

## Undermining the Consumer Financial Protection Bureau Would Harm Americans' Financial Security

Established in the aftermath of the 2008 Financial Crisis, the [Consumer Financial Protection Bureau](#) (CFPB) protects Americans from predatory financial services while fighting discrimination in the financial sector. In its first twelve years, the CFPB has been able to return or restore over [\\$17.5 billion](#) to American consumers in compensation, cancelled debts, and other relief, and has filed over 4 million complaints against companies on behalf of consumers.

Recently, the U.S. Supreme Court heard oral arguments in *CFPB v. CFSA*. The case [challenges](#) the constitutionality of the CFPB's independent funding structure. If the current funding structure is found to be unconstitutional, American consumers will be more vulnerable to exploitative financial practices. Below are just a few examples of the work CFPB does to protect consumers and the economy.

### **CFPB enforcement is taking important steps to protect ordinary Americans from predatory lending practices.**

- Large financial institutions have been [fined millions](#)—in some cases [billions](#)—of dollars by the CFPB for unlawfully denying mortgage modifications, improperly freezing customers' accounts, failing to follow up on reports of fraud, or improperly charging interest and fees.
- Enforcement [actions](#) by the CFPB have protected students from scams related to fraudulent private student loans.
- The CFPB [enforces](#) the [Military Lending Act](#), which caps interest rates on consumer loans to active-duty servicemembers, their spouses, and certain dependents at 36%. This protection guards against a range of [exploitative financial products](#) targeted at members of the military.
- Actions by the CFPB motivate better behavior among financial institutions, with one [study](#) finding the threat of complaints to the CFPB encouraged banks to lower fees in areas with low trust in financial institutions.

### **The CFPB works to reduce [junk fees](#), which drive up the costs of a wide range of essential financial services.**

- A proposed rule from the CFPB seeks to place an \$8 [cap on late fees](#). Credit card companies currently use late fees to [disproportionally profit](#) off of low-income customers. The rule would also close an annual adjustment loophole that currently adjusts late fee limits for inflation, which does not reflect changes in the costs of charging fees.
- The CFPB is [cracking down](#) on banks charging [surprise overdraft fees](#), which can be charged even when bank customers have enough money in their accounts to pay

checks. A number of banks have already announced that they will stop [charging these fees](#), which would proactively save customers at least \$1 billion dollars a year.

- Actions by the CFPB protect consumers with auto loans from [illegal](#) business tactics like unlawful repossessions or when servicers illegally seize private property inside a vehicle while repossessing a car.
- Additional enforcement actions prevent lenders from charging illegal [reborrowing fees](#) and preventing customers from knowing about eligibility for free repayment plans.

### **The CFPB protects consumers from exploitative practices related to questionable medical debt.**

- The CFPB is [cracking down](#) on debt collectors that try and coerce patients into paying medical debt that unlawfully exceeds cost caps in existing consumer protection laws.
- A new rulemaking period announced by the CFPB seeks to [remove](#) medical debt from credit reports, as it is a [poor indicator](#) of a consumer's credit worthiness. This move could [improve](#) the credit scores of millions of Americans, as the [removal](#) of medical debt under \$500 by the big three credit reporting companies did earlier this year.
- A CFPB report has found widespread use of [inaccurate](#) or outdated information on medical debt by debt collectors. Attention to these issues has [reduced](#) demand among debt collectors to buy medical debt, protecting people from these predatory collection practices.
- Research from the CFPB is exposing the exploitative practices around [medical credit cards](#), which have average interest rates more than [10 percentage points](#) above average credit card interest rates.

Efforts to undermine the CFPB will harm Americans and have a ripple effect on other federal agencies. Finding the CFPB's existing funding structure unconstitutional would threaten the legitimacy of the Bureau's regulations and reforms that protect Americans' hard-earned financial security. A decision against the CFPB would also [threaten](#) the independent funding of other independent agencies like the Federal Reserve or the Federal Deposit Insurance Corporation (FDIC) that regulate banks and ensure financial stability. The Supreme Court should reject this attack on the CFPB's funding structure and allow it to move forward with its important work protecting American consumers.