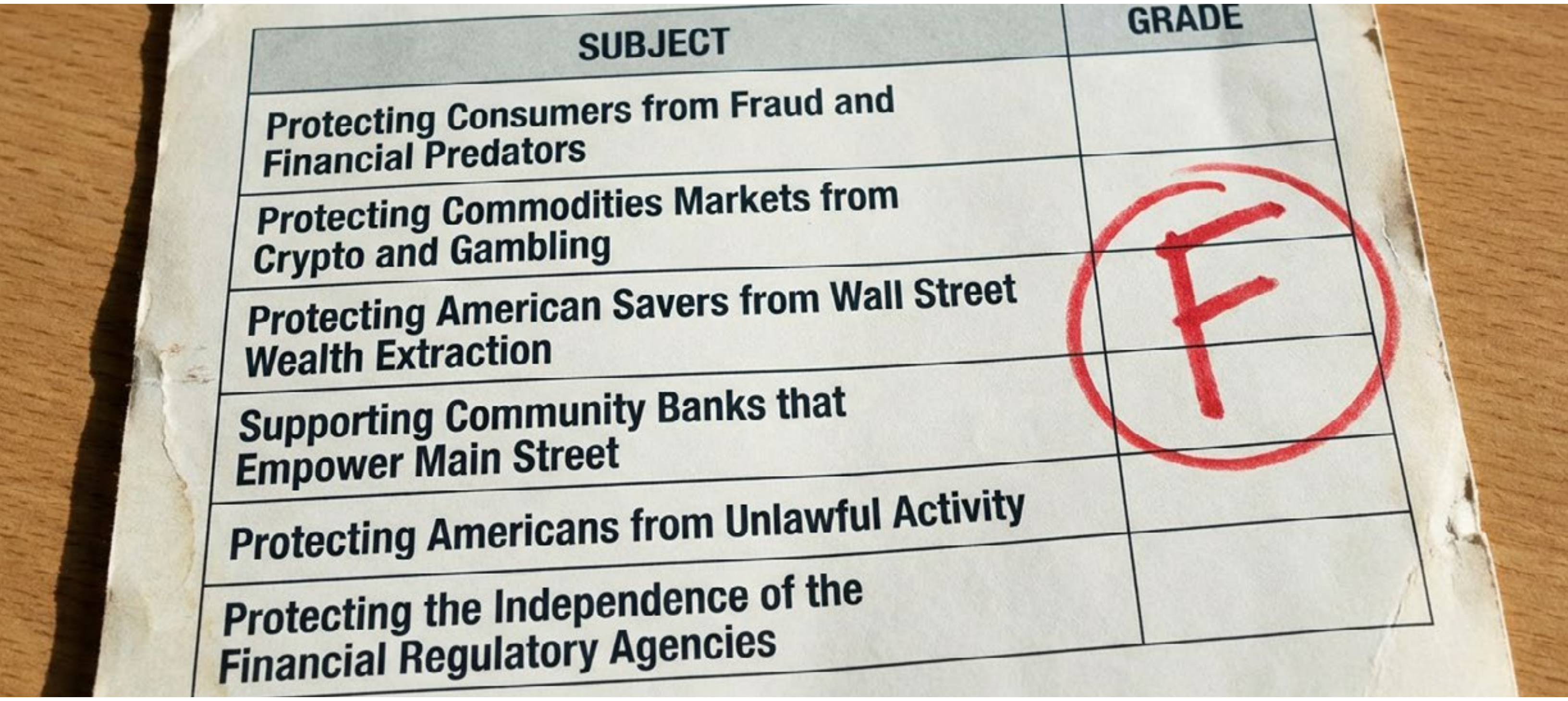
BETTER MARKETS

SPECIAL REPORT

The Trump Administration's 2025-2026 Report Card



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By BETTER MARKETS STAFF

January 19, 2026

Protecting Consumers from Fraud and Financial Predators

The Trump administration is killing the consumer agency that protects hardworking Americans from financial scammers and crooks who rip them off. It has destroyed the most successful consumer protection agency in the history of the country: the Consumer Financial Protection Bureau (CFPB), which has provided more than $21 billion in relief to almost 200 million ripped-off Americans. That's why Wall Street, CEOs, and corporations have tried to kill the CFPB—they don't want to return ripped-off money to Main Street Americans. The Trump administration has stood with Wall Street, CEOs, and corporations as well as crooks and scammers in gutting the CFPB.

