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TESTIMONY BEFORE THE SENATE COMMITTEE ON
BANKING, HOUSING, AND URBAN AFFAIRS
HEARING TITLED “THE AFFORDABILITY AGENDA”
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Chairman Scott and Ranking Member Warren, thank you for inviting me to testify before the committee today. My name is Julie Margetta Morgan, and I am the President of The Century Foundation. As a public policy think tank dedicated to improving the lives of all Americans, The Century Foundation has been acutely focused on how rising costs are affecting working families.

While President Trump is calling affordability a hoax or a “fake word,” American families are dealing every single day with a cost of living crisis that Donald Trump promised he would fix.¹ Alarmingly high prices on everything from gas and electricity to health insurance and rent are driving families deeper into debt and making the American economy more and more fragile. President Trump has already made clear that he does not think at all about Americans’ financial situations,² but it is not too late for Congress to step in to lower costs and rein in the rampant corruption that has hijacked our government to serve the interests of the wealthy. Today, I will provide insights from The Century Foundation’s research on working families’ financial situations and some thoughts on how this Committee could develop a real affordability agenda that meaningfully eases the squeeze that so many families are feeling right now.

High Prices Are Pushing American Families to the Brink

On the campaign trail, Donald Trump promised to make America affordable again. From his first days in office, he has gone back on that promise, layering one price hike on top of another. The President’s disastrous approach to tariffs cost American consumers an average of about \$1,700, increasing the prices

¹ Joe Hernandez, “Trump calls affordability crisis a ‘hoax.’ The data tells a different story,” NPR, December 11, 2025, <https://www.npr.org/2025/12/11/nx-s1-5639957/trump-affordability-hoax-economy-midterms>; Mary Whitfill Roeloffs, “Trump Says Affordability Is ‘Fake Word’ As Inflation Hits 3-Year High,” *Forbes*, June 17, 2026, <https://www.forbes.com/sites/maryroeloffs/2026/06/17/trump-says-affordability-is-fake-word-as-inflation-hits-3-year-high/>.

² Casey Wooten, “‘Perfect statement’: Trump defends saying he isn’t thinking about Americans’ finances amid Iran talks,” NBC News, May 15, 2026, <https://www.nbcnews.com/politics/donald-trump/president-defends-remarks-americans-finances-iran-war-perfect-statemen-rcna345418>.

on a wide variety of must-have items, from groceries to school supplies to construction materials.³ The Trump administration and Republicans in Congress pushed through massive tax cuts for the wealthiest Americans, paid for by increasing the cost of healthcare, higher education, energy, and food for ordinary families. While the wealthiest Americans got a boost from the Republican tax bill, middle-income families got very little out of the deal, and the lowest-income households actually lost ground, as the cuts to Medicaid and food assistance identified to pay for the ultra-rich's tax cuts will cost the lowest-income families about \$1,200 a year.⁴

A pointless and illegal war with Iran is keeping gas prices at nearly \$4 per gallon countrywide and has cost families an estimated \$100 billion to date, including \$60 billion in fuel-related costs.⁵ According to Moody's Analytics, the cost increases due to the war with Iran completely offset any benefits families may have seen from the tax cuts mentioned above. And while families have been reeling from these unplanned expenses, they have also seen their utility bills spike due to the explosion of AI data centers, lax regulation of monopoly utility providers, and grid infrastructure that is under stress.⁶

Prices are only one side of the equation on affordability; wages are the other. Here, the Trump administration has waged relentless attacks on workers while making them collateral damage of his reckless economic policies.⁷ Since returning to office, the President has directly cut the wages of particular groups, including home health workers, farmworkers, and federal contractors; taken steps to make it easier for employers to misclassify their employees; and wreaked havoc on the agencies responsible for ensuring that workers can exercise their rights to collectively bargain and address discrimination in the workplace.⁸ And while job gains have accelerated in the last few months, 2025 was

³ Rachel West, et al., "Eight Ways Trump Is Making the Back-to-School Season More Expensive," The Century Foundation, August 13, 2025, <https://tcf.org/content/commentary/eight-ways-trump-is-making-the-back-to-school-season-more-expensive/>; "How Tariffs Impact the Home Building Industry," National Association of Home Builders, <https://www.nahb.org/advocacy/top-priorities/building-materials-trade-policy/how-tariffs-impact-home-build-ing>; Sinem Hacıoğlu-Hoke, Sarojini Malladi, and Leo Feler, "The Slow Climb: How Tariffs Gradually Raised Retail Prices in 2025," Board of Governors of the Federal Reserve System, March 5, 2026, <https://www.federalreserve.gov/econres/notes/feds-notes/the-slow-climb-how-tariffs-gradually-raised-retail-prices-in-2025-20260305.html>.

