Statement of Chairman Sherrod Brown
"The Consumer Financial Protection Bureau's Semiannual Report to Congress"
December 15, 2022

This hearing will come to order.

Today's hearing is in *a hybrid* format. *Our witness is in-person*, but Members have the option to appear either in-person or virtually.

Let me start by talking about two of our colleagues who are retiring at the end of this Congress.

Senator Toomey sat by my side for 87 of the 89 hearings the Committee held this Congress. We each missed one. I mention that because it shows how seriously he takes this job—both as Senator and as Ranking Member. I'm sure there were many hearings he didn't want to sit through. But he did.

I've enjoyed getting to know him as we sat together for hundreds of hours over the last two years. We moved dozens of nominees through the Committee, we worked together on crucial national security issues like China, most recently we've worked together on FTX, and off the Committee worked on important maternal health issues.

While we have our disagreements, there may be no other Republican as passionate as Senator Toomey, and it's backed by his strong worldview and intellect, especially on financial matters. He was a critical voice in our Committee's response to the COVID crisis and the Congressional oversight afterwards. The quality of debate and discourse in this Committee was improved because Pat and his incisive intellect were engaged.

I also want to commend Pat's staff—Brad Grantz, Dan Sullivan, John Crews, and the rest of the team for their hard work and diligence.

I wish Pat, Kris and their three children the best in the next phase of his career.

I have not known a Banking and Housing Committee without Senator Shelby. I came to the Committee in 2007 in the middle of the financial crisis.

Senator Shelby helped shape the agenda of the committee for 35 years—during the Enron scandal, Sarbanes Oxley, the Great Recession of 2008, Dodd Frank, the COVID pandemic, and so many other critical moments in the history of this Committee and our country. He served in leadership roles as either Chair or Ranking Member for more than a decade, working with Senators Sarbanes, Dodd, Johnson, and me.

There was no one on the Republican side who was a greater proponent of strong capital at banks, something I always admired.

Senator Shelby, I wish you and Annette well in your retirement.

Welcome back Director Chopra.

The Banking, Housing, and Urban Affairs Committee used to be referred to as the Senate Banking Committee because it was all about Wall Street. When Democrats took Control in the 117th Congress, we changed that.

So it's fitting that this Committee's last hearing for the 117th Congress is the CFPB's Semi-Annual Report—because fighting for consumers is one of the most important things we can do on this Committee.

Since the CFPB first opened its doors in 2011, the consumer agency has returned $14.9 billion to consumers, including principal reductions, canceled debts, and other relief. That's $14.9 billion, with a B.

Over 183 million consumers have been eligible for that relief.

The CFPB has a track record of helping real people get real compensation for real harm from financial institutions that have wronged them.

In 2012, just over a year after becoming fully operational, the CFPB ordered American Express subsidiaries to refund $85 million to an estimated 250,000 consumers for illegal credit card practices, including charging unlawful late fees.

In 2014, the CFPB reached a settlement requiring Sallie Mae to pay $60 million to an estimated 60,000 servicemembers for overcharging them on student loans.

In 2016, the CFPB fined Wells Fargo $100 million for opening unauthorized accounts and ordered Wells to refund an estimated $2.5 million in fees accrued.

This year, the CFPB fined Bank of America $10 million for unlawfully garnishing consumer accounts.

When financial institutions illegally took consumers' hard-earned money through unlawful late fees, through too high interest rates, through unauthorized fees, and through improper garnishment, the CFPB cracked down and ensured that consumers keep their hard-earned money.

No other agency fights for consumers like the CFPB.

It's no wonder Wall Street hates the agency. Since the passage of Dodd-Frank, Wall Street and its allies have aimed their fire at the CFPB, trying over and over again to undermine and gut the agency responsible for fighting for Main Street and consumers.

Republicans have proposed bill after bill to weaken the CFPB, to take away the effective single director structure, to put the agency's funding in the limbo of congressional appropriations, or to simply undo the CFPB.

But Congress created the CFPB and specifically designed its funding structure to make the agency an effective consumer watchdog.

According to this Committee's report on Dodd-Frank, "the assurance of adequate funding, independent of the Congressional appropriations process, is absolutely essential to the independent operations of any financial regulator."

Which is why other financial regulators like the Federal Reserve, OCC, FDIC, and NCUA are independently funded and not subject to congressional appropriations.

And when Wall Street and Republicans in Congress tried to put the CFPB out of business, the public loudly and clearly said "no".

The CFPB has remained intact because it does its job: helping consumers.

Consumers know Wall Street does not have their best interest at heart.

Consumers know that Wall Street needs a strong regulator to keep it in check.

Consumers remember the damage that Wall Street wrought on the economy, on their neighborhoods, and on their wallets.

And consumers know that CFPB follows the facts. They go after bad actors, from banks overcharging customers to predatory payday lenders trapping consumers in debt.

The CFPB stands up to Wall Street. Director Rohit Chopra and the CFPB use all of their powers to fight discrimination. And they continue to go after financial institutions for their treatment of Black and Brown consumers.

In 2021, the CFPB required a bank to pay $5 million to address redlining that harmed Black consumers.

This year the CFPB announced that it will examine whether discrimination violates the Dodd-Frank prohibition against unfair, deceptive, and abusive acts and practices.

And in July, in response to a local lender's failure to serve Philadelphia's majority-minority neighborhoods, the CFPB, along with the Department of Justice's Combatting Redlining Initiative, brought $18.4 million in funds to support home ownership in those neighborhoods.

In total, the CFPB has gotten $637 million from discriminatory financial institutions, tens of millions of which have gone directly to minority consumers who experienced discrimination.

There is a reason why the civil rights community was instrumental in the creation of the CFPB. They knew that they needed an agency that was empowered and unafraid to fight against discrimination, wherever it may be found.

The CFPB is creating a fair, transparent, and competitive economy.

Major and consequential CFPB rules like the Ability to Repay rule not only provide protections for consumers buying homes, but also create rules for financial institutions and the broader economy.

That’s why we created the CFPB – to ensure that the financial marketplace is fair for everyone, and that corporations cannot rig the system and get away with it. That’s the essence of capitalism.

Ranking Member Toomey.