ensuring that American public service remains grounded in law, continuity, and a clear commitment to serving the American public.

Worker 21

Position at the CFPB:

- Management and Program Analyst

Chief responsibilities:

- Processing consumer complaints

Benefit to consumers:

- We processed over 10 million complaints, and helped many consumers resolve discrepancies, overcharges, scams with their financial institutions, including auto lenders, mortgages, credit cards, debt collection agencies, credit reports. In some cases incorrect charges were refunded immediately.

How upheaval at the CFPB impacted your ability to serve the American People:

- We now have a backlog of 16K complaints, from 500 prior to the upheaval.
- This has affected our ability to address complaints in a timely manner, especially when the consumer has a time sensitive issue, such as a foreclosure or eviction.

Sole source of income in your household:

- Yes

Personal Impact:

- I have to care for a parent, who has a physical disability, which was stressful prior to the upheaval.
- I have signed up for therapy, as i do not trust others as I had before. I am also more withdrawn from socializing.
- I am constantly stressed, whether working or not, as there is no sense of stability in my income and the future.

Time at the CFPB:

- >10 years

Why it is important for the CFPB to be able to get back to doing its work for the American people:

- It's not only inflation that causes everyday Americans to stress over strained finances, it can be a discrepancy with a lower credit score, causing a consumer to pay more for insurance or a loan. It can also be a dispute over a double deduction for a mortgage payment, or the payment that wasn't credited properly, adding more strain for a consumer living check to check.
- The consumer will have fewer to no options, as states do not have the budget to resolve consumer complaints in the same capacity that we can.
- This agency started out a financial crisis, due to the absence of compliance to financial regulations and it is clear that will be repeated.

Additional remarks:

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- Large financial institutions have claimed for years they are overregulated by our agency, yet we mostly regulate institutions with over 10 billion in assets, which could crash the economy if they failed.

Worker 22

Position at the CFPB:

- Senior Compliance Examiner

Chief responsibilities:

- Monitoring and examination of financial institutions

Benefit to consumers:

- My job includes but not limited to examination of supervised entities to ensure compliance with federal financial laws, regular monitoring of their business operations, compliance management program, and board oversight.
- It also includes identifying any activities that would potentially harm consumers financially.

How the upheaval at the CFPB impacted ability to serve the American People:

- I have not been able to serve the American consumers due to work stoppage order by the acting director since February 10th.

Sole source of income in your household?*

- Yes

Personal impact:

- Extreme emotional hardship and concern for my career and retirement.

Time at the CFPB:

- 15 years

Why it is important for the CFPB to be able to get back to doing its work for the American people:

- There is no other federal agency other than the CFPB that would supervise non-bank financial institutions and protect the American consumers from the risk of violation of financial laws by those entities.

Additional remarks:

- I love my job and serving the American consumers. I am very proud of what I do and would like to be given the chance to continue my service

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Worker 23

Position at the CFPB:

- Paralegal – Enforcement

Chief responsibilities:

- Assist Enforcement attorneys on consumer financial protection investigations and litigation. Interact with market participants and consumers on such investigations.

Benefit to consumers:

- The Office of Enforcement investigates and litigates potential violations of consumer financial protection law and returns money directly to America's harmed consumers.

How upheaval at the CFPB impacted your ability to serve the American People:

- I was ordered to stop most pending work on investigations and litigations. Many of my office's current litigations--strong cases whose goals were to return money to America's consumers--have been dismissed at the request of the current administration without clear explanations of law or strategy.

Sole source of income in your household?*

- Yes, I am the sole source of income in my household. My elderly mother has cancer and is close to retirement age so I may need to take care of her in the future without financial help from other family members.

Personal impact:

- The CFPB's upheaval has affected me personally. The uncertainty and lack of communication from the current administration to all employees has created anxiety, frustration, anger, and deep sadness. It is depressing and more anxiety provoking to witness the stress other employees are experiencing, especially those who have more familial responsibilities than me.
- It is further depressing to watch so many Enforcement colleagues leave as I enjoy working with my teams as they are. But for the upheaval, my colleagues would remain here and we would continue working diligently together. I miss them already.
- Furthermore, it is emotionally draining to be passionate about protecting American consumers but to not be able to perform the actual work we are statutorily required to and signed up for.
- Lastly, while many CFPB employee say this is their dream job we can see that that the current administration is bulldozing their dreams. We know from the wise words of poet Langston Hughes that unrealized or interrupted dreams have negative consequences: They fester like a sore, stink like rotten meat, or sag like unbearably heavy loads.
- Taken as a whole, the actions of the current administration deeply erode the trust of many in the American government. Without the people's trust there can be no democratic American government.

Time at the CFPB*

- Since 2011

Why it is important for the CFPB to be able to get back to doing its work for the American people:

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- Since October 2021, the CFPB has secured judicial orders for \$9.5 million in penalties and redress for American consumers. That alone evidences the existence of so much actual harm.
- When dedicated CFPB employees are not allowed to perform their statutorily required work, the American consumers are at greater risk for returning to the time before 2009 where they can be financially harmed and manipulated into losing their hard-earned money. We already witnessed how financial harm to so many consumers can have lasting negative effects on the economy.

Additional remarks:

- The current administration is not engaging with our union representatives in a substantive or good faith manner.
- Please apply pressure on the administration to work productively with our union representatives in a sincere and good faith manner.

Worker 24

Position at the CFPB:

- Senior Commissioned Examiner

Chief responsibilities:

- Examinations

Benefit to consumers:

- Every day I improved the financial lives of thousands of American consumers with my work. I was very proud of the work I was doing for American consumers.

How the upheaval at the CFPB impacted your ability to serve the American People:

- Any meaningful work has been stopped. I am no longer allowed to find consumers being ripped off. And the cheaters are being left off the hook to cheat some more.

Sole source of income in your household?

- Yes

Length of time at CFPB:

- 10 years

Why is it important for the CFPB to be able to get back to doing its work for the American people?

- Every day that we aren't performing our work the citizens of America are harmed. Bad actors are allowed to flourish under this administration and we are the ones who are ostracized and called the waste. It is corruption and needs to be called out.

Additional Remarks:

- I am a Senior Commissioned Examiner at the CFPB based in Chicago before Russell Vought relinquished our lease, and a proud member of the CFPB Union - NTEU Chapter 335.
- Our numbers tell the story of the CFPB: We've handled over 7 million consumer complaints. We've returned \$21 billion to 205 million consumers who were defrauded by financial firms. We've educated tens of millions of consumers about common financial issues. And all of that was done in 14 years with about 1,700 employees. That sounds like a pretty efficient agency to me.

