

**Opening Statement**  
**Ranking Member Sherrod Brown**  
**The Consumer Financial Protection Bureau's Semiannual Report to Congress**  
**July 29, 2020**

Thank you, Mr. Chairman, for holding this virtual hearing, and thank you, Director Kraninger, for participating in this hearing remotely to practice social distancing and to prevent the potential spread of coronavirus, which is still spreading, and is still taking the lives of hundreds more Americans every day.

Across the country, in big cities and small towns alike, Americans are calling for their government to work for them. Nearly everyone has had their lives upended by this pandemic – but this disease is not spreading in a vacuum.

You know, Ms. Kraninger, that workers have seen their wages stagnate for years, while Washington shovels more tax cuts to their wealthy friends and the largest corporations.

Families' expenses have only grown – the cost of housing, childcare, prescription drugs has all gone up, leaving 40 percent of Americans unable to come up with \$400 in an emergency.

Black and brown Americans have never had their hard work pay off like it should, and live every day with systemic racism that threatens their health and their safety and their lives.

From Jim Crow to redlining, you know that Black families have never had the same freedom and opportunity to choose where they live. And they've watched this Administration dismantle a critical element of the Fair Housing Act.

We have the widest home ownership gap in 50 years. As the Urban Institute put it: "The gap in homeownership rate between black and white families in the U.S. is bigger today than it was when it was legal to refuse to sell someone a home because of the color of their skin."

The racial wealth gap has actually increased: the average white family now has 10 times the wealth of the average Black family.

Director Kraninger you know that Black and brown consumers disproportionately lack access to basic financial services, forcing them to rely on risky and costly alternatives.

This leads to so-called reverse redlining – where companies target minority communities for exploitative loans and other abusive financial products.

That's why it's easier to find a payday lender than a bank branch in communities of color.

For years, American workers and families have watched the people who are supposed to serve them look out for the biggest corporations, while their financial problems continued to mount.

People are angry and they're frustrated.

Americans watch CEOs pay themselves, while laying off workers. They see corporations scam people and get away with it, while people of color spend their entire lives paying for one wrong move. They're told to pull themselves up by their bootstraps, while Wall Street gets handouts and bailouts.

Americans feel like no one is on their side. Especially in this Administration.

That's where the Consumer Financial Protection Bureau is supposed to come in.

Your job, Director Kraninger, is to look out for everyone else – the workers and families without lobbyists, who don't have wealth and connections to throw around. That's why we created the agency.

And in a moment when Americans of all ages and backgrounds are demanding justice for our Black and brown neighbors and accountability for the corporations that exploit them, you have the power to actually do something about it.

The CFPB has the tools, the resources, and a legal requirement to root out discrimination in lending and protect communities of color from shady financial products that strip away their wealth.

Under Director Cordray, the Bureau wielded these tools to hold banks, credit card companies, and other corporations accountable when they engaged in illegal discrimination, returning more than \$500 million to Black, Latinx, and Asian Americans.

Under Director Kraninger and Acting Director Mulvaney, the Consumer Bureau did not bring a single case of illegal discrimination for more than two-and-a-half years.

Sadly, that's about what we would expect from a president who seems to have made it his mission to roll back civil rights protections, and openly uses race to divide us.

But we might have hoped that in this moment of national crisis, when more than 150,000 Americans have lost their lives and 30 million have lost their jobs, President Trump and his appointees would rise to the occasion.

Instead Director Kraninger – like other Trump appointees – you have exploited the coronavirus pandemic to roll back protections for American families, instead of strengthening them:

- During the pandemic, Americans have reached out in record numbers seeking the Consumer Bureau's help. We've seen an 86 percent increase in complaints about credit reporting. But instead of cracking down, Director Kraninger announced the CFPB would do nothing to punish banks, debt collectors, and other corporations that make mistakes on consumers' credit reports.

- Millions of Americans have fallen behind and missed mortgage payments because of the president’s failure to get this pandemic under control. But instead of helping struggling homeowners, the Consumer Bureau weakened requirements that banks and lenders contact homeowners to help them avoid foreclosure.
- Families have been forced to turn to credit cards to make ends meet. And the CFPB, the agency that’s supposed to look out for them, has made it easier – easier, not harder – for these credit card companies rip off consumers, making it easier for credit cards to hide their terms and true price.

Director Kraninger also decided that a worldwide pandemic is the right time to push consumers into predatory payday loans.

- In March, the Consumer Bureau released guidance encouraging banks to get into the payday loan business.
- In May, the Consumer Bureau released information on how banks that offer payday loans can apply for prospective immunity from Bureau oversight or enforcement.
- And in July—despite extensive evidence of a corrupted rulemaking process and bicameral calls for an Inspector General investigation—the Consumer Bureau released a new payday rule that eliminated the basic requirement that payday lenders make sure a consumer can pay back the loan.

Director Kraninger has even gone so far as to tell financial firms that it will give them a pass when they break the law, so long as they make a “good faith” effort to comply.

This is exactly why most people think our system is broken.

If your utility payment is withdrawn before your paycheck clears, and you overdraw your account, the bank doesn’t waive the fee because you made a “good faith” effort to deposit that check.

We have one system for corporations and the wealthy and the well-connected, one where you get away with just about anything – and a different one for everyone else, where your “good faith” effort never seems to be enough.

Director Kraninger, we didn’t need a Supreme Court decision to tell us you would not be independent from President Trump.

I’ve got to hand it to you, you’ve done exactly the job he asked of you– you have protected a system where corporations play by one set of rules, with a different set for everyone else.

Thank you, Mr. Chairman.