

Ranking Member Tim Scott (R-S.C.)
Opening Statement
Full Committee Hearing
June 12, 2024 at 10:00 AM

Thank you, Mr. Chairman Brown. Director Chopra, thank you for being with us here today. I will say that listening to Chairman Brown's comments it sounds like we're talking about two completely different agencies. Frankly, I'm sure our view is completely different.

The CFPB has not been idle in its pursuits.

Based on the pace and scope of announcements I see coming out of your agency, it looks like full steam ahead.

I think the celebratory cheers from 17th Street echoed all the way over here after the Supreme Court ruling.

However, I want to be clear that their decision on the CFPB's funding structure only increases my concerns about the agency's lack of accountability.

Time after time, your agency brushes aside congressional concerns, forges ahead with political agendas, and pushes well past the boundaries of its authority.

This ruling is not a green light for your progressive wish list.

And when we look at the reaction to your regulations, it's a litany of lawsuits.

All of which take time, attention, and resources away from the laws you should be implementing and enforcing as well as the American consumers you should be protecting.

So frankly, it makes me wonder – what "consumers" are you protecting?

The CFPB is supposed to be an independent agency, but under your leadership, it seems the Bureau works hand in hand with the White House

and appears more interested in scoring headlines for the Biden administration than doing its job.

Whether it's standing with President Biden as he unveiled the junk fees campaign or as we saw yesterday with the Vice President announcing your new proposal to ban medical debt from credit reports.

The political coordination is crystal clear.

You're not protecting consumers or saving people money, instead you're peddling a false narrative that the Biden administration is doing something to reduce the actual costs.

But then, reality hits, and we realize this administration's actions simply shift who saves and who pays.

It is well past time we end this "junk fees" narrative and focus on the junk philosophy behind them.

With every action taken, there are trade-offs, and those trade-offs have consequences.

In this case, the administration is trading a punchy headline proclaiming they are saving families money today, while actually building higher costs down the road.

Take, for example, your credit card late fees rule.

While the rule may save some folks around \$20 dollars each time they make a late payment, how much will it cost these same consumers when they no longer qualify for a credit card because they haven't paid their balances on time?

How much will it cost them when their credit score drops as a result of these late payments?

How much will it cost them when the rate for their car loans and their mortgages go up, not down?

You can't just keep erasing the bad facts to fit your political narrative. The bill always, and unfortunately, always, comes due.

You have made a choice to try to curry political favor, with little regard to the harm it will cause Americans down the road.

You've done this to America's small businesses as well.

Small businesses tell me the same story over and over again.

And that story is simply a Washington shake-down, designed to be little more than a "gotcha" exercise.

Just like the CFPB's civil investigative demands – or CID – process.

Under your CID process, the bureau may issue, without any court order, a subpoena to a business when you are "looking into potential violations of the law."

And once that subpoena has been issued, the CFPB can demand nearly anything they want, from reams of documents to executive testimony.

So, what does that mean for a company that draws the ire of the agency?

It means years of costly investigation, with little hope of relief, or in other words, - a bureaucratic witch hunt.

One small business recently described their process to me – and I thought I was really incredible to see what the government can do to you, as opposed to for you.

For three years the CFPB audited this company. But this audit resulted in no fines, no reprimands, and no additional CFPB action.

Then, in 2022, four years later, the CFPB issued the first CID, which resulted in 12 thousand pages of document production, and testimony under oath for the CEO.

But again, the CFPB took no action.

Then, in 2023, the CFPB issued another CID, broadening their scope further and requesting millions of pages of documents.

This time, the firm attempted to fight back and appeal, but unfortunately for this small business, the only option to appeal is through the CFPB itself – but not surprisingly, the agency rejected the appeal.

To date, after countless hours of employee time and hundreds of thousands of dollars in outside legal fees, the CFPB has still taken no action.

And this is just one example of a story which is playing out across the country every day, for far too many small businesses.

American consumers and businesses deserve better. They deserve protection by their government from bad actors, and to be left alone when they are simply trying to make a living.