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- And behind every number is a real person - a veteran protected from a scam, a student who can now afford their loan payments, a family who kept their home thanks to CFPB intervention.
- My CFPB colleagues are dedicated, work hard, love our jobs, and are committed to the work we do to help our neighbors here in Chicago and across the entire country, from rural areas to our largest populated cities. And that's exactly who we are. We're everyday patriotic Americans working to make financial markets fair for every single American consumer.
- When debt collectors cross the line, when credit card companies hide fees, when banks open accounts in your name without your knowledge or consent - we're the ones who step in to make it right.
- I've been on examinations where we uncovered auto finance companies wrongfully repossessing people's cars. Then when the people called to get their personal property out of the car, they were told they had to pay fees before they could get it back. Once heartbreakingly, it was the owner's kid's school books and homework being illegally held hostage for \$500 in fees. Then later we found that the car shouldn't have even been repossessed at all!
- Even worse, I've been on examinations of mortgage servicers where we identified homes wrongfully foreclosed! Can you imagine a family being thrown out on the street when they shouldn't have been? How can a company make that right once it is found? The family will never be the same.
- Finding things like this are exactly what CFPB employees like me did every single day before Russell Vought made the unlawful decision to halt all our work to the detriment of American consumers.
- I've served under both Republican and Democrat administrations. When examiners like me went into a financial firm, we were not acting in a political manner, no matter the administration. The firms we were examining were not chosen for any other reason than their risk of harm to consumers.
- To say that industries we examined were "disfavored" is ludicrous. Look at our public consumer complaint database. For the past three years, our complaint data indicates that over 85% of our complaints were regarding credit reporting. The next highest was debt collection at 5%. These were two industries, as an example, that consumer complaints clearly showed a high risk of harm to consumers. It's not targeting, it's factual, based on data. That's one important tool we used to determine who we would examine.
- Since DOGE took over the CFPB and stopped virtually all of our work, the administration also dropped a bunch of lawsuits that we had in court against some really bad practices. My colleagues in enforcement were suing Capital One for cheating consumers out of more than \$2 Billion in interest payments on savings accounts. We were suing Rocket homes to stop an illegal kickback scheme to steer customers to Rocket Mortgage. We were suing TransUnion and Experian for issues related to millions of people's credit reports. But this administration, by order of Russ Vought, author of Project 2025, ordered all of these cases be dismissed! The bad guys are going free to cheat customers some more!

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- To Congress, we say: Stand with consumers. Protect the CFPB's independence and authority. Let us fulfill the mission that you tasked us with performing. Uphold the laws that you passed in a bipartisan manner. Let us do our work!
- Congress! This obviously has nothing to do with finding waste or saving money. Since Russel Vought stopped our work in February all of us continue to be paid for doing meaningless internal paperwork, a total waste of resources. It's all about corruption and letting really bad actors continue to rip off consumers. That's what this administration likes. Consumers getting screwed so rip off businesses can flourish.

Worker 25

Position at the CFPB:

- Program Analyst, Enforcement

Chief responsibilities.*

- I manage the database that Enforcement uses to track, analyze, and report on Enforcement's investigations and litigations.
- In addition I help design and implement processes and procedures to help standardize operations. I also help maintain Enforcement's content on consumerfinance.gov

Benefit to consumers:

- I support the work done by the Enforcement Division. I ensure Enforcement's content on the public website is accurate and standardize. I routinely calculate and update the metrics posted on consumerfinance.gov that state as a result of enforcement actions, how much money has been ordered returned to consumers (over \$19.7 billion), the number of consumers entitled to redress (over 195 million), and the total civil penalties imposed (over \$5 billion).
- Note: the \$21 billion returned to consumers is the result of both Enforcement's and Supervision's work. This number does not include money that may have voluntarily been returned to consumers to resolve individual consumer complaints that were filed.

How upheaval at the CFPB impacted your ability to serve the American People:

- Not only has Enforcement's work ground to a halt, the current leadership has voluntarily dismissed with prejudice the majority of Enforcement's lawsuits that were pending on January 20, 2025.
- Additionally, they have prematurely terminated consent orders and informed at least one company they do not need to pay the money that was ordered. They tried to reverse a settlement that was filed in U.S. District Court last November, but the judge wouldn't allow it.
- If settlements can be torn up when a new administration comes in, then it will make it harder to negotiate settlements in the future, and it calls into question their weight and meaning.

Sole source of income in your household?

- Yes

Personal impact:

Testimonies of CFPB Workers, gathered by NTEU Chapter 335 - June 25, 2025

- I feel like a rug was yanked out from under my feet. My sense of security has been completely shattered. I worry about being able to pay my mortgage and find affordable health insurance.

Time at the CFPB:

- >10 years

Why it is important for the CFPB to be able to get back work for the American people:

- Without the CFPB doing its work, it's open season for scammers and cheats. This hurts both consumers, and businesses who follow the rules.

Additional remarks:

- The new leadership has already caused severe damage to the CFPB.
- Decades of experience and institutional knowledge has been lost as a result of employees effectively being forced to leave. Americans are already worse off for them having left.

Worker 26

Position at the CFPB:

- Attorney in Supervision

Chief responsibilities:

- Provide legal guidance to examiners when a possible violation of law is identified during an exam; follow-up on consent/court order compliance, especially for Repeat Offenders, to make sure that the entity stopped engaging in the illegal conduct that harmed consumers; follow-up to make sure that consumers were remediated fully as ordered in the consent/court order

Benefit to consumers:

- When there is an active consent or court order, someone needs to confirm that (1) the entity stopped doing whatever it was doing that harmed consumers, and (2) the entity paid remediation to the harmed consumers.
- My very small unit in Supervision is that "someone," and -- without my unit -- no one is making sure that these bad and illegal activities stopped, and no one is making sure that the entities have actually paid remediation to the harmed consumers as required by the consent/court order.
- Think of all of the headlines over the years -- "CFPB sues [entity] for [\$millions and billions] when it [did something illegal to consumers]" -- and imagine a financial sector ecosystem in which no one is checking where the millions and billions of dollars went and whether the illegal thing actually stopped.
- That's our ecosystem now, ever since Vought instructed us in February 2025 to stop working. No one is doing that work. At all. Consumers are not getting the monetary redress that they are lawfully owed.

How the upheaval at the CFPB impacted your ability to serve the American People:

- I have not been allowed to do my work since February 2025. I am not able to serve the American People at all. Prior to February 2025, it was common for me to work 10+ hour days, work through lunches, and finish up some projects over the weekends.

Testimonies of CFPB Workers, gathered by NTEU Chapter 335 - June 25, 2025

- I loved my job, so it truly did not even feel like work to keep going for hours and hours. All of that work has been sitting there untouched for 4+ months because Vought is trying to traumatize me into quitting my job.

