

# The CFPB's Outstanding Record Protecting America's Financial Consumers

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On Tuesday, October 3, 2023, the Supreme Court will hear oral argument in a case essentially challenging the validity of an entire agency, the Consumer Financial Protection Bureau (CFPB). *Consumer Financial Protection Bureau v. Community Financial Services Assoc. of Am., Ltd.*, No. 22-448. The CFPB is one of the most effective consumer protection agencies in the history of the country. But a payday lender is seeking to challenge a CFPB rule protecting borrowers from abusive practices by attacking the way the agency is funded, alleging that it violates the Appropriations Clause of the U.S. Constitution. In May, [Better Markets joined an amicus brief](#) with the Lawyers' Committee for Civil Rights Under Law and other prominent civil rights organizations urging the Supreme Court to uphold the constitutionality of the CFPB's funding.

How the Court rules, and what remedy it sees fit to order if any, will have enormous consequences for every American with a credit or debit card, a checking or savings account, a loan of any type (personal, car, home, etc.), or any other financial product. The ability of the CFPB to stop financial predators and lawbreakers will likely end if the Supreme Court sides with the payday lending industry. The ramifications are potentially so severe that even some sectors of the financial industry are deeply concerned about the prospect of the Court's possibly upending the CFPB's rules, including the safe harbors on which they rely.

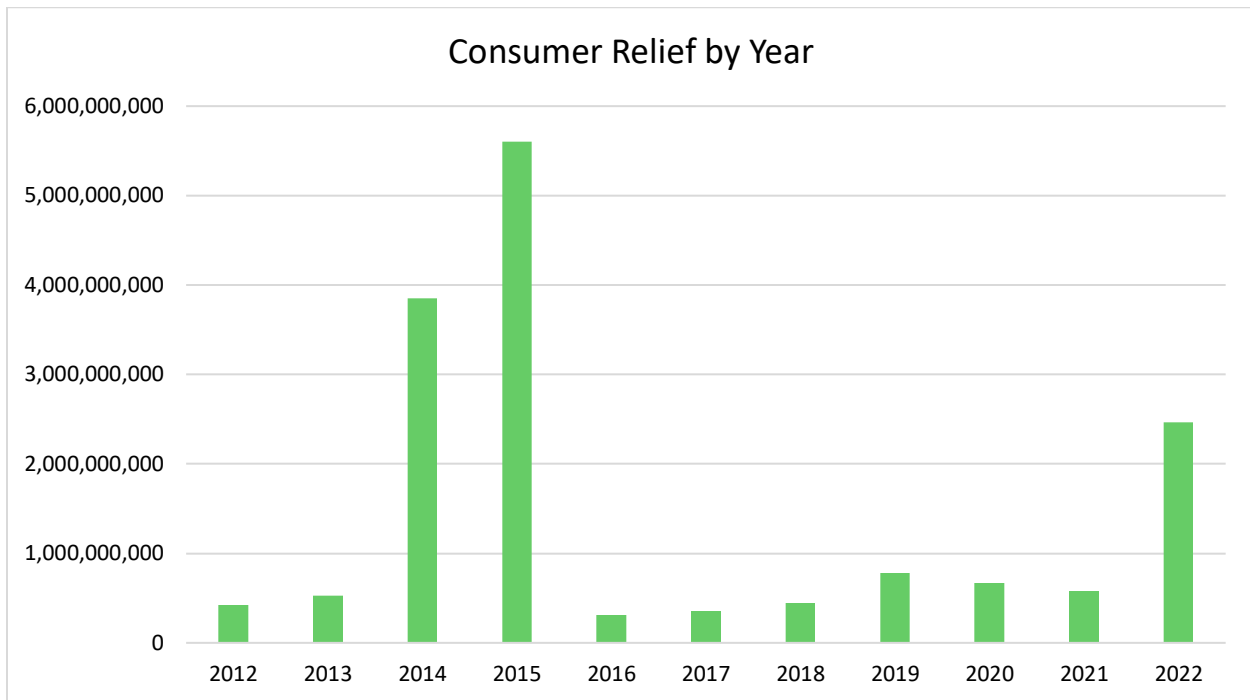
In light of this historic case in which the fate of the CFPB is on the line, it's worth taking stock of the enormous good the CFPB has done for the American people since its founding and looking ahead to the important accomplishments we can expect of the agency under Director Chopra's leadership.