The following actions demonstrate the Trump Administration's destruction of consumer protection:

- The CFPB has provided more than $21 billion in relief to almost 200 million Americans who have a savings or checking account, credit card, debit card, mortgage, student loan, car loan, retirement plan, personal loan, college savings fund, publicly traded stock, or any other financial product or service.
- Fulfilling Elon Musk's threat to "delete" the CFPB and reduce it to "five men and a phone," the Trump administration has all but shut down the CFPB, letting almost the entire staff go, which will unleash crooks and scammers on Americans nationwide and inevitably result in a huge increase in rip offs and illegal conduct by banks and non-banks alike, including mortgage companies, credit card companies, student loan companies, and payday lenders.
- Servicemembers, vets, and their families are targeted by financial predators, which is why the law requires the CFPB to focus on protecting them. Despicably, the Trump administration has killed those services and programs, leaving servicemembers, vets, and their families exposed to losses they can't afford.
- Trump has taken the consumer proteaction cops off the financial beat as the CFPB has dropped dozens of court cases and stopped almost all enforcement actions, resulting in scammers and crooks being let go and allowed to keep billions of dollars they ripped off. For example, the CFPB dropped enforcement actions against Capital One and Rocket Homes. In the Capital One case, the CFPB alleged the bank was deceiving its customers about the interest rates it offered, which saved the bank huge amounts yet cost savers billions of dollars. In the Rocket Homes case, the CFPB alleged an illegal kickback scheme that steered homebuyers into more expensive loans. By dropping these cases, the CFPB allows financial firms to prey on hardworking Americans without fear of accountability.
- The CFPB killed over a dozen financial protection rules designed to fight predatory practices, increase market transparency, and save households billions of dollars, such as $9 billion in annual savings lost from the vacated Credit Card Penalty Fee Rule and $5 billion in overdraft fee savings erased by the repeal of the Overdraft Fee Rule.
- The CFPB killed virtually all of its prior policy guidance, threatening the existence of the public-facing Consumer Complaint Database, a vital tool that has empowered millions of Americans to report fraud, abuse, and predatory practices, and that has enabled consumers to get paid back for being ripped off.

The Trump Administration's dismantling of the financial consumer protection agency has left Main Street Americans exposed to financial scammers and crooks who will be ripping them off with tiny print, tricks, traps, lies, misrepresentations, as well as outright fraud and illegal conduct.

Protecting Commodities Markets from Crypto and Gambling

The Commodity Futures Trading Commission (CFTC) is vital to every American: its activities affect the cost and availability of everyday essentials, from cereal and coffee at breakfast to bread and peanut butter in lunch sandwiches, gas for cars and trucks, cotton for clothing, and sugar in many of the foods we consume—those are all commodities regulated by the CFTC. Yet Trump's CFTC has neglected that while unleashing on the American people unregulated crypto and sports gambling (misleadingly called "prediction markets").

The following actions demonstrate the failures of the CFTC during the Trump Administration:

- The CFTC announced that crypto products focused on retail investors—Main Street Americans—could trade on CFTC-registered exchanges but failed to announce how those retail investors would be protected. Given crypto's risk, volatility, and repeated illegal activity, the CFTC's action will almost certainly lead to disaster for retail participants in crypto markets.
- The CFTC launched a program that will allow the use of crypto as a down payment (called "collateral") in derivatives markets transactions. But crypto clearly does not meet the CFTC's previously stated standard that requires that collateral to have a stable value in times of stress. The CFTC's action will endanger the investors the CFTC is supposed to protect.
- The CFTC unleashed unregulated nationwide online gambling on U.S. elections via so-called "event contracts" on prediction markets. The gamification of elections undermines election integrity and encourages election interference. The CFTC doesn't have the budget, experience, expertise, or technological capability to regulate or stop the manipulation, abuses and illegal actions in these markets.
- The CFTC permitted event contracts on sporting events to proliferate despite the fact that its own rules prohibit event contracts that involve gaming—this is nothing more than gambling like a casino or corner bookie. These event contracts have ignited widespread online gambling on sports without any of the protections that typically apply to gambling. The CFTC thus allowed prediction markets to avoid state regulation of sports betting by pretending that sports event contracts are not betting on sports.