Sole source of income in your household:

- Yes

Personal impact:

- Ironically, DOGE and Vought have made me a waste. I am angry, frustrated, and -- most of all -- very, very worried about the American People who do not yet realize what is being taken away from them and how they are being deceived -- all for corporate and political interests.
- My agency is not even taxpayer funded! We actually give the taxpayers money (when we're allowed to work...). So when we are instructed to stop working, consumers aren't getting paid!

Time at the CFPB:

- 10+ years and planned to stay until retirement

Why is it important for the CFPB to be able to get back to doing its work for the American people?

- Myth: We do the same thing that other financial regulators do.

Consequences for consumers if CFPB can't do its job:

- We will return to 2008 if we are not allowed to resume our work for the American People right now. Open every single consent/court order that the CFPB entered into since its doors opened. Read the conduct provisions and redress provisions. Without us, the bad conduct explained on those pages STILL HAPPENS and the American People are not re-paid what they are lawfully owed after being cheated. That's the real "waste, fraud, and abuse" of this story.

Additional remarksL

- Congress needs to ask the obvious questions: Why is Vought so hell-bent on destroying this agency? What's in his wallet? What are his motivations? What does he even actually know about our work and mission? Has he finally learned what's required of us by statute?
- For an agency that is not taxpayer funded, returns more money to consumers than the money it takes to keep the agency running, has proven itself again and again to be wildly successful in its work, and is a sliver of the size of other federal regulators...why is Vought obsessed with getting rid of us (or whittling us down to "5 men in a room with a phone")?
- What is Vought getting out of this? Because coming after us in the name of saving the American People from supposed "waste, fraud, and abuse" simply doesn't add up, given our history and the plain facts.

Testimonies of CFPB Workers, gathered by NTEU Chapter 335 - June 25, 2025

Worker 27

Position at the CFPB:

- Examiner

Chief responsibilities:

- Statutory Work Under Section 1024 & 1025 of the Dodd-Frank Act

Benefit to consumers:

- This work helps ensure that the American consumer is protected in areas that include, but are not limited to, the following: auto finance, credit reporting, credit cards, debt collection, deposits, private student loans, mortgage origination, mortgage servicing, prepaid cards, remittances, installment lending, etc.
- Even at the end of 2012 when the agency was just getting stood up, Supervision had roughly 337 employees. By cutting it back to 43 examiners, consumers will be vulnerable to acts and practices across the marketplace that violate the law and cause consumer harm. The staff is not adequate to do reviews across the marketplace.

How has upheaval at the CFPB impacted your ability to serve the American People:

- I have not performed the statutory required work under sections 1024 & 1025 of the Dodd-Frank Act since Acting Director Vought ceased Supervision's mandated work in February 2025 and tried to fire 90 percent of the staff.

Sole source of income in your household?

- I am the primary source of income in my family and responsible for the majority of the bills.

Personal Impact:

- Yes - the fear of losing my job every day has caused a significant amount of anxiety. I also struggle with depression sometimes due to the uncertainty of not knowing when or if I will be fired.
- I have never been treated so poorly as a civil servant.
- I feel that the Acting Director completely disregarded my veterans' preference, tenure, and performance in his actions because he wanted to traumatize employees.

Time at the CFPB:

- 10 Years

Why is it important for the CFPB to be able to get back to doing its work for the American people?

- The Supervisory work at CFPB is a very important information gathering function that is required by Sections 1024 & 1025 of the Dodd-Frank Act. Supervision assesses compliance with Federal consumer financial laws.
- The reviews also evaluate whether banks and non-banks compliance management systems are designed to prevent violations and consumer harm as part of ongoing periodic reviews.
- Without such reviews, consumers are vulnerable to acts and practices that can harm them and violate the law.

Additional remarks:

- Acting Director Vought's actions have neglected the American consumer by failing to ensure compliance with the 87 mandated provisions of the Dodd-Frank Act. Since he

Testimonies of CFPB Workers, gathered by NTEU Chapter 335 - June 25, 2025

assumed the role of Acting Director in February 2025, the essential supervisory work required under Sections 1024 and 1025 of the Dodd-Frank Act has not been conducted. Instead, he has concentrated on undermining the agency's operations. The supervisory reviews that previously assessed banks and non-banks for legal violations and consumer harm have ceased. Furthermore, Acting Director Vought allowed reductions in force (RIFs) that aimed to terminate hundreds of veterans, including disabled veterans in legally mandated positions, without consideration for their veterans' preference. This was due to the elimination of entire departments and regional offices to bypass veterans' preference rules.

Worker 28

Position at the CFPB:

- Examiner 29 years government service

Chief responsibilities:

- Conduct Exams

Benefit to consumers:

- The Reason the CFPB needs to exist is this. There are financial companies throughout the US who operate in multiple states. While they follow their state laws they flaunt other states because they do not get examined for them. The CFPB eliminates this loop hole.
- For the last three years I have assisted in returning 1 Billion dollars to our service men and women and their families....
- Based on financials viewed this year [an] entity has stopped refunding money that they themselves admitted they had no right to keep. This was not a case that went to courts this was simply a Bank froze accounts and failed to develop a system to deal with fraud and instead just held on for years to peoples money. Without the CFPB people will suffer.
- Other regulators are only concerned with safety and soundness they do not care about how the consumer is treated. FDIC, NCUA are all about profitability of institutions and they do not have the ability since January to even fulfill this obligation.

How upheaval at the CFPB impacted your ability to serve the American People:

- We have been ordered not to work. The only work being done right now is the review of past actions with an emphasis on closing them with no actual review of what has been corrected.

Are you the sole source of income in your household?

- Yes. My wife depends on the health care from my job.

How has it impacted you personally?

- I feel betrayed by the Country I serve. When I talk to others I feel their anxiety and anger. The actions being taken by this administration are clearly outside the boundaries of propriety. I am cutting spending everywhere I can and I am dismayed at what I see.

How long have you been employed at the CFPB:

- 2 to 5 years

Why it is important for the CFPB to be able to get back to doing its work for the American people:

Testimonies of CFPB Workers, gathered by NTEU Chapter 335 - June 25, 2025

- I am already seeing issues in the community around me. Jobs are being cut at an insane rate 10% unemployment is expected by year end. The local food banks are collapsing without federal funding. Purchasing a vehicle has become significantly more expensive due to junk auto fees added. Consumers bargaining power has continued to collapse.

Worker 29

Position at the CFPB:

- Examiner

Chief responsibilities:

- Conduct examinations, assess compliance management systems, and evaluate the effectiveness of institutions' practices in handling consumer complaints and potential risks.

Benefit to consumers:

- Protect consumers by ensuring financial institutions follow federal consumer protection laws. My work directly contributes to fairness and transparency in financial markets.

