July 13, 2026

Chairman Tim Scott
Ranking Member Elizabeth Warren
U.S. Senate Committee on Banking, Housing, and Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Scott and Ranking Member Warren:

Thank you for the opportunity to share our concerns about efforts to weaken and dismantle the Consumer Financial Protection Bureau (CFPB).

New Jersey Citizen Action is a non-profit organization based in New Jersey working to advance social, racial, and economic justice through advocacy and direct services that help low- and moderate-income (LMI) families gain the tools they need to live well and thrive. We also work to ensure that appropriate policies and regulations are in place to protect equal, fair, and safe access to credit and banking for all New Jersey residents, and to put an end to persistent redlining and other forms of housing discrimination.

We cannot address the affordability crisis in this nation without rigorous and consistent consumer finance protections. Costs must be stabilized and lowered, but we must also put an end to the significant financial drag on families from unfair, deceptive, and abusive practices in banking and finance. It is simply common sense. Fighting for affordability without putting consumer finance protections in place is like weatherizing your house while letting termites flourish at foundation.

Since it opened its doors in 2011, the Bureau has worked to end the reckless and harmful culture that fueled the financial crisis. The CFPB's Mortgage Servicing Rules and its enforcement of the Real Estate Settlement Procedures Act were among the first measures put in place to slow the subprime lending and foreclosure crises that triggered the Great Recession. Unfortunately, we have seen firsthand how banks, non-bank lenders, debt collectors, credit bureaus, and other financial companies continue to violate fair lending, fair credit, fair housing, credit reporting, and other consumer protection laws.

Our direct services including first-time homebuyer housing counseling, financial coaching, and free tax preparation, help residents of New Jersey manage and repay debt, improve credit scores, and build savings and buy homes. Beyond mortgage lending oversight, the CFPB has issued rules to end exploitative junk fees that add no value, improve no product, and enhance no service, existing only to extract money from people who have no real choice but to pay them. The Bureau established “ability to repay" rules to rein in predatory payday and other high-cost loans that dig families deeper into cycles of debt and that make it even harder for them to make ends meet. The CFPB has also held harassing and illegal debt collectors accountable for making student and medical debt worse for people simply trying to get an education or be treated for illness.

The CFPB is the only federal agency with a mandate to protect individual consumers from financial harm in the marketplace. Through its complaint database, the Bureau hears directly from the public about the problems they encounter in financial transactions, and through data collection, research, investigations, rulemaking, and enforcement, it holds bad actors in the banking and finance industries accountable. When fully operational, it is one of the most responsive and effective agencies in the federal government.

Despite constant efforts to weaken it in the short time it has existed, the CFPB has returned more than $21 billion in total financial relief to individual consumers through compensation, principal reductions, canceled debts, and other forms of direct remediation. Its educational outreach and materials have become essential resources for promoting household financial stability and helping consumers avoid fraud and scams. Until policy reversals earlier this year, the CFPB also had rules in place to strengthen the security of peer-to-peer payments. For example, pressing Zelle to better protect consumers against P2P fraud. I personally felt much safer using that app while those CFPB rules were in place.

The Complaint Database: A Model of Government Efficiency

Our organization has come to know the Bureau's complaint database, and its management of that database, as an example of outstanding government efficiency, responsiveness, and results. Our staff used to be reluctant to encourage clients to file complaints with federal agencies, because response times and outcomes were so often poor. The CFPB's database changed that.

One example illustrates why the database matters so much to the people we serve:

A financial coaching client of ours, going through a divorce, did not have the money to pay a medical bill for her son. Shortly after taking out a payday loan online to cover the bill, she lost her job. When she found new employment, the lender refused to adjust its collection schedule to match her new payday, triggering fees that rapidly increased her debt. By the time she came to us, she had paid nearly $4,000 toward an original $800 loan, with no end to the debt trap in sight.

We advised her to file a complaint through the CFPB's database. Within ten days, she received a letter from the lender stating that it had been contacted by the Bureau regarding her loan and payment schedule. The lender informed her that she need not make any further payments, because her debt was considered satisfied.

This is not an isolated success. I once urged a friend to file a complaint with the CFPB when her bank delayed months in resolving a matter of a stolen check. She mailed a check to a consultant. When they realized the check had been stolen and cashed without properly verifying the identity of the payee, my friend reported it to her bank and was told they would investigate. Each time she called the bank to follow up, she was told the matter was under investigation. That went on for more than two months. Once she reported the delay to the CFPB, her bank responded within 10 days and her money was refunded.

In our state, credit reporting accounts for 90 percent of complaints filed with the CFPB. People can be denied jobs or housing when errors on their credit reports go uncorrected and lower their credit scores. Since last year, under the current CFPB leadership, complaints from our state have increased by 24 percent, yet the relief rate for our state's consumers has fallen from 47 percent to 35 percent. Fewer resources and diminished enforcement capacity mean more consumers, like the ones described above, are left without recourse.

American families are stretching kitchen-table budgets against the ever-rising cost of housing, groceries, utilities, and other necessities, and they are struggling to make ends meet. The CFPB's value to consumers is not theoretical. It is measured in billions of dollars returned to families, in scams prevented, and in individual lives stabilized. That legacy of accomplishment is now under threat, and every day the Bureau is weakened, disputes with financial institutions go unresolved and more consumers face financial exploitation that can lead to financial ruin. Dismantling the CFPB hurts people in our community, the working families who have nowhere else to turn when a bank, lender, or debt collector harms them through unchecked unfair, deceptive and or abusive practices.

NEW JERSEY
CITIZEN ACTION

We urge this Committee to demand that the CFPB adhere to its original mandate. We urge the Committee to reject all efforts to defund, restructure, or dismantle the Bureau, and to ensure it retains the independence, funding, and authority it needs to protect American consumers.

Sincerely,

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