The administration's promotion of crypto and prediction markets earns it an F at the CFTC.

Protecting American Savers from Wall Street Wealth Extraction

Trump's Securities and Exchange Commission (SEC) is demolishing investor protection and is now siding with Wall Street, corporations, CEOs, and company management. The SEC has spent the last year cravenly and shamelessly catering to Corporate America which it is supposed to regulate. It has also relentlessly promoted unregulated crypto, pushing Main Street investors into risky private market assets, and limiting the rights of public company shareholders.

The following actions demonstrate the failures of the SEC during the Trump Administration:

- The SEC has prioritized crypto above almost all else—it launched "Project Crypto," a plan to fulfill Trump's claim to make the United States the crypto capital of the world. Trump's SEC Chair said that crypto is the SEC's job No. 1, even though only 8% of adults used crypto in 2024 and the SEC was created for and exists to protect investors, not make it easier for them to lose their money, as proved by the recent selloff wiping out over $1 trillion, the brunt of which was borne by smaller retail investors.

- Before Trump, the SEC had won almost 100% of the dozens of lawsuits against crypto kingpins and firms because their illegal conduct was so blatant and outrageous. But Trump's SEC has let the crooks and scammers go free by dropping almost all enforcement and court cases against the crypto industry. That means those lawbreakers and crooks will not be punished for their illegal conduct, which will incentivize lots more to crypto frauds, scams, and abuses resulting in millions of Americans losing billions of dollars in the coming years.
- After decades of protecting investors from the many serious risk of investing in the private markets—like very limited disclosures, a high risk of loss, and few remedies for those who lose money—the SEC is now touting them. Rather than limiting investors in these high risk markets, Trump's SEC pushing them, like allowing a private credit ETF to trade despite concerns raised by the staff about the liquidity and valuation of its assets; and allowed individuals to self-certify that they qualify to invest (so-called "accredited investors") even though they may not have the resources to conduct proper due diligence or absorb the losses that may occur in the private markets.
- Investors are supposed to be the owners of companies, but the SEC is making it harder for them by making it easier for companies to exclude shareholder proposals; and has issued guidance taking away investor rights by allowing companies to force investors into unfair, biased arbitration, which prevents investors from having their day in court.

These actions favoring Wall Street over retail investors earn the administration an F at the SEC.

Supporting Community Banks that Empower Main Street

Community banks are the lifeblood of communities across America - because they are much more supportive of Main Street businesses, households, and farms than large banks - but the Trump administration is strangling them by favoring Wall Street's biggest banks. As bad, they have been lying about it, claiming to help, but taking actions that actually *harm* community banks and the Main Street economy.

- **Decreasing lending**: Community banks use 75% of their deposits for direct lending to the real economy, compared to the largest banks that use only 40%. So if you really want to help communities and increase the flow of credit to Main Street Americans and small businesses, then increasing deposits at community banks is key. However, the Trump administration is doing the opposite by putting in place policies that are almost entirely focused on benefiting the biggest banks and enabling them to keep growing and take away business from community banks.
- **Unfair competition:** Treating big banks the same as community banks with regulations allows big banks to compete unfairly on an unlevel playing field. Because they have the biggest risks they should have the strongest regulations, but this administration is doing the opposite. For example, capital requirements—the money banks have to cover their losses from their high risk activities—are being are being slashed for the largest banks to the point of being close to or even less than capital requirements for community banks. This boosts big bank profits, which they use to buy competitor banks, get even bigger, and take business away from community banks (while risking more bank failures, crashes and bailouts).
- **Dangerously Letting Wall Street CEOs Supervise Themselves**: CEOs and bank executives get paid based on profits—the higher the profits, the bigger the paycheck. High profits and big paychecks come from taking big risks. That's why banks are supervised: to prevent risk-

taking from going too far, but the Trump administration [is seriously weakening supervision] for the largest banks to the point where it is almost the same as for community banks. In addition to being dumb, this also gives the big banks a big advantage because they redirect resources away from productive uses towards risky, profit-maximizing investments—activities that community banks don't do—without facing any consequences.