How the upheaval at the CFPB impacted your ability to serve the American People:

- Since February 10, 2025, a directive from leadership has resulted in a work stoppage that has prevented me and many others from performing our normal examination and supervision duties.
- As someone deeply committed to consumer protection and regulatory oversight, it's been frustrating not being able to fully carry out the mission of the Bureau.

Are you the sole source of income in your household?

- No

How has it impacted you personally?

- Being unable to do that work has left me feeling frustrated, disappointed, and frankly, angry at times. I take pride in helping others, and it's been difficult not being able to contribute in the way I was trained to do

How long have you been employed at the CFPB?

- > 10 years

Why is it important for the CFPB to be able to get back to doing its work for the American people?

- Without active supervision and enforcement, predatory practices may go unchecked, putting vulnerable populations at greater risk of harm. Financial institutions may feel less pressure to comply with consumer protection laws, leading to repeat violations and weakened accountability.
- Delays in rulemaking and oversight can leave emerging financial risks like those from digital lending or AI unregulated, while consumers are left without recourse. Public trust in the financial system erodes when people feel unprotected, and institutions that want to comply are left without clear guidance.
- Ultimately, the CFPB's inability to act creates regulatory backlogs, increases systemic risk, and undermines the agency's core mission to promote fairness and financial stability.

Testimonies of CFPB Workers, gathered by NTEU Chapter 335 - June 25, 2025

Worker 30

Position at the CFPB:

- Examiner

Chief responsibilities:

- Conducts moderately complex exam work and develops, presents, and discusses findings and recommendations - and any corrective action needed to resolve problems - with senior management at depository institutions and non-depository institutions; provide technical guidance to less seasoned examiners as needed; conduct monitoring of supervised institutions on ongoing basis according to their risk rating.

Benefit to consumers:

- Ensures safe financial products and services for consumers, and obtains relief and remediation from unfair financial practices to consumers.

How upheaval at the CFPB impacted your ability to serve the American People:

- I and my fellow examiners am not allowed to participate in examinations, or even speak to supervised entities if they attempt to contact me.
- Unfair financial practices are going unchecked as a result.

Are you the sole source of income in your household?

- Yes

How has it impacted you personally?

- I can't do my job. It has been distressing to see and hear the staff at supervised entities try to contact me to find out why work has stopped on their exam, and it's even worse now that they are no longer reaching out.
- I was just preparing for the midpoint review on my first acting examiner-in-charge assignment at the time of the stop work order and now I don't know where I stand as far as commissioning goes. My field manager hasn't been able to tell me either.

How long have you been employed at the CFPB?

- 2 - 5 years

Why is it important for the CFPB to be able to get back to doing its work for the American people?

- We make sure there is a level playing field for consumers - whether that is that their credit histories are being reported correctly, whether their bank deposits are being credited the right way, whether their mortgage escrows are being reconciled accurately or not - and where there are bad actors in our supervised entities, we make them correct their behavior and make the people they've harmed whole.

Testimonies of CFPB Workers, gathered by NTEU Chapter 335 - June 25, 2025

Worker 31

Position at the CFPB:

- Senior Advisor (Consumer Response and Education)

Chief responsibilities:

- Consumer complaint and financial education -related content for online and print communications for the public, Congress, and press

Benefit to consumers:

- Keeping consumers, Congress, and the press informed about what we are seeing in consumer complaints through reports, blogs, social media support, Ask CFPB educational content, responses to questions.

How the upheaval at the CFPB impacted your ability to serve the American People:

- Our freely available public consumer complaint database is compromised because of the contractual problems and the inability of most of us in Consumer Response to do our jobs to keep the system and related reporting and analysis running smoothly (not just keeping it bare bones operational).
- This is a problem for accurate information people can rely on - normally people can look to it for information about how companies treat their customers when there's a problem, and which we use to run reports for our supervision and enforcement and research teams that protect consumers by being able to address issues with companies directly or by researching emerging issues, for Congress and our state government partners, and which the press and academics can use.
- It also impacts the real-time nature of our financial educational materials - I help keep an eye on complaint trends to see where our freely available educational content needs updating or enhancement to address current problems we are seeing so it can be most helpful.
- They have taken down videos that explain how to use our complaint process and videos that show how we have helped people all over the country.

Are you the sole source of income in your household?

- Yes, I am a single mother to a daughter in college

How has it impacted you personally?

- The inability to do my work to help people has been the cause of depression and worry - I KNOW how much we help every day Americans and it breaks my heart that we are no longer here.
- We are not a waste as the current administration is trying to paint us - we are the EXACT opposite. We deliver for the American people. Why are they against that?

How long have you been employed at the CFPB?

- >10 years

Why is it important for the CFPB to be able to get back to doing its work for the American people?

- We deliver for everyday people like us - not billionaires - helping people keep their hard earned money so it can work for them, and helping honest businesses which helps people too by encouraging an honest market

Additional Remarks:

Testimonies of CFPB Workers, gathered by NTEU Chapter 335 - June 25, 2025

- Please encourage your colleagues and your constituents to understand what we have done - we work for them and have helped over 200 million Americans get over \$21 billion back that was taken from them in shady fees, errors companies wouldn't bother to correct, glitches in company systems that impacted a consumer's payment account or records - countless little ways.

Worker 32

Position at the CFPB:

- Enforcement Attorney

Chief responsibilities:

- Investigating and litigating violations of federal law

Benefit to consumers:

- When regular people are harmed or cheated by financial institutions, my work gets their money back and stops the illegal practices.
- In the matters I have worked on I have helped return over \$10 million dollars in illegal overcharges, fees, and costs to consumers.
- My work has reformed the practices of institutions large and small, from huge multi-national banks to scam artists working out of their garage.

How the upheaval at the CFPB impacted your ability to serve the American People:

- My substantive work on behalf of consumers has been on pause for nearly 6 months. In that time I could have been making progress on multiple matters investigating and resolving tens of millions of dollars worth of consumer harm.
- One matter that I spent years working on was withdrawn even though the defendants had agreed to settle the case. It was literally millions of dollars worth of relief that current CFPB leadership decided to take away from consumers. All of this done without any guidance or meaningful discussion on policy goals or priorities.

Are you the sole source of income in your household?

- No

How has it impacted you personally?

- Significant stress and anxiety for myself and my family.

