



United States House of Representatives  
One Hundred Nineteenth Congress  
Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, DC 20515

March 28, 2025

The Honorable Russell Vought  
Acting Director  
Consumer Financial Protection Bureau  
1700 G Street, NW  
Washington, D.C. 20552

Dear Acting Director Vought,

Congratulations on your appointment as Acting Director of the Consumer Financial Protection Bureau (CFPB). We are excited about the change in leadership and look forward to working with you and your staff to return the CFPB to an agency that works better for American consumers and the financial institutions that serve them. We were pleased to hear your announcement to CFPB staff to stop work on proposed rules and guidance, and to suspend the effective dates of finalized rules that are not yet effective.

To that end, we write regarding several of the previous Administration's final and proposed rules, circulars, guidance, and advisory opinions. These misguided efforts reduce clarity for consumers, limit access to credit and financial products and services, and hinder the innovation that drives the American economy. Unfortunately, the CFPB, under the previous Administration, failed to consider these significant negative consequences in its rush to pursue partisan policies. The Biden Administration's CFPB often engaged in policymaking without conducting basic cost-benefit analyses to justify its increasing intrusions into private markets, hurting consumers and the smallest financial institutions most. Moreover, the CFPB's actions repeatedly exceeded its statutory authority and circumvented the Administrative Procedure Act (APA), the legal bedrock for agency rulemaking. Competition and innovation, not government edicts, are the best way to ensure consumers have access to low-cost financial products and services. To best foster this environment, we believe these rules, circulars, guidance, and advisory opinions should be rescinded, modified, or repropose as appropriate.

First, under former Director Rohit Chopra, the CFPB finalized several rules that should be significantly modified, with special attention paid to giving financial institutions adequate time to comply, or be rescinded:

- On January 7, 2025, the CFPB finalized a rule to amend Regulation V, which implements the Fair Credit Reporting Act (FCRA).<sup>1</sup> The rule bans consumer reporting agencies from including medical debt on credit reports and prohibits lenders from considering this information when making lending decisions. The final rule will result in critical information being left off consumer reports, leading to consumers taking on new debt in the form of mortgages, credit cards, and auto loans that they potentially cannot afford. Furthermore, the rule will limit the ability of medical providers such as hospitals to recover debts they are owed, making them less profitable and at greater risk of closure. Americans, especially those in rural areas, cannot afford to have their local hospitals shuttered.
- On December 17, 2024, the CFPB finalized a rule to prescribe ability-to-repay rules for Property Assessed Clean Energy (PACE) financing and apply certain liability provisions of the Truth in Lending Act (TILA).<sup>2</sup> The final rule does not properly consider the States' sovereignty and has the potential to unnecessarily impede Americans' ability to access critical funding to protect against natural disasters such as hurricanes and floods. Furthermore, the CFPB failed to follow the congressional directive in S.2155, the Economic Growth, Regulatory Relief, and Consumer Protection Act, to consider the unique nature of PACE financing in issuing a rule to apply certain TILA provisions to these transactions.<sup>3</sup>
- On December 12, 2024, the CFPB issued a flawed final rule on overdraft services.<sup>4</sup> The rule implements significant changes to federal regulations governing overdraft fees for financial institutions with more than \$10 billion in assets. Under the rule, banks and credit unions would have three options for charging overdraft fees: (1) cap their overdraft fee at \$5; (2) cap the fee at an amount that covers their costs and losses without including profits or risk pricing; or (3) disclose the terms of their overdraft service as an overdraft loan, similar to the requirements for other loans under TILA and Regulation Z. By classifying overdraft services as "overdraft credit" under Regulation Z, the rule imposes burdensome disclosure requirements that may confuse consumers rather than inform them. Furthermore, the CFPB's reinterpretation of credit in the final rule clearly disregards how Congress defined credit in TILA and longstanding interpretations of overdraft services from the Federal Reserve Board. The bottom line is that when financial institutions are forced to provide overdraft services without the ability to generate profit or under the strict requirements of Regulation Z, they will stop offering these services to consumers who rely upon them. This would be disastrous for Americans trying to make ends meet.