This only ends one way: big banks will become even bigger and gain more market share from community banks, resulting in more lending to large corporations and the wealthy and less lending to Main Street borrowers.

Protecting Americans from Unlawful Activity

The Trump Administration is failing to protect the American people by not enforcing the laws and rules that punish and deter economic and financial crimes. That means more violations, more abuse, and more consumer and investor losses.

The bad actors in the financial markets run the gamut, from the brand name banks on Wall Street to the nonbank financial firms like payday lenders. They engage in fraud, market manipulation, breach of fiduciary duty, tax evasion, and many other illegal activities. The toll on Americans is huge, in the form of predatory fees and interest rates, unlawful auto repossessions, ruined credit ratings, and discriminatory credit denials. Fighting this epidemic of illegality requires strong civil enforcement by the financial agencies and the prosecutors at the Department of Justice, who can impose large fines and long prison sentences.

Instead of increasing enforcement to protect Americans in the financial markets—every time someone uses their savings or checking account, credit card, debit card, mortgage, student loan, car loan, retirement plan, personal loan, college savings fund, publicly traded stock, or any other financial product or service—the Trump Administration is doing just the opposite by dismantling or downsizing the agencies charged with enforcing the law, including the extraordinarily effective consumer protection agency, the CFPB;

- Dropping pending and even settled enforcement actions
- Putting financial crimes at the bottom of the government's priority list
- Giving pardons to those who have committed egregious violations of the law.

The Administration's indefensible retreat from strong enforcement of the law against crooks, criminals and scammers threatens a new surge in lawbreaking as banks and other firms are emboldened—if not incentivized—to violate the law. That means more American consumers are going to be ripped off and lose more money, and it will also cause more systemic instability that threatens the economy and financial system.

Protecting the Independence of the Financial Regulatory Agencies

President Trump is turning the financial protection agencies into one-sided echo chambers where he appoints only political allies who will do whatever he tells them to do, including what benefits his friends, allies, business partners, and campaign contributors. While that might be tolerable for White House staff, it’s very dangerous at these agencies, which regulate multi-trillion-dollar markets and financial institutions that serve the American people and economy. It is critical that they make decisions based on facts and the best information, not whether those decisions make Trump happy or not. That’s why the laws created these agencies to be independent, but Trump is destroying that and the unbiased protection those agencies provide the American people.

For nearly 100 years, the law has prevented the President from removing agency heads from their leadership positions without a showing of good cause, such as inefficiency, neglect of duty, or malfeasance in office. The purpose of these protections is to ensure that those agencies serve the public, not the whims of the sitting President seeking short-term political advantages or the profit-driven demands of the regulated industry. Trump is breaking those laws and putting Americans, our financial system, markets, and economy, as well as our standard of living at risk:

- President Trump has fired agency leaders without cause and in violation of protections that Congress established, targeting the heads of the FTC, EEOC, MSPB, NCUA, and NLRB.
- Trump has sought to unlawfully remove a member of the Board of Governors (Lisa Cook) of the Federal Reserve (Fed), the nation’s single most important financial regulator and policymaker, and his political cronies are using a pretext to pressure the Chair of the Fed to do what Trump wants by starting a criminal investigation of him.
- Through executive orders, the Administration has also placed the independent agencies under extensive and unprecedented White House oversight and control, from their budgets to their rulemaking processes.

As their independence is destroyed, the financial regulators will obey the political and industry-friendly policies of the White House, not what’s best for the American people. That means rules that favor and benefit Wall Street; little or no enforcement of the law; more investor and consumer abuse and losses in the financial markets; and ultimately, a far greater risk of another devastating financial crisis.

Better Banks | Better Businesses
Better Jobs | Better Economic Growth
Better Lives | Better Communities

Better Markets is a public interest 501(c)(3) non-profit based in Washington, D.C. 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 buyside, and protect investors and consumers.

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