How long have you been employed at the CFPB?*

- 5 to 10 years

Testimonies of CFPB Workers, gathered by NTEU Chapter 335 - June 25, 2025

Worker 33

Position at the CFPB:

- Analyst

Chief responsibilities:

- Develop and maintain a thorough and nuanced understanding of the CFPB complaint model, CFPB complaint data sharing, and external stakeholder equities and perspectives. Participate in the development of and executed strategies and plans for Consumer Response engagement of stakeholders, including financial service companies from which consumer complaints are received and for which CFPB has statutory authority
- Analyze company structures and financial data emerging financial products, and mergers and acquisitions of banks, credit union and nonbank financial company business models to address internal and external inquiries about the companies and products potentially involved in the Consumer Complaint Database

Benefit to consumers:

- My work benefits consumers by ensuring complaints are mitigated; emerging trends impacting financial and consumer practices are reviewed, financial institutions and companies have timely resolution/responses to consumers and where appropriate corrections are made so that consumers can be made whole; i.e., maintain accurate and current information within their credit profiles and financial transactions.
- Escalated complaints require additional review and consideration, since issues can be very nuanced.
- My engagement and routine outreach to financial institutions and companies enables a timely and responsive pathway so that consumer complaints can be addressed and resolved within the statutory guidelines prescribed. Proactive communication allows for preemptive work that allows us to work smarter, create flexibility and responsiveness.

How has upheaval at the CFPB impacted your ability to serve the American People:

- The upheaval at CFPB has created instability and inconsistency in my daily work functions. I am unable to conduct routine meetings, engagements and communication with financial institutions and companies.
- For example, regular quarterly webinar meetings have been cancelled - resulting in my inability to facilitate orientations for companies newly onboarded to the CFPB Consumer Complaint Portal.
- Projects planned at the beginning of the year to streamline processes within Consumer Response have been delayed/stalled until further guidance.
- For example, one project that would enable larger companies to export/import data from the Portal at an increased rate has been stopped until further notice. The ramifications of doing so, has diminished those companies' abilities to transact data in a timely manner. Literally tens of thousands of complaints are stalled from processing due to export/import limitations - this has a rippling effect into other areas of Consumer Response.

Are you the sole source of income in your household?

- Yes

Testimonies of CFPB Workers, gathered by NTEU Chapter 335 - June 25, 2025

How has it impacted you personally?

- Physically, I continue to break out in hives, I have anxiety attacks and my sleeping patterns are off. I have a chronic illness (thyroid) and worry about future access to needed medications.
- Exercise helps with my depression, but I am unable to plan for my family. My daughter is in college and we do not know if she can return in the fall.
- I have financial obligations including a mortgage and am so fearful that I may not be able to make my mortgage payments. It is just me and my daughter since I am divorced. I do not have any surviving family - its just me. I really need my job and do not know what I will do without it.

How long have you been employed at the CFPB?

- < 2 years

Why is it important for the CFPB to be able to get back to doing its work for the American people?

- CFPB is the one place that is consumer focused with immediate responses and resolutions to consumer complaints, unlike other federal agencies. We work to make sure the American Citizens are treated respectfully, fairly and equitably.
- We provide valuable education, insight and remediation of complex and daunting problems that many consumers cannot address on their own.
- We also help financial institutions and companies through education and advocacy so that the public is educated as well - to be good partners with financial institutions and companies - it works both ways.
- From our vantage point, we can see emerging trends, emerging bad actors that disrupt and exploit the financial mainstream. Having this ability helps to save our government and the American people significant amounts of money, waste and fraud.

Additional Remarks:

- It is important that CFPB remain intact - the work we do is valuable, cost effective and responds to an ever changing world. Please preserve the CFPB.

Trump administration sues all 15 Maryland federal judges over order blocking removal of immigrants

Attorney General Pam Bondi testifies during a Senate Appropriations Committee hearing on the President's Fiscal Year 2026 Budget on Capitol Hill, Wednesday, June 25, 2025, in
[Live: Trump's big bill](#) [Idaho shooting](#) [Jimmy Swaggart](#) [Lululemon lawsuit](#) [Damian Lillard](#)

BY [SUDHIN THANAWALA](#) AND [ASSOCIATED PRESS](#)

Updated 6:44 PM EDT, June 25, 2025

► Follow live updates on [President Donald Trump and his administration](#)

The Trump administration on Tuesday filed [a lawsuit against all 15 federal judges in Maryland](#) over an order blocking the immediate deportation of migrants challenging their removals, ratcheting up a fight with the federal judiciary over President Donald Trump's executive powers.

7/1/25, 3:55 PM

Trump sues Maryland federal judges over order blocking migrant removal | AP News

The remarkable action lays bare the administration's determination to exert its will over immigration enforcement as well as a growing exasperation with federal judges who have time and again turned aside executive branch actions they see as lawless and without legal merit.

"It's extraordinary," Laurie Levenson, a professor at Loyola Law School, said of the Justice Department's lawsuit. "And it's escalating DOJ's effort to challenge federal judges."

At issue is an order signed by Chief Judge George L. Russell III and filed in May blocking the administration from immediately removing from the U.S. any immigrants who file paperwork with the Maryland district court seeking a review of their detention. The order blocks the removal until 4 p.m. on the second business day after the habeas corpus petition is filed.

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The administration says the automatic pause on removals violates a Supreme Court ruling and impedes the president's authority to enforce immigration laws.

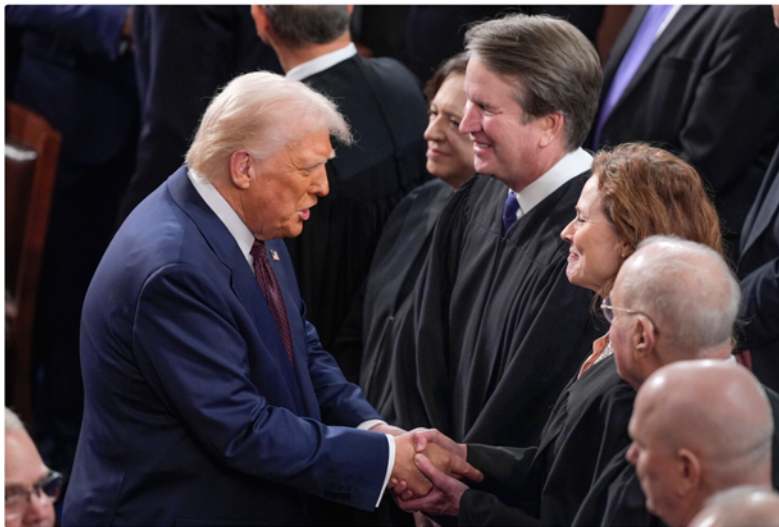
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Abrego Garcia lawyers ask federal judge to fine the Trump administration



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3/11

7/1/25, 3:55 PM

Trump sues Maryland federal judges over order blocking migrant removal | AP News

Trump's tussles with the courts could lead the nation into uncharted waters**Unsealed records in Abrego Garcia case offer few new details**

The Republican administration has been locked for weeks in a growing showdown with the federal judiciary amid a barrage of legal challenges to the president's efforts to carry out key priorities around immigration and other matters. The Justice Department has grown increasingly frustrated by rulings blocking the president's agenda, accusing judges of improperly impeding the president's powers.

