

**Testimony of Jonathan McKernan, Nominee to be Director of the Bureau of Consumer
Financial Protection
Before the Committee on Banking, Housing, and Urban Affairs of the United States Senate
February 27, 2025**

Thank you, Mr. Chairman, Ranking Member, and members of the Committee for the opportunity to appear before you today. It is a profound honor to be nominated by President Trump for this position. I welcome this opportunity to advance the President's pro-growth agenda and his work to enhance excellence and accountability in government.

My wife, Sapna Sharma, is here with me. Seven years ago, we met on the Hill when we were both starting out as congressional staffers. Today, we have two little boys and a third on the way. Together, she and I hope to instill in our children our shared love of this great country.

I am also supported today by my parents, Patrick and Victoria, who are here from East Tennessee, my mother-in-law, Krishna Sharma, as well as my brother Paul and his wife Kensie. I am forever grateful for their love and support.

Over the last two years, I have served as a member of the FDIC's Board of Directors. During that eventful time, the FDIC navigated the second, third, and fourth largest bank failures in its history and the ensuing market stress; an outside investigation led by then Acting Comptroller Hsu and me into harassment and other misconduct at the FDIC; the launch of an effort to transform the FDIC's workplace; and several significant, sometimes contentious, rulemakings. I am especially proud of my work at the FDIC to establish a culture of actual accountability.

Before the FDIC, I held staff roles in the Senate, the Department of the Treasury, the FHFA, and even a short detail to the CFPB, all focused on the mortgage market, one of the key markets supervised by the CFPB. Through that work, I developed a detailed understanding of how the mortgage market works and the consumer protection laws that apply to it.

Before public service, I spent more than nine years as a lawyer focused on banking and consumer financial laws. That work included overseeing large teams investigating compliance issues at complex consumer financial companies.

My legal career started just as the 2008 financial crisis was beginning. Watching that crisis unfold left me with an enduring conviction that we must have a financial regulatory system that works for everyday Americans. Consumer protection is critical to that end.

All too often, however, the CFPB has gotten in the way of its own mission. It has acted in a politicized manner. It has pushed beyond the limits of its statutory authority. It has seized opportunities to expand its jurisdiction and power. It has offended our basic notions of fairness and due process when it has regulated by enforcement. And it has harmed consumers through higher prices and reduced choice when it has failed to strike an appropriate balance between costs and benefits in prescribing new regulations.

Even if you don't agree with that view, it's clear that the CFPB suffers from a crisis of legitimacy. This must be corrected if the CFPB is to reliably do what it's supposed to do—look out for the American consumer. To that noble end, the CFPB needs to be made accountable to our elected officials and its past excesses need to come to an end.

If confirmed, I will fully and faithfully execute the law. Under my watch, the CFPB will take all steps necessary to implement and enforce the federal consumer financial laws and perform each of its other statutorily assigned functions. But the CFPB will do this by centering its regulation on real risks to consumers and by focusing its enforcement on bad actors.

Thank you for your consideration, and I look forward to your questions.