

The Honorable Sherrod Brown
Chairman
U.S. Senate Comm. on Banking, Housing, and Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Tim Scott
Ranking Member
U.S. Senate Comm. on Banking, Housing, and Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Patrick McHenry
Chairman
U.S. House Comm. on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
U.S. House Comm. on Financial Services
4340 O'Neill House Building
Washington, DC 20515

November 28, 2023

Dear Chairman Brown, Chairman McHenry, Ranking Member Scott, Ranking Member Waters:

On behalf of the undersigned national, state, and local organizations, we write in support of the Consumer Financial Protection Bureau as it prepares for its semi-annual review before Congress. Through its rulemaking, supervision, enforcement, consumer education and complaint system, the CFPB has made enormous strides in ensuring that the financial marketplace is fair to consumers. Its rules and supervision have reformed the industry's conduct, making banks and other financial services companies more attentive to consumers' rights.

In slightly over a decade, it has [obtained](#) over \$16 billion in relief for about 192 million consumers in the form of restitution or canceled debts, and \$3.7 billion in civil penalties – money that can make consumers whole even if the company that defrauded them has vanished. [Opinion research](#) has revealed durable support across political orientations for a federal agency that looks out for consumers while creating fair rules of the road for honest businesses.

The CFPB also provides honest businesses with the necessary rules of engagement needed for them to be compliant with a host of laws meant to ensure the transparency and fairness of the marketplace. For example, without the agency's [Qualified Mortgage rule](#), lenders can be open to claims that they are violating the Truth in Lending Act's (TILA) ability-to-repay rules. Additionally [\\$1.4 trillion](#) in adjustable-rate consumer loans are tied to the now-defunct LIBOR index, the index to which interest rates on these loans were pegged. Without the CFPB's rules, lenders would not be protected under certain exemptions granted by the agency when switching to an alternative index for these loans.

The public has taken notice of the agency's actions. Consumers, regardless of their politics, [overwhelmingly support the mission](#) of the CFPB and the actions it has taken. Americans see an agency responsibly undertaking the job given to it by Congress: making consumer financial markets fairer and more transparent, putting money back in the pockets of wronged consumers, and policing rules of the road that make the financial system work better for responsible businesses and consumers alike.

However, recent efforts through the Courts and legislation have threatened the CFPB's effectiveness. The [Supreme Court is currently reviewing](#) an appellate decision by the Fifth Circuit Court of Appeals that ruled the Bureau's funding structure was unconstitutional. This suit was initially filed by the payday lenders, a long-time opponent of the agency because of its efforts to [tame the exorbitant fees and terms](#) the industry has long forced onto consumers.

Last month, a [dozen amicus briefs](#) were filed in the case including a brief with 144 current and former members of Congress discussing Congressional intent when creating the original structure of the CFPB's funding. The other briefs were filed by a broad swath of constituencies including the AARP, servicemember and veteran organizations, rural and farming organizations, credit unions, state Attorneys General, faith groups, civil rights groups, and state and local advocates.

The CFPB, like most federal financial regulators, was given a stable funding stream to ensure the rules of the road that govern large sectors of our economy, such as mortgage lending and money transmission, were consistently monitored and enforced via a reliable funding stream. When Congress created the CFPB in the wake of the 2008 financial crisis, it transferred many of the powers from the prudential regulators such as the Federal Reserve, the Office of the Comptroller of the Currency (OCC), and the Federal Deposit Insurance Corporation (FDIC), to the Bureau and thus wanted it to retain a similar funding stream as its sister agencies.

Congress has recently proposed [legislation to require](#) the CFPB's funding to be appropriated by Congress, change its leadership to a commission structure, create roadblocks to dilute CFPB's rulemaking authority, and most recently, raise the threshold of entities the agency supervises from \$10 billion to [\\$50 billion](#).