"President Trump's executive authority has been undermined since the first hours of his presidency by an endless barrage of injunctions designed to halt his agenda," Attorney General Pamela Bondi said in a statement Wednesday. "The American people elected President Trump to carry out his policy agenda: this pattern of judicial overreach undermines the democratic process and cannot be allowed to stand."

A spokesman for the Maryland district court declined to comment.

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Trump has railed against unfavorable judicial rulings, and in one case called for the impeachment of a federal judge in Washington who ordered [plane loads of deported immigrants](#) to be turned around. That led to an extraordinary statement from Supreme Court Chief Justice [John Roberts](#), who said "impeachment is not an appropriate response to disagreement concerning a judicial decision."

Among the judges named in the lawsuit is Paula Xinis, who has called the administration's deportation of [Kilmar Abrego Garcia](#) to El Salvador illegal. Attorneys for Abrego Garcia [have asked Xinis](#) to impose fines against the administration for contempt, arguing that it ignored [court orders](#) for weeks to return him to the U.S.

The order signed by Russell says it aims to maintain existing conditions and the potential jurisdiction of the court, ensure immigrant petitioners are able to participate in court proceedings and access attorneys and give the government "fulsome opportunity to brief and present arguments in its defense."

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In an amended order, Russell said the court had received an influx of habeas petitions after hours that "resulted in hurried and frustrating hearings in that obtaining clear and concrete information about the location and status of the petitioners is elusive."

7/1/25, 3:55 PM

Trump sues Maryland federal judges over order blocking migrant removal | AP News

The Trump administration has asked the Maryland judges to recuse themselves from the case. It wants a clerk to have a federal judge from another state hear it.

James Sample, a constitutional law professor at Hofstra University, described the lawsuit as further part of the erosion of legal norms by the administration. Normally when parties are on the losing side of an injunction, they appeal the order — not sue the court or judges, he said.

On one hand, he said, the Justice Department has a point that injunctions should be considered extraordinary relief; it's unusual for them to be granted automatically in an entire class of cases. But, he added, it's the administration's own actions in repeatedly moving detainees to prevent them from obtaining writs of habeas corpus that prompted the court to issue the order.

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"The judges here didn't ask to be put in this unenviable position," Sample said. "Faced with imperfect options, they have made an entirely reasonable, cautious choice to modestly check an executive branch that is determined to circumvent any semblance of impartial process."

Associated Press reporters Gene Johnson in Seattle and Eric Tucker and Alanna Durkin Richer in Washington contributed to this report.

Representative Nikema Williams (GA)

Thursday, June 26, 2025 at 10:00am

The Subcommittee on Oversight and Investigations of the Committee on Financial Services: "From Watchdog to Attack Dog: Examining the CFPB's Chopra-era Assault on Disfavored Industries"

Questions for the Record

Statement for the Record:

As I prepared for this hearing, I was initially excited, I thought maybe the hearing would focus on oversight of the Consumer Financial Protection Bureau (CFPB) and I'd finally get an answer about all of the jobs lost and consumer protection investigations halted after my Republican colleagues stood by as the Trump administration gutted the CFPB.

But then I read the title: "From Watchdog to Attack Dog...", and I guess my Republican colleagues are right about something, they have consistently attacked the CFPB and consumer protections since I've served on this committee. No matter what the facts are, Republicans just want to attack the CFPB under the guise of "accountability".

Here are the facts: Congress has already placed conditions on the CFPB to ensure it's accountable. Now we just need the Trump Administration to follow the law which seems to be a pretty high bar for this administration. The CFPB Director is required to testify before this Committee twice a year. We haven't had the first hearing y'all and it's almost July. Oh that's right, there is still no permanent Director at the CFPB.

It's just a shame that we are here today to help Republicans feel like they care about accountability with this sham of a hearing when we could and should be focused on consumer protections.

But let's be real, this hearing isn't about making the CFPB work better. House Republicans are just hurt that former Director Chopra prioritized the most important piece of our financial system: the consumer and not their billionaire buddies.

Despite how some of my colleagues feel on the other side of the aisle, the work that the CFPB does – sorry – DID – was imperative for my constituents in the Fighting Fifth District of Georgia and across the country, in Democratic and Republican districts.

Reducing excessive junk fees? Relieving the burden of medical debt on consumer credit reports? Combatting housing discrimination, and holding banks accountable for deceptive practices? Are we really describing those actions as those of an “attack dog”?

To me, those are actions that are all critical to the financial wellbeing of the American people.

People that I fight for every day in Congress. People who are seeing prices skyrocket under the Trump Administration. People who already couldn't afford to buy a home, send their kids to college, or get ahead because of years of Republicans blocking investments in the people and communities who need them most.

And with Trump's lack of a consumer protection agenda, he has turned the consumer's watchdog into a muzzled little puppy. In my district alone, according to the Student Borrower Protection Center's own data, the CFPB helped over 196,000 consumers find financial relief in Georgia's Fighting Fifth. That's not an attack dog. That's a watchdog.

If House Republicans were serious about oversight and making sure we don't have rogue agencies, we wouldn't be having a subcommittee hearing, we'd be in a full committee either questioning CEOs who oversee banks that are too big to fail OR we'd have the CFPB's Director testifying to this Committee as a whole. If this hearing was serious, we'd be asking Acting Director Vought questions and have him account for his actions.

FRENCH HILL, AR
CHAIRMAN



MAXINE WATERS, CA
RANKING MEMBER

United States House of Representatives
One Hundred Nineteenth Congress
Committee on Financial Services
2124 Rayburn House Office Building
Washington, DC 20515

Questions for the Record

Subcommittee on Capital Markets Hearing, titled: “From Watchdog to Attack Dog: Examining the CFPB’s Chopra-era Assault on Disfavored Industries”

June 26, 2025

From Ranking Member Waters:

1. Which of the following options best describes your self-identified race? (You may choose more than one.)
 - a. White or Caucasian
 - b. Black or African American
 - c. Hispanic/Latinx
 - d. Asian
 - e. Middle Eastern/North African
 - f. Choose not to answer
 - g. Prefer to self-describe (please specify)

2. Which of the following options best describes your gender identity?
 - a. Woman
 - b. Man
 - c. Non-binary
 - d. Transgender Man
 - e. Transgender Woman
 - f. Choose not to answer
 - g. Prefer to self-describe (please specify)

