

Statement of Chairman Sherrod Brown
“The Consumer Financial Protection Bureau’s Semiannual Report to Congress”
June 12, 2024

This hearing will come to order.

Last month, we defeated the latest in a long, long line of attacks on the Consumer Financial Protection Bureau by the corporate interests that want the agency off their backs. In the end, the American people won – and Wall Street lost.

Now that the CFPB is finally done fighting a ridiculous lawsuit, it can focus on what it does best—getting people their money back.

The Supreme Court’s ruling upholding the CFPB is a victory for hard-working families in Ohio, for military families managing their finances, for students trying to pay back their loans, and for older Americans trying to guard against financial predators.

Most people don’t have fancy lawyers and high-priced lobbyists to fight for them. The CFPB works on behalf of everyone else, fighting for their rights and their hard-earned money.

That includes their latest action this week, eliminating medical debt from credit reports.

This is something many of us have pushed for that will protect the credit scores of millions of Americans.

Medical debt is particularly damaging to consumers.

15 million Americans still have medical bills on their credit reports. But people don’t choose to get sick or injured.

Medical debt can happen to anyone. It doesn’t matter if you do everything right.

Anyone can get sick. Anyone can get in a car accident. It has nothing to do with your ability to pay your bills – or it shouldn’t.

Medical debt does not correlate with credit risk – it correlates with illness. And it has no place on credit reports.

When this rule is finalized, all Americans will have medical debt removed from their credit reports, for good.

No one should be rejected for a car loan because of a sick family member, or forced to pay higher mortgage rates because of a medical emergency. Our credit scores should reflect our financial health – not our physical health.

And the medical debt rule isn't the only thing the CFPB is working on to save people money. The CFPB is also doing important work reducing costs for consumers by targeting junk fees.

Junk fees are the surprise, often last-minute charges that drive up the cost of products. They have no justification or connection to anything other than corporations' thirst for profits.

Junk fees obscure the true cost, preventing consumers from shopping around to find the lowest price.

Earlier this year, the CFPB took a major step in reducing junk fees and costs for consumers with its Credit Card Late Fee rule.

According to one report, 1 in 5 adult Americans paid a credit card late fee last year.

In 2022, that meant credit card companies charged consumers \$14.5 billion in late fees.

When the CFPB ran the numbers, they found that credit card companies were charging consumers more than five times the costs associated with late payments, including collections.

These are massive, trillion dollar Wall Street companies. The idea that you missing your payment due date by a day or two is imposing some huge cost on the credit card company is ridiculous.

The CFPB is putting an end to this, and lowering fees.

Another major source of out-of-control, unfair costs in financial services is payday lenders.

We've pushed for years to crack down on these shady lenders that target Ohio's working families, including military servicemembers and veterans, with high-interest, predatory loans designed to trap them in a cycle of debt.

Many Americans have to renew their payday loans so many times, they end up paying much more in fees than the amount they borrowed.

In 2021, we took on the payday lending lobbyists, fighting to protect state laws that limit the interest these financial predators can charge. And we won.

The CFPB is also doing important work to protect consumers from payday lenders. The agency's payday lender rule will curb some of the worst practices and help consumers avoid abusive debt traps.

Finally, I want to talk about one of the most important things the CFPB does—stand up for servicemembers and veterans.

When we created the CFPB, we made sure it included the Office of Servicemember Affairs.

Every year, tens of thousands of servicemembers seek the CFPB's assistance or report a complaint. The number of servicemembers getting help has increased for each of the last three years.

The CFPB goes to bat for them, working to get their money back or fix the problems threatening not only their finances, but also their jobs.

The CFPB has returned more than \$183 million to servicemembers and veterans.

That's money that companies took straight from servicemembers' and veterans' pockets.

And overall, since 2011, the CFPB has returned nearly \$21 billion to more than 205 million consumers.

These numbers are not hypothetical. These are real checks that land in people's mailboxes. Dollars that might mean a little extra breathing room to buy groceries or fill up a tank of gas.

This is why it's so critical that we have the Consumer Financial Protection Bureau.

Wall Street has lawyers and lobbyists. Working people have the CFPB.

I will always fight for its work that gets money back into people's bank accounts, that stops bad actors from cheating honest families, and that stands up for consumers when they may have nowhere else to turn.

Ranking Member Scott.