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<sup>1</sup> Consumer Financial Protection Bureau, *CFPB Finalizes Rule to Remove Medical Bills from Credit Reports* (Jan. 7, 2025), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-finalizes-rule-to-remove-medical-bills-from-credit-reports/>.

<sup>2</sup> Consumer Financial Protection Bureau, *CFPB Finalizes Rule to Protect Homeowners on Solar Panel Loans and Other Home Improvement Loans Paid Back Through Property Taxes* (Dec. 17, 2024), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-finalizes-rule-to-protect-homeowners-on-solar-panel-loans-and-other-home-improvement-loans-paid-back-through-property-taxes/>.

<sup>3</sup> Public L. No. 115-174, § 307, 132 Stat. 1283, 1303 (2018).

<sup>4</sup> Consumer Financial Protection Bureau, *CFPB Closes Overdraft Loophole to Save Americans Billions in Fees* (Dec. 12, 2024), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-closes-overdraft-loophole-to-save-americans-billions-in-fees/>.

- On March 28, 2025, the CFPB announced it would not prioritize enforcement or supervision actions of its small dollar lending rule’s payments provisions when they go into effect on March 30, 2025.<sup>5</sup> Because the rule’s ability-to-pay requirements were rescinded, the only remaining provisions of the rule are its “payment provisions.” These provisions prohibit lenders from attempting to withdraw payment for a covered loan from a borrower’s account after two consecutive attempts have failed due to lack of sufficient funds, unless the borrower specifically provides new authorization to do so; and requires lenders to give consumers certain notices, such as an advanced notice of the consumer’s rights when two consecutive payment attempts fail. The rule would require small dollar lenders to adhere to a unique payment regime with stricter collection practices and disclosures than any other rule. Provisions that limit when and how lenders can take a payment from a consumer can also have negative impacts on consumers who may be unable to pay even when they desire to make payments to avoid further interest costs. The CFPB should continue to work through issues in these underlying requirements to ensure compliance is not overly burdensome.
- On March 5, 2024, the CFPB issued a final rule capping credit card late fees at \$8.<sup>6</sup> The rule threatens to reduce access to credit for riskier consumers and forces all credit card holders to subsidize the few cardholders who pay their bills late. The rule also encourages individuals to pay late on their credit cards by removing a fee level that is adequate to deter late payments. This hurts consumers and will likely lead credit card issuers to take more punitive actions such as increasing interest rates, closing accounts, or not issuing credit cards to individuals who are deemed riskier. Concerningly, the CFPB failed to meaningfully consider these costs before issuing the final rule.
- On March 30, 2023, the CFPB issued a final rule to implement Section 1071 of the Dodd-Frank Act.<sup>7</sup> The overly burdensome rule would require lenders to report on 81 data points, including sensitive personal information such as small business owners’ race, ethnicity, and sex. The significant compliance costs for lenders will make loans more expensive for small businesses and the sensitive nature of the data raises significant privacy concerns that the CFPB failed to adequately consider before finalization. Small business owners do not want to fill out more paperwork with personal information and cannot afford higher costs passed on from lenders’ increased compliance burdens. Any delay in the effective date would at the very least provide lenders with more time to build out systems, limiting the impact on their ability to lend to small businesses.

Furthermore, the CFPB, despite calls from this Committee to halt rulemaking after the election, issued several proposed rules that should be withdrawn:

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<sup>5</sup> Consumer Financial Protection Bureau, *CFPB Offers Regulatory Relief for Small Loan Providers*, (Mar. 28, 2025), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-offers-regulatory-relief-for-small-loan-providers/>.

<sup>6</sup> Consumer Financial Protection Bureau, *CFPB Bans Excessive Credit Card Late Fees, Lowers Typical Fee from \$32 to \$8* (Mar. 5, 2024), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-bans-excessive-credit-card-late-fees-lowers-typical-fee-from-32-to-8/>.

<sup>7</sup> Consumer Financial Protection Bureau, *CFPB Finalizes Rule to Create a New Data Set on Small Business Lending in America* (Mar. 30, 2023), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-finalizes-rule-to-create-a-new-data-set-on-small-business-lending-in-america/>.

