



June 27, 2025

Senator John Thune, Majority Leader
United States Senate SD-511
Washington, DC 20510

Re: Oppose proposed 50% funding cut to Federal Reserve advances that fund the budget of the Consumer Financial Protection Bureau (CFPB)

Dear Senator Thune and Legislative Director,

Consumer Reports¹ urges you to strongly oppose the proposed Senate budget reconciliation provision to cut CFPB's operating budget by approximately 50%, by lowering the cap on advances from the Federal Reserve from 12% to 6.5% of the Federal Reserve System's 2009 total operating expenses, adjusted for inflation. This sharp deduction of \$400-500 million annually would severely reduce the scope and reach of the bureau's critical mission to provide effective oversight of the financial services industry.

As you know, Congress created the CFPB after federal financial regulators failed to rein in risky mortgage lending, which triggered the 2008 financial crisis and resulted in millions of Americans losing their homes to foreclosure. Since its founding, the CFPB has helped tens of millions of consumers resolve their complaints with financial firms and secured more than \$21 billion in refunds and relief for an estimated 205 million consumers who were treated unfairly. As the primary agency charged with enforcing the Military Lending Act, the CFPB also returned \$363 million to servicemembers and veterans through 39 enforcement actions (including 6 Military Lending Act violations).

Through its work, the CFPB has delivered myriad positive accomplishments to consumers, including seniors, military service members, people with disabilities, low-income people and consumers of color, and many other vulnerable populations. The bureau has worked to support a healthy, sustainable housing market, improve credit reports, crack down on junk fees, reduce the burdens of medical and student debt, fight lending discrimination, and promote safe banking practices and banking competition. Now more than ever, we need a strong CFPB that will

¹ Founded in 1936, Consumer Reports (CR) is an independent, nonprofit and nonpartisan organization that works with consumers to create a fair and just marketplace. Known for its rigorous testing and ratings of products, CR also advocates for laws and corporate practices that are beneficial for consumers. CR is dedicated to amplifying the voices of consumers to promote safety, digital rights, financial fairness, and sustainability. The organization surveys millions of Americans every year, reports extensively on the challenges and opportunities facing today's consumers, and provides ad-free content and tools to 6 million members across the United States.

continue to keep our personal financial data safe, protect our privacy, and fight fraud.

The CFPB was intentionally designed by Congress to be led by an independent director with a secure funding stream in order to insulate the agency from political and economic pressures and fully protect the public. Congress should protect the Bureau's independent structure and funding to ensure comprehensive oversight of banks and non-bank financial companies. Under Dodd-Frank, consumer financial protection functions were centralized in the CFPB, and no other federal or state regulator can begin to fill the regulatory and oversight gaps that have been created by the administration's efforts to shutter the agency and dramatically curtail its operations.

At a time of rising costs and so much economic uncertainty, the last thing most Americans want to see Congress do is to weaken the independent financial watchdog created in the aftermath of the mortgage crisis to protect their wallets. The severe proposed funding cuts to CFPB would leave consumers largely on their own and more vulnerable to getting ripped off by predatory lenders and unscrupulous financial firms. We need a strong and independent CFPB with the resources necessary to stand up for consumers and rein in abusive financial practices without political interference from powerful special interests.

The CFPB's work is more critical now than ever before as consumers face an increasingly complex financial marketplace dominated by AI, big tech, and new digital products. The administration has already done serious damage to the CFPB by firing critical staff, dropping enforcement actions, and upending its priorities. Cutting the CFPB's budget in half would severely hinder the Bureau's ability to root out discrimination and predatory practices that put consumers at risk of fraud and abuse.

As you know, the administration has further impeded the work of the CFPB by imposing stop-work orders, ordering mass layoffs and suspending most enforcement and supervision activities at the CFPB. It has halted many vitally important rulemakings and civil cases to stop companies from engaging in harmful and predatory activities and abandoned vital efforts to obtain refunds and restitution for those who have been directly harmed.

Congress created the CFPB and must continue to protect ordinary people and promote fair competition by standing up for a strong and independent consumer watchdog. We urge you to investigate how the CFPB's work has been hampered and harmed by the administration's actions to disrupt its work. As Congress works through both budget reconciliation and the appropriations process, please speak out loudly in defense of consumers who need protection from unfair, deceptive and abusive financial industry practices, and oppose any legislative efforts to weaken or change the structure of the CFPB.

Over the last several months, Consumer Reports members and activists have sent 193,440 emails and made 1,623 calls to Senators urging them to protect the CFPB. We are attaching some stories from our members regarding very specific types of help and assistance that they have received from the CFPB over the last several years when they encountered problems with financial services products, such as bank accounts, mortgages and credit reports. These stories

are just the tip of the iceberg, reflecting a very small slice of the public who have benefited from the CFPB's work.

Please oppose and vote NO on the proposed 50% funding cut proposed for the reconciliation bill that would eviscerate the work of CFPB. In combination with the administration's layoffs and stop-work orders, this proposed budget reduction would leave the agency unable to investigate consumer financial problems, supervise financial institutions, enforce our banking and financial laws, and assist with timely complaint resolution.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles W. Bell". The signature is fluid and cursive, with the first name "Charles" and last name "Bell" being more prominent than the middle initial "W".

Chuck Bell
Programs Director, Advocacy

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