

Crapo Statement at CFPB Hearing

March 10, 2020

WASHINGTON – U.S. Senator Mike Crapo (R-Idaho), Chairman of the U.S. Senate Committee on Banking, Housing and Urban Affairs, delivered the following remarks at a hearing entitled “The Consumer Financial Protection Bureau’s Semiannual Report to Congress.”

The text of Chairman Crapo’s remarks, as prepared, is below.

“Today, we will receive testimony from Consumer Financial Protection Bureau (CFPB) Director Kathy Kraninger on the CFPB’s semiannual report.

“On February 03, the CFPB issued its Fall 2019 Semiannual Report, which outlines the CFPB’s significant work between April 2019 and September 2019, including rulemakings and supervisory and regulatory activities.

“The report also provides insight into what the CFPB plans to undertake in the coming work period.

“Consumer protection is vital for a properly-functioning financial market place and is best determined by a robust, quantitative analysis.

“Under Director Kraninger’s leadership, the CFPB has demonstrated a commitment to ensuring that its regulations are data driven, appropriately tailored to satisfy statutory obligations, and based on sound evidence and legal support.

“There have been promising changes at the CFPB under Director Kraninger’s leadership.

“But, it remains abundantly clear that the fundamental structure of the CFPB must be reconsidered to make it more transparent and accountable.

“Last week, the Supreme Court heard arguments for *Seila Law LLC v. CFPB*, a case that examines the constitutionality of the CFPB’s leadership structure.

“On March 2, 2020, the Wall Street Journal Editorial Board referred to *Seila Law v. CFPB* as the ‘constitutional case of the year,’ and stated that the question presented by this case ‘goes to the heart of the separation of powers and whether the administrative state is accountable to the people.’

“It has long been my position that the CFPB’s current single director structure lacks sufficient accountability, and I look forward to the Supreme Court ruling on this case later this summer.

“With this in mind, I continue to advocate for establishing a bipartisan board of directors to oversee the CFPB; subjecting the CFPB to the annual appropriations process, similar to other federal regulators; and establishing a safety-and-soundness check for the prudential regulators.

“The Banking Committee has spent significant time this Congress evaluating the collection, protection and use of consumer data by government agencies and private companies.

“I have repeatedly voiced concerns about wide-scale collection of personally identifiable information by the CFPB, especially with respect to credit card and mortgage data.

“On February 26, the CFPB hosted a symposium on the access and use of consumer-permissioned financial data to determine if agency action is necessary to promote consumer access to their financial data.

“I find it concerning that when consumers choose to share their financial data with a third party, they often unknowingly involve a data aggregator to facilitate the transmission of this data.

“The CFPB and Congress should explore ways to ensure that consumer data remains protected when it is shared.

“We need a foundational change to our data privacy laws that applies broadly, across industries, and ensures domestic and international cohesion via preemption and interoperability, respectively.

“During this hearing, I look forward to hearing more about key initiatives undertaken by the CFPB in the last year; Director Kraninger’s priorities for the CFPB in the upcoming work period; and additional legislative or regulatory opportunities to encourage financial innovation and widen access to financial products and services.

“Director Kraninger, thank you again for joining the Committee this morning to discuss the CFPB’s activities and plans.”

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