- On January 13, 2025, the CFPB proposed a rule to prohibit certain contractual terms in agreements for consumer financial products and services.<sup>8</sup> The overly broad and confusing rulemaking will inject further uncertainty into consumer contracts and require a wholesale reworking of existing contracts at significant costs to financial institutions, without clear benefits to consumers.
- On December 9, 2024, the CFPB issued an advanced notice of proposed rulemaking (ANPR) that proposed expanding the definitions for the terms “identity theft” and “identity theft report” in Regulation V.<sup>9</sup> Specifically, the CFPB proposed forcing consumer reporting agencies to block any debt that was acquired “without effective consent.” This would fundamentally alter the accuracy of credit reporting and force consumer reporting agencies to become arbiters of whether debt was “coerced,” a task for which they are ill suited and would have to expend significant resources to undertake.
- On December 3, 2024, the CFPB proposed a rule to significantly expand the scope of Regulation V, including what is considered a consumer report.<sup>10</sup> For example, credit-header information, which is used by financial institutions and law enforcement agencies to detect and deter fraud, would now be considered a consumer report, increasing the rules surrounding its use and dispersion. Furthermore, the proposed rule would increase the number of persons or entities considered consumer reporting agencies under FCRA, which would make it more expensive for these firms to operate.

Finally, the CFPB issued countless guidance documents, circulars, interpretive rules, and advisory opinions that placed new burdens on financial institutions without following the rulemaking procedures of the APA. The previous Administration’s reliance on these types of informal instructions only created further confusion for financial institutions that were never given meaningful opportunities to share feedback. This practice is antithetical to the notion of transparent and collaborative rulemaking that serves as the foundation of the APA. Failing to provide American financial institutions an opportunity to voice their concerns with new regulatory burdens is fundamentally unfair and leads to the wild swings in regulations that defined the previous Administration. All guidance, circulars, interpretive rules, and advisory opinions that were not issued pursuant to APA notice and comment rulemaking should be rescinded in their entirety.

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<sup>8</sup> Consumer Financial Protection Bureau, *CFPB Proposes Rule to Ban Contract Clauses that Strip Away Fundamental Freedoms* (Jan. 13, 2025), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-proposes-rule-to-ban-contract-clauses-that-strip-away-fundamental-freedoms/>.

<sup>9</sup> Consumer Financial Protection Bureau, *CFPB Kicks Off Rulemaking to Help Mitigate the Financial Consequences of Domestic Violence and Elder Abuse* (Dec. 9, 2024), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-kicks-off-rulemaking-to-help-mitigate-the-financial-consequences-of-domestic-violence-and-elder-abuse/>.

<sup>10</sup> Consumer Financial Protection Bureau, *CFPB Proposes Rule to Stop Data Brokers from Selling Sensitive Personal Data to Scammers, Stalkers, and Spies* (Dec. 3, 2024), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-proposes-rule-to-stop-data-brokers-from-selling-sensitive-personal-data-to-scammers-stalkers-and-spies/>.

When financial institutions and firms are given transparent rules that adequately consider economic costs, they are best able to offer products and services to consumers and small businesses. We appreciate your consideration on these important matters and look forward to a CFPB that promotes competition and innovation to the benefit of all American consumers.

Sincerely,



French Hill  
Chairman



Andy Barr  
Chairman, Subcommittee on Financial  
Institutions



Bill Huizenga  
Vice Chairman



Roger Williams  
Member of Congress



John Rose  
Member of Congress



William R. Timmons, IV  
Member of Congress



Ralph Norman  
Member of Congress



Daniel Meuser  
Member of Congress



Young Kim  
Member of Congress



Byron Donalds  
Member of Congress



Scott Fitzgerald  
Member of Congress



Mike Flood  
Member of Congress



Monica De La Cruz  
Member of Congress



Tim Moore  
Member of Congress

cc: Representative Maxine Waters, Ranking Member  
Kevin Hassett, Director of the National Economic Council