These measures would subject the CFPB to the whims of Congress, as we recently witnessed with the current debt ceiling fight. The proposed bills would leave the CFPB vulnerable to budget paralysis, unlike its partner bank regulators the Federal Reserve, the OCC, and the FDIC, once again treating consumer financial protection as a less important matter. Furthermore, the recent banking crisis has shown us that

deregulation is not the solution but indeed the problem. Restructuring the CFPB or proposing to exempt more companies from CFPB supervision after a string of bank failures is a step in the wrong direction.

The CFPB was established by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010; it opened its doors as the nation's only financial regulator completely devoted to consumer protection in July 2011. Failure to appropriately regulate the consumer financial marketplace was a central cause of the 2008 financial crisis that devastated the U.S. and global economies, costing tens of trillions of dollars, and many millions of jobs.

The CFPB is a shining success story of the effort to correct the mistakes and close the gaps that led to that failure. It has required lenders who break the law to return billions of dollars directly to individuals trying to make ends meet; it is establishing a more level playing field in crucial areas of the market; and it is doing so in an accountable and transparent fashion.

For all of the reasons above, we strongly support the CFPB's mission and oppose any effort that will hamstring the CFPB's ability to continue to deliver for consumers.

Cc:

Members of Senate Committee on Banking, Housing, and Urban Affairs
Members of House Financial Services Committee

Sincerely,

20/20 Vision DC

Accountable.US

AFL-CIO

AKPIRG

American Economic Liberties Project

American Federation of Teachers

Americans for Financial Reform

American Association for Justice

Appleseed Foundation

Association for Neighborhood and Housing Development

California Reinvestment Coalition

Center for Biological Diversity

Center for Community Progress

Center for Digital Democracy

Center for Economic Integrity

Center for Elder Law & Justice

Center for LGBTQ Economic Advancement & Research (CLEAR)

Center for Responsible Lending

Climate Finance Action

Communications Workers of America
Consumer Action
Consumer Federation of America
Consumer Federation of California
Consumer Reports
Consumers for Auto Reliability and Safety
Credit Builders Alliance
Demand Progress
Empire Justice Center
Faith in Action National Network
Fight Corporate Monopolies
Florida Consumer Action Network
Georgia Watch
HEAL Food Alliance
Heartland Alliance (Asset Building team)
Hoosiers for Responsible Lending
Inclusiv
Indiana Community Action Poverty Institute
Institute for Agriculture and Trade Policy
Integrated Community Solutions, Inc.
Interfaith Center on Corporate Responsibility
Jacksonville Area Legal Aid, Inc.
The Leadership Conference on Civil and Human Rights
Main Street Alliance
Maine People's Alliance
Maine Small Business Coalition
Metropolitan Interfaith Council on Affordable Housing (MICAH)
Mountain State Justice, Inc.
National Association for Latino Community Asset Builders
National Association of Consumer Advocates
National Black Justice Coalition
National Center for Transgender Equality
National Coalition for Asian Pacific American Community Development (National CAPACD)
National Community Reinvestment Coalition (NCRC)
National Consumer Law Center (on behalf of its low-income clients)
National Council of Asian Pacific Americans
National Fair Housing Alliance
National Housing Resource Center
National Military Family Association
National Urban League
New Economy Project
New Jersey Appleseed Public Interest Law Center

New Jersey Citizen Action
New Mexico Center on Law & Poverty
NextGen America
Open Markets Institute
Oregon Consumer Justice
Our Spring Lake Store, LLC
Progressive Leadership Alliance of Nevada
Prosperity Indiana
Prosperity Now
Public Citizen
Public Good Law Center
Public Justice
RAISE Texas
Revolving Door Project
South Carolina Appleseed Legal Justice Center
Student Borrower Protection Center
Take on Wall Street
Texas Appleseed
The Greenlining Institute
The Military / Veterans Coalition Of Indiana
Tzedek DC
U.S. PIRG
UnidosUS
United for Respect
Virginia Citizens Consumer Council
Virginia Organizing
Virginia Poverty Law Center
VOICE (Voices Organized in Civic Engagement)
Woodstock Institute