## ***\$17 Billion for Consumers***

The CFPB has been a uniquely effective force in protecting consumers from predatory and illegal conduct in the financial services marketplace. Following the financial crisis of 2008–2009, Congress found that regulatory and enforcement authority over the financial industry was divided among too many agencies, which were more focused on the “safety and soundness” of the financial system as opposed to looking out for consumer protection specifically. As a result, Congress created the CFPB, combining regulatory and enforcement authority into a single agency whose specific mandate was consumer protection.

Since then, the CFPB has proven its worth, and the results have been dramatic. Through its many enforcement actions, [the CFPB has returned more than \\$17 billion dollars to wronged](#)

[consumers](#) since its founding. It has also strengthened the rules of the road, establishing guardrails applicable to banks and other financial firms for the benefit of the millions of Americans who depend on a variety of financial products and services.



Source: Consumer Financial Protection Bureau


### ***Trump Administration Attacks***

Unfortunately, under the Trump Administration, the CFPB dramatically scaled back its regulatory and enforcement work, largely [favoring big businesses and financial institutions](#) over everyday consumers. Under the leadership of Kathy Kraninger and Mick Mulvaney, who [famously once stated](#) that he wished the CFPB did not even exist, the Trump Administration sought to choke the life out of the agency from within, rolling back numerous consumer protection regulations such as the payday lending rule's [ability-to-repay requirement](#), dramatically [scaling back agency enforcement efforts](#), [shrinking agency staff](#), and more.

### ***Holding Wrongdoers Accountable***

However, the agency is headed in the right direction once again under the leadership of President Biden and his CFPB Director Rohit Chopra, who was confirmed as Director on September 30, 2021. He previously served a term as Commissioner at the Federal Trade Commission, another leading consumer protection agency. Since then, Director Chopra has prioritized the CFPB's mission and mandate by seeking to [hold repeat wrongdoers accountable](#), issue new rules and regulations, and strengthen the agency's enforcement program:

- As part of Director Chopra's enforcement record, he oversaw a record [\\$3.7 billion enforcement action against Wells Fargo](#) for engaging in **widespread mismanagement of**



auto loans, mortgages, and deposit accounts and a [\\$22 million action against Trident Mortgage Company](#) for **deliberately discriminating** (“redlining”) against minority families; and more.

- And as part of Director Chopra’s regulatory agenda, he has pursued an important set of new consumer protection regulations such as the [Credit Card Penalty Fees Rule](#); the proposed [Registry of Supervised Nonbanks that Use Form Contracts to Impose Terms and Conditions That Seek to Waive or Limit Consumer Legal Protections](#); and more. While the credit card penalty fee proposal has become the target of especially heated opposition from the banks and their allies, that proposal simply brings the existing fee caps into line with what the law actually says and what the facts actually show: contrary to the statute, the existing caps are well above the levels that are reasonable and proportional to the costs the banks incur from late payments.

### ***The Relentless Financial Industry Attacks in the Courts***

While the CFPB is headed in the right direction under Chopra’s leadership, several threats loom over its future. The challenge to the CFPB’s funding in the Supreme Court case is a major assault. Separately, the agency remains under relentless attack by the industry on other fronts, facing litigation from the Chamber of Commerce and other industry groups in other cases challenging the agency’s rulemaking, enforcement, and supervision efforts.

In light of these threats, it is important to remember this agency’s impressive track record advocating for financial consumers, to look ahead to the vital investor protection work that remains to be done, and to discount the baseless attacks from the those who would handcuff if not dismantle the CFPB.



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Better Jobs | Better Economic Growth  
Better Lives | Better Communities

Better Markets is a public interest 501(c)(3) non-profit based in Washington, DC that advocates for greater transparency, accountability, and oversight in the domestic and global capital and commodity markets, to protect the American Dream of homes, jobs, savings, education, a secure retirement, and a rising standard of living.

Better Markets fights for the economic security, opportunity, and prosperity of the American people by working to enact financial reform, to prevent another financial crash and the diversion of trillions of taxpayer dollars to bailing out the financial system.

By being a counterweight to Wall Street's biggest financial firms through the policymaking and rulemaking process, Better Markets is supporting pragmatic rules and a strong banking and financial system that enables stability, growth, and broad-based prosperity. Better Markets also fights to refocus finance on the real economy, empower the buy-side and protect investors and consumers.

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