

Ranking Member Tim Scott (R-S.C.)
Opening Statement
Full Committee Hearing
November 30, 2023 at 10:15 AM

Thank you, let me start off by saying, it's certainly good to be back with the committee. I want to thank my members, fellow members, for their support, specifically in particular Senator Rounds for all of his support during my absence.

I would also like to welcome our newest member, Senator Butler to the committee.

Now turning back to business, just two weeks ago, our financial regulators testified before this committee and faced bipartisan concerns about the impact on everyday American families that these misguided and partisan regulatory proposals would have if implemented as proposed.

While those "independent" regulators have become increasingly politicized under the Biden administration, the CFPB has a much longer history of skirting statutory mandates and avoiding congressional oversight.

Director Chopra, you know these concerns well and you've heard from me about those concerns, you've heard from my fellow members of the committee, as well as House colleagues.

And yet, the CFPB is no more accountable today than it was at its inception – and I fear under your leadership, the agency is straying even further from its mandated mission.

The abuse of enforcement powers, rulemakings driven by politics instead of policy, and a lack of oversight – which only leads to less economic opportunity – have become hallmarks under your leadership.

The law is clear. When it comes to consumer finance, the CFPB should consistently and fairly enforce federal consumer finance law; safeguard access to markets for consumer financial products and services; and ensure that such markets are fair, transparent, and competitive.

Sadly, the CFPB's actions don't match up with its mandate.

Under your leadership, the CFPB has operated in blind pursuit of additional power and has become the hallmark of government overreach – to the point where I am concerned the Bureau is doing more harm to consumers than good.

That is why in July, I led a bicameral group of 132 members of Congress in filing an amicus brief to the Supreme Court, urging the Court to affirm the lower court's decision that the CFPB's funding structure is constitutionally defective.

When you last testified before us in June, we discussed your efforts to regulate through speeches and blog posts, your public pressure campaign on fee income, and your attempts to stifle innovation.

Instead of correcting course, it seems that you have only accelerated towards the exact opposite direction of your statutory mission.

Recent reporting even suggests that your agency will be releasing an aggressive fee proposal very soon.

I really hope the old saying that a tiger can't change its stripes won't be true for the CFPB.

And yet, we've seen that the CFPB recently proposed regulating access to consumer data by consumers and authorized third parties.

As with anything, the devil's always in the details, but as this proposal advances through finalization, I hope you weigh the new regulatory costs against any benefits that this rulemaking may provide.

And on top of all that, the CFPB is even proposing new supervisory authority over nonbank providers of consumer payment apps. However, the rationale supporting this proposal ignores the real costs of compliance likely to stifle innovation. Costs that also will undoubtedly be paid for by hardworking American families.

I wish I could stop there, but of course the list goes on. Your agency is even pushing for sweeping changes to regulation under the Fair Credit Reporting Act, ignoring the longstanding interpretation of clear legal authority by courts and other regulators.

How do any of these costs and the costly actions actually protect consumers? I hope you help me understand your perspective on that where we will likely disagree.

I meant it when I said at our last hearing – the best way to provide economic opportunity and protect consumers too is to encourage competitive markets and set clear rules of the road for participants. These principles protect our system by fostering competition and innovation rather than vilifying it.

I will stand by these principles, and I certainly have experienced the benefits of having a system where the rules of the road are fair, consistently applied, as a kid who grew up in poverty and understood the American Dream was available, having access to that for the next generation of youngsters is so important from my perspective.

Unfortunately, we see a common theme from the left, that somehow lower income families lack the wherewithal to manage their own affairs and determine what's best for their families without some sort of government intervention.

While the federal government ought to protect consumers from unscrupulous practices, bureaucrats in Washington should not dictate what families can and cannot have simply by regulating products out of existence and pricing people out.

As I wrap up, I want to address one final, important topic.

A few weeks ago, several reports were published about the toxic work environment and the culture at the FDIC. A few weeks ago, we talked about the importance of making sure that employees at the FDIC, where you sit on the Board, have a safe, healthy work environment. I hope that you'll have the opportunity to address some of the challenges we've seen at the FDIC as well.

Thank you.

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