

Transcript.of.Senator.Warren's.opening.remarks.below;

Thank you, Mr. Chairman. Thank you for holding today's hearing on de-banking. It is a real problem, and I hope it is something we can work on together.

People need access to a bank account in order to thrive in today's economy. The same goes for businesses. Without a banking account, you really can't get along.

“De-banking” happens when a bank shuts down a customer's bank account because they think that account poses a financial, legal, or reputational risk to the bank. Once the bank shuts someone out, they may share that information with companies that get paid to maintain a Do Not Bank list—with the result that the customer is blacklisted everywhere.

For me, this is straightforward. It doesn't matter who you voted for, what you believe, or the origin of your last name—people shouldn't be arbitrarily denied access to their banks, locked out of their accounts, or stripped of their banking privileges.

To help identify what is going on, my staff reviewed the Consumer Financial Protection Bureau complaint database, looking for cases where consumers reported that they were unable to open accounts or their accounts were wrongly closed—classic de-banking. Mr. Chairman, we put together a supplemental memo on this data that I'd like to make part of the Committee record.

My staff identified 11,955 complaints—and that's only the people who took time to file complaints and only in the past three years.

They all reported common themes.

No warning.

No explanation.

No chance to dispute or appeal.

They described how one day, all of a sudden, they lost their place in the banking system.

We know from the consumer complaint hotline that millions of Americans—of all political stripes—have had the same experience.

Tens of millions of customers have been blacklisted by the banking industry because they overdrafted their account a few times.

Formerly incarcerated Americans have been de-banked because of their criminal history.

Some people have been de-banked for merely having the same name as someone who has a criminal history.

Muslim Americans and Armenian Americans have faced de-banking on account of their last names.

Non-profits and charities operating internationally have been de-banked through no fault of their own.

Lawful cannabis businesses have been unable to open accounts, and employees of those businesses have also been de-banked.

This shouldn't be happening. So we need to figure out why, and who is responsible. My staff did some more work here as well. They found that just four big banks—Bank of America, JP

Morgan, Wells Fargo, and Citibank—accounted for half of all the complaints filed at the CFPB.

Donald Trump was onto a real problem when he criticized Bank of America for its de-banking practices.

Banks may be taking shortcuts when it comes to assessing risks. Rather than investing time and resources to identify true criminal risks and shutting down those accounts, big banks are relying on black box algorithms and middle-men companies and shutting down accounts without doing careful due diligence.

We can prevent these abuses. I know that the Consumer Financial Protection Bureau is a favorite whipping boy of Republicans on this Committee, but the CFPB is the main agency in our government that is actively working to stop unfair de-banking.

Let me say that again: the CFPB is the one agency that is actively working to stop unfair de-banking. Right now, the agency has five different rules either in place or in progress that would help prevent de-banking by addressing some of the root causes, from overdraft fee practices to religious discrimination. And the CFPB is working to hold banks accountable when they close law-abiding citizens and businesses' accounts for no good reason.

I sent a letter to President Trump today that walks through the CFPB's work. I'd like to make that letter part of the Committee record. I said the CFPB is the one agency fighting back against de-banking, but that may be at risk.

Earlier this week, Treasury Secretary and Acting CFPB Director Scott Bessent halted all CFPB rulemaking, enforcement investigations, and litigation against financial institutions that are breaking the law—including the banks that are wrongfully de-banking their customers. The freeze Secretary Bessent has put on the CFPB means more Americans across the country will be unfairly de-banked, and they will lose the one agency that is working to help them.

There is additional work to be done by the Treasury Department, the Federal Reserve, the FDIC, and other regulators to issue clear Anti-Money Laundering rules and guidance for banks to follow, which would reduce the incentive to use de-banking as a form of risk management.

Mr. Chairman, I'll say again: I appreciate your holding this hearing. De-banking is a real problem, and I'm eager to work with you and President Trump to support the CFPB's efforts to make sure that banks treat all people fairly and that we put an end to this de-banking.