Opening Remarks – Ranking Member Sherrod Brown
4/12/18 – The Consumer Financial Protection Bureau's Semiannual Report to Congress

The reason we are here today is that there was a financial crisis ten years ago caused by predatory lenders, and that crisis cost millions of Americans their jobs and their homes.

The St. Louis Fed looked at the subprime mortgages made from 2000 to 2007, and it found that seventy percent of those loans were refinances. That's important – it means that most subprime loans weren't going to people who were "buying too much house," these loans were going to people that had already paid off some of their debt and built some equity.

Subprime refinance loans allowed shady lenders to steal that equity from homeowners with false promises of lower monthly rates under confusing payment plans. These loans, designed to steal wealth from hardworking families, overwhelmed the banking system and crashed the whole economy.

There was no Consumer Financial Protection Bureau while this was happening from 2000 to 2007. There was no dedicated cop on the beat to be tough on predatory mortgage lenders or to warn consumers about these loans.

The result was the biggest financial crisis and recession since the Great Depression. The lesson from 2008 is simple – if we don't protect hardworking Americans from powerful Wall Street banks and financial scammers, it can bring down our entire economy.

That’s why we created the Consumer Financial Protection Bureau. Its job is clear – to fight for hard working families against unfair, abusive, and deceptive practices, the tricks and traps that some financial institutions design in order to line their pockets.

It’s a consumer first agency. Before Mr. Mulvaney’s arrival, the CFPB got 12 billion dollars in relief for 29 million Americans that had been harmed by shady practices.

Before Mr. Mulvaney arrived, the CFPB was doing its job, initiating a handful of enforcement actions every month on behalf of the consumers it was created to serve.

But now Mr. Mulvaney is trying to convince us that protecting families and prosecuting shady lenders is, “pushing the envelope.” That’s a lie. Protecting consumers is not “pushing the envelope,” that’s the agency’s mission.

It’s a mission that Mr. Mulvaney is completely failing at. The number of enforcement actions under his watch? Negative four. Not only has the CFPB not initiated a single enforcement action, but it has withdrawn lawsuits against four payday lenders that charge consumers triple digit interest rates.

It is Mr. Mulvaney who is pushing the envelope. His appointment at the CFPB was only made possible by ignoring the law that created the CFPB, which says that the Deputy Director should be in charge of the agency.

Yesterday marked the 50th anniversary of the Fair Housing Act. Mr. Mulvaney observed this year's anniversary by moving to weaken the office of Fair Lending – the office that focuses on discriminatory lending.

While he claims the agency is under a hiring freeze, he has actually created new positions at the Bureau and installed his own political appointees. That may seem unsurprising given the change in the Administration, but it has no precedent in the short life of the CFPB.

Not only did he replace non-partisan career staff with his political allies, he gave them enormous salaries.
In his role at the CFPB, Mr. Mulvaney is continuing the war on working families he started at OMB. As budget director he worked to slash benefits for Americans making $30,000 – $40,000 a year, and enact tax cuts that benefit the wealthiest Americans while adding trillions of dollars to the debt.

At the CFPB, he's handing out favors to Wall Street and shady lenders. He's lining the pockets of his top four political appointees with over $1 million in salaries, but hasn't taken on a single enforcement action that would continue the CFPB's good work of putting money back in the pockets of consumers harmed by shady lenders and financial scammers.

Shel Silverstein once said "if you have to dry the dishes, and you drop one on the floor, maybe they won't let you dry the dishes anymore." Mr. Mulvaney seems to be following that advice. He's hoping that if he does a bad enough job running the

CFPB, Congress will take away the CFPB's ability to protect consumers.

I hope Congress doesn't fall for it. We have seen that the CFPB can be a real, positive force for consumers. We all know that the real problem is not the CFPB.