FRENCH HILL, AR
CHAIRMANMAXINE WATERS, CA
RANKING MEMBER

United States House of Representatives
One Hundred Nineteenth Congress
Committee on Financial Services
2124 Rayburn House Office Building
Washington, DC 20515

Questions for the Record**Subcommittee on Capital Markets Hearing, titled: “From Watchdog to Attack Dog:
Examining the CFPB’s Chopra-era Assault on Disfavored Industries”****June 26, 2025**

From Ranking Member Waters:

1. Which of the following options best describes your self-identified race? (You may choose more than one.)
 - a. White or Caucasian
 - b. Black or African American
 - c. Hispanic/Latinx
 - d. Asian
 - e. Middle Eastern/North African
 - f. Choose not to answer
 - g. Prefer to self-describe (please specify)
2. Which of the following options best describes your gender identity?
 - a. Woman
 - b. Man
 - c. Non-binary
 - d. Transgender Man
 - e. Transgender Woman
 - f. Choose not to answer
 - g. Prefer to self-describe (please specify)



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August 4, 2025

Questions for the Record

Subcommittee on Capital Markets Hearing, titled: "From Watchdog to Attack Dog: Examining the CFPB's Chopra-era Assault on Disfavored Industries"

**Testimony of Devin Watkins
Attorney for the Competitive Enterprise Institute**

Question 1 From Ranking Member Waters:

1. Which of the following options best describes your self-identified race? (You may choose more than one.)

- a. White or Caucasian
- b. Black or African American
- c. Hispanic/Latinx
- d. Asian
- e. Middle Eastern/North African

☒ f. Choose not to answer

g. Prefer to self-describe (please specify)

I respectfully choose option f, "Choose not to answer," as I believe this information is not relevant to the substance of my testimony.

Question 2 From Ranking Member Waters:

2. Which of the following options best describes your gender identity?

- a. Woman
- b. Man
- c. Non-binary
- d. Transgender Man
- e. Transgender Woman

☒ f. Choose not to answer

g. Prefer to self-describe (please specify)

I respectfully choose option f, "Choose not to answer," as I believe this information is not relevant to the substance of my testimony.

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June 26, 2025

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 - f. Choose not to answer
 - g. Prefer to self-describe (please specify)
2. Which of the following options best describes your gender identity?
 - a. **Woman**
 - b. Man
 - c. Non-binary
 - d. Transgender Man
 - e. Transgender Woman
 - f. Choose not to answer
 - g. Prefer to self-describe (please specify)

From Rep. Williams (GA):

1. Ms. Harper, I understand that you used to work at the CFPB and we thank you and your colleagues for your work and service. Georgia's Fighting Fifth District is home to countless higher-ed institutions and the largest consortium of HBCUs in the nation. For many young consumers in my district, especially first-generation students, they're taking out a loan for the first time to finance their education. Students may also be opening a bank account or getting a credit card for the first time, on campus. This makes students a captive market for financial firms. Ms. Harper, how are students currently at risk of being targeted without protection from the CFPB?

Answer:

Since its inception, the CFPB has played a significant role in protecting and assisting student loan borrowers – including servicemembers and older Americans who serve as loan guarantors for young borrowers. Not only does the agency protect borrowers from unfair, deceptive, anticompetitive, and otherwise illegal practices via enforcement, supervision, or rulemaking actions, but it also provides important resources and information for borrowers. The CFPB also allows the public to issue specific complaints to the agency, which may result in regulatory action that protects borrowers.

Across bipartisan administrations, the CFPB has received over 100,000 complaints from student loan borrowers, with the agency holding lawbreakers accountable, returning over \$5 billion to student loan borrowers who have been cheated or misled.¹ In 2025, the CFPB required the National Collegiate Student Loan Trusts to pay \$2.25 million in compensation for unlawfully filing defective debt collection lawsuits to collect on private student loan debt.² In 2024, the agency permanently banned Navient from servicing student loans, as the company steered borrowers into costly repayment programs, deprived students from enrolling in lower-cost programs, and forced them to pay more than they should have. The CFPB also required Navient to pay \$120 million in restitution.³ In 2017, the CFPB found that student loan borrower complaints resulted in agency action and ultimately \$750 million being returned to borrowers. This includes the agency returning over \$20 million to over 100,000 service members who were charged higher than necessary interest rates.⁴ Between 2016 and 2020, the CFPB also took action against big banks for charging students illegal fees and for illegal debt collection

¹ <https://www.economicliberties.us/wp-content/uploads/2025/01/2025-01-28-CFPB-Accomplishments.pdf>;

<https://protectborrowers.org/wp-content/uploads/2025/02/CFPB-Protecting-Student-Loan-Borrowers.pdf>.

² <https://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-to-address-illegal-debt-collection-practices-by-the-national-collegiate-student-loan-trusts/>.

³ <https://www.consumerfinance.gov/about-us/newsroom/cfpb-bans-navient-from-federal-student-loan-servicing-and-orders-the-company-to-pay-120-million-for-wide-ranging-student-lending-failures/>.

⁴ <https://www.consumerfinance.gov/about-us/newsroom/cfpb-report-finds-consumer-complaints-spurred-actions-brought-more-750-million-relief-student-loan-borrowers/>.

practices.⁵ In 2015, the CFPB halted an illegal scheme in which student loan borrowers were charged millions of dollars in fees for illegitimate services.⁶ Without the CFPB, student loan borrowers will have their complaints unheard, important oversight of student loans will be lost, and student loan borrowers will be vulnerable while servicers, lenders, and particularly repeat offenders will be emboldened to take advantage of them.⁷

And without the CFPB, the student loan crisis is likely to worsen, with more students being unable to pay their growing debt or going into default. A CFPB study found that more than 8 million Americans are currently in default on \$130 billion in student loans, and this “may be driven by breakdowns in student loan servicing.”⁸ As the debt crisis continues to worsen in this country,⁹ the CFPB may be more important than ever.

The “One Big, Beautiful Bill” further sidelines the CFPB’s important role to protect borrowers from generational debt. The law makes \$300 billion in cuts to the financial aid and the student loan safety net, and eliminates Graduate PLUS Loans which will push millions of students and families into the jaws of predatory private lenders. At a time when working families are feeling crushed by skyrocketing costs, this bill will force millions of students and families further into the red.

2. Ms. Harper, I have spent years paying off my student loans, I know how important it is to understand debt and building creditworthiness. Speaking of credit and debt, more than half of Americans have medical debt of some kind that affects their financial needs and goals, and one in three Americans say it prevents them from buying a house or saving for retirement. Medical debt affects people’s ability to access affordable credit, find quality housing, or even obtain a job. While the nationwide credit bureaus finally took the step to remove some medical debt information from consumer credit files, the CFPB initiated and finalized a rulemaking to more comprehensively address this issue. Ms. Harper, can you describe why it is important to ensure people aren’t blocked from getting credit or even a job simply because of the debt they owe from being sick? I have a brother-in law who is in Armed Services. If this rule goes away, what would that mean for veterans with medical debt? Will such a move hurt them?