⁴ "Distributional Effects of Public Law 119-21," Congressional Budget Office, August 11, 2025, <https://www.cbo.gov/publication/61367>.

⁵ Naomi Buchanan, "Here's how much the Iran war is costing US households, according to Moody's," *Business Insider*, June 2, 2026, <https://www.businessinsider.com/iran-war-cost-moodys-mark-zandi-inflation-recession-gas-prices-2026-6>.

⁶ "Utility Bills Are Rising," Powerlines, May 2026, https://powerlines.org/wp-content/uploads/2026/05/0511_PowerLines_Rising-Utility-Bills-Q1-2026.pdf; Brian Shearer, "How to Lower Electricity Bills to \$100 a Month," Vanderbilt Policy Accelerator, March 2026, <https://cdn.vanderbilt.edu/vu-URL/wp-content/uploads/sites/412/2026/03/04192413/How-to-Lower-Electricity-Bills-to-100-a-Month.pdf>.

⁷ Julie Su, Rachel West, and Andrew Stettner, "Trump's Department of Labor Continues Its Onslaught against Workers," The Century Foundation, July 22, 2025, <https://tcf.org/content/commentary/trumps-department-of-labor-continues-its-onslaught-against-workers/>.

⁸ Celine McNicholas, Margaret Poydock, and Josh Bivens, "47 ways Trump has made life less affordable in the last year," Economic Policy Institute, January 13, 2026, <https://www.epi.org/publication/47-ways-trump-has-made-life-less-affordable-in-his-first-year/>.

the worst year for job growth since 2020⁹—the last time Trump was President. Perhaps most disturbingly, the Trump administration has also effectively cut wages of all workers,¹⁰ as the war in Iran that has caused inflation to outpace wage growth¹¹ for the first time in three years, wiping out all of the wage gains since he came back into office.

The Century Foundation’s research shows that the cumulative impact of these policies has been disastrous for working families. Three in ten Americans have reported delaying or skipping medical care due to cost, and about half have had to tap into savings to meet their day-to-day expenses. In one survey, 25 percent of respondents reported that they or someone in their household has skipped meals to save money in the past year.¹² The cost of living squeeze has hit working class families especially hard: working-class voters are more than twice as likely as college-educated voters to delay or skip medication (30 percent versus 14 percent) and are nearly twice as likely to skip a meal (41 percent versus 23 percent). They are also more likely to delay medical care (34 percent versus 21 percent), tap into savings (54 percent versus 36 percent), and reduce retirement contributions (39 percent versus 26 percent). These results are in line with other recent polls that show that less than half of Americans can afford access to quality health care, and that cost of living is the top concern among American families.¹³

On the Trump administration’s watch, some of the top financial stressors for ordinary families have become even less affordable, like healthcare, housing, transportation, and child care. New car prices hit record highs, health insurance premiums have spiked, with massive increases for those who seek coverage through the Affordable Care Act (ACA) marketplaces due to the failure to extend the ACA tax credits.¹⁴ At a time when child care costs more than rent in the majority of states, the Trump administration has only caused more chaos for parents, freezing federal funding for child care in several states and repealing rules that capped the cost of co-payments under the Child Care and Development Fund.¹⁵ Home prices

⁹ Steve Kopack and Allie Canal, “2025 was the worst year for hiring since 2020, December jobs report shows,” NBC News, January 9, 2026,

<https://www.nbcnews.com/business/economy/december-jobs-report-unemployment-rate-rcna253115>.

¹⁰ Ben Zipperer, “Trump’s war in Iran has wiped out 1.5 years of wage growth,” Economic Policy Institute, June 10, 2026, <https://www.epi.org/blog/trumps-war-in-iran-has-wiped-out-1-5-years-of-wage-growth/>.

¹¹ Consumer Price Index News Release, U.S. Bureau of Labor Statistics, May 12, 2026, https://www.bls.gov/news.release/archives/cpi_05122026.htm.

¹² Julie Margetta Morgan and Rachel West, “The Hidden Costs of Trump’s Economy: Skipped Meals, Rising Debt, and the Impossible Choices Facing American Families,” The Century Foundation, July 31, 2025,

<https://tcf.org/content/report/the-hidden-costs-of-trumps-economy-skipped-meals-rising-debt-and-the-possible-choices-facing-american-families/>.

¹³ Megan Cerullo, “Millions of Americans skip meals, stretch medication to afford health care,” CBS News, updated March 12, 2026,

<https://www.cbsnews.com/news/health-care-costs-americans-skip-meals-ration-medication/>.

¹⁴ Mason Leath, “Average new car price hits \$50,000, a record high, data shows,” ABC News, October 15, 2025, <https://abcnews.com/Business/1-4-new-car-owners-owe-vehicle-worth/story?id=126552468>; Matt McGough, Jared Ortaliza, Justin Lo, and Cynthia Cox, “What We Know So Far About 2026 ACA Marketplace Enrollment, Premiums, and Deductibles,” KFF, May 19, 2026, <https://www.kff.org/affordable-care-act/what-we-know-so-far-about-2026-aca-marketplace-enrollment-premiums-and-deductibles/>.

¹⁵ Julie Kashen, “Trump’s Child Care Funding Freeze in Five States Could Cost Families \$400 Million,” The Century Foundation, <https://tcf.org/content/commentary/trumps-child-care-funding-freeze-in-five-states-could-cost-families-400-million/>; Trump Administration Finalizes Rule that Raises Costs for Families and Destabilizes Child Care

rose again in the last year, and rent and mortgage payments both remain alarmingly high: mortgage payments on the median-priced home are still almost twice what they were just six years ago.¹⁶

Financial Institutions Are Compounding the Affordability Crisis

American families cannot afford to absorb these high prices, and as a result, they are increasingly turning to debt to make ends meet. But debt is not a panacea for the high cost of living: instead, it only obscures our ability to recognize families' struggles while trapping households in a spiral they cannot escape.

America's consumer debt spiral has gotten too big for policymakers to ignore. Almost 5 percent of outstanding consumer debt is delinquent, the highest since 2017.¹⁷ Outstanding credit card balances stand at around \$1.25 trillion, with delinquency rates of more than 13 percent—the highest level since the Great Recession.¹⁸ Student loan delinquencies shot up under the Trump administration, from nearly zero to about 25 percent.¹⁹ Now, one in four student loan borrowers with a payment due is delinquent, and one out of every five (9 million borrowers) is in default. Auto debt has exploded. At the end of 2025, nearly 86 million Americans together carried \$1.68 trillion in auto loan or lease debt, and new borrowers are taking on larger and longer loans to manage the high cost of cars. Bankruptcy filings increased almost 12 percent between 2025 and 2026.²⁰ Home foreclosure filings are up 26 percent from last year, and are the highest they've been since 2020.²¹

Auto, credit card, mortgage, and student loan debt are the largest tranches of consumer debt, and as a result they draw a lot of attention from economists and policy experts. But working class families have been forced to turn to a number of other high-cost, risky products to make it from one week to the next. The use of short-term point of sale “buy now, pay later” loans has grown significantly in the last few years, and these are not the no fee, pay-in-four products of just a few years ago: the Federal Reserve estimates that about 37 percent of buy now, pay later loans have a non-zero APR, and many have terms of

System, National Women's Law Center, May 12, 2026, <https://nwl.org/press-release/trump-administration-finalizes-rule-that-raises-costs-for-families-and-destabilizes-child-care-system-2/>.

¹⁶ “The State of the Nation's Housing 2026,” Joint Center for Housing Studies of Harvard University, 2026, http://jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2026_0.pdf.

¹⁷ “Quarterly Report on Household Debt and Credit 2026: Q1,” Federal Reserve Bank of New York, May 2026, https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/pdf/HHDC_2026Q1.

¹⁸ Jennifer Zhang, Eduard Nilaj, Mike Pierce