⁵ <https://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-against-wells-fargo-illegal-student-loan-servicing-practices/>; <https://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-against-citibank-student-loan-servicing-failures-harmed-borrowers/>; <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-settles-with-student-loan-servicers-discover-bank-the-student-loan-corporation-and-discover-products-inc-for-violating-a-bureau-consent-order-and-other-unlawful-practices/>.

⁶ <https://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-against-nationwide-student-financial-aid-scam/>.

⁷ <https://www.forbes.com/sites/shaharziv/2025/04/15/student-loan-borrowers-may-lose-vital-protections-if-cfpb-is-abolished/>.

⁸ <https://www.economicliberties.us/wp-content/uploads/2025/01/2025-01-28-CFPB-Accomplishments.pdf>.

⁹ <https://abcnews.go.com/Business/americans-credit-card-debt-reaches-new-record-high/>; <https://www.federalreserve.gov/econres/notes/feds-notes/rising-auto-loan-delinquencies-and-high-monthly-payments-20240926.html>.

Answer:

Medical debt reveals little about a person's creditworthiness.¹⁰ Instead, this debt is often just a marker for unexpected or life-threatening medical incidents. It is also a tell for how unaffordable health care is in this country. The total price of medical treatment is unknown, and what you pay is dictated by monopolistic healthcare conglomerates¹¹ that can deem medical treatments "unnecessary" even though they are not your doctor to pad their own profits. The only entities that benefit from having medical debt on credit reports are debt collectors and big healthcare companies.

Last month, a District Court in Texas¹² vacated the CFPB's final rule, *Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information*¹³, which removes medical debt from credit reports. In developing its rule, the CFPB received 74,000 public comments¹⁴ illustrating the level of concern that an unexpected medical illness could lead to immense financial harm or bankruptcy. The Court's disappointing decision followed an April 16th 15 memo from CFPB Chief Legal Officer, Mark Paoletta, stating that the CFPB would deprioritize oversight of Americans struggling with medical debt. It is now incumbent that Congress fill the void to protect the economic livelihoods of 15 million Americans who have medical debt on their credit reports.

Veterans are especially vulnerable, with over half of all nationwide veterans struggling with their medical expenses.¹⁶ In one survey, 90% of veteran respondents believe medical debt can exacerbate their military-related post-traumatic stress disorder (PTSD), as it not only strains them financially but emotionally as well.¹⁷ Medical debt is also threatening to push veterans and non-veterans into homelessness.¹⁸

Do we want to live in a society where UnitedHealth Group decides if you get to buy a home or not, if you get evicted or not, or if you get hired for a job or not? Without the CFPB's medical debt rule ensuring this debt is not included in credit decisions, these are the types of questions Americans may soon face.

¹⁰ <https://apnews.com/article/rule-banning-medical-debt-from-credit-reports-8a81e776bf4cb3aa3c1bc7187f5af96a>.

¹¹ <https://www.economicliberties.us/wp-content/uploads/2024/10/10-24-AELP-healthcare-ledger.pdf>.

¹² <https://www.npr.org/2025/07/15/nx-s1-5468438/medical-debt-credit-reports-ruling>.

¹³ <https://www.consumerfinance.gov/rules-policy/final-rules/prohibition-on-creditors-and-consumer-reporting-agencies-concerning-medical-information-regulation-v/>.

¹⁴ <https://www.regulations.gov/document/CFPB-2024-0023-0001/comment>.

¹⁵ <https://www.msn.com/en-us/money/careersandeducation/a-new-internal-memo-from-the-cfpb-says-it-will-deprioritize-its-student-loan-oversight-in-trumps-latest-move-to-overhaul-the-consumer-watchdog/ar-AA1D4AdE?ocid=BingNewsSerp>.

¹⁶ <https://saportareport.com/medical-debt-a-hidden-barrier-for-veterans/thought-leadership/povertyandequity/hopeatlanta/>.

¹⁷ <https://www.nationaldebtrelease.com/news-media/more-painful-than-combat-91-of-veterans-say-debt-worsens-ptsd-in-a-new-study-from-national-debt-relief/>.

¹⁸ <https://saportareport.com/medical-debt-a-hidden-barrier-for-veterans/thought-leadership/povertyandequity/hopeatlanta/>.

3. As you probably know, when we had the majority, this Committee would include hearings and testimony from the CEOs of the largest banks. We haven't had that in a while. Now, with the recent actions by the CFPB to drop major lawsuits and the broader rollback of enforcement under this administration, I'm concerned that many consumers are going to feel the burn of weakened financial regulators. What are the tangible harms of financial regulators being weakened at the hands of a rogue administration? And how does this impact consumers, financial stability, and the ability of the CFPB to do their duty?

Answer:

Since its inception, the CFPB has used every tool Congress gave it to hold lawbreakers accountable and deliver real results for consumers, workers, and vulnerable groups. In the past two decades, across bipartisan administrations, the agency has returned over \$21 billion to over 200 million Americans.¹⁹ The "One Big, Beautiful Bill" guts the CFPB's annual draw from the Federal Reserve by 50%, which taken together with deep reductions in staff, jeopardizing the CFPB's capacity to deliver relief for consumers, working families, and prevent deep macroeconomic harm to the U.S. economy.

By weakening the CFPB, this administration is putting the economy, consumers, and workers at risk. Businesses of all sizes will struggle to understand the rules of the road, while small businesses may struggle to compete with larger businesses that have more resources and are able to weather regulatory uncertainty. Consumer complaints will go unheard, and there will be no cop on the beat to hold lawbreakers accountable. The Consumer Complaint Database saw its 10 millionth complaint issued this year,²⁰ and no year has seen more complaints in CFPB's history than 2025. That number will only increase as unscrupulous companies can bank on the fact that the Trump administration will exercise prosecutorial discretion by letting them off the hook. Scams will go unchecked. And an already unstable debt bubble may be likely to pop – all without a consumer watch dog protecting the public. Even in the first few months of this administration, President Trump and Acting CFPB Director Russell Vought's rollbacks have cost Americans an estimated \$18 billion.²¹

¹⁹ <https://www.consumerfinance.gov/about-us/the-bureau/>.

²⁰ https://www.linkedin.com/posts/consumer-federation-of-america_cfpb-complaint-financial-activity-7353530525145284608-ptQ/.

²¹ <https://www.reuters.com/legal/litigation/trumps-cfpb-rollback-has-cost-americans-18-billion-consumer-groups-say-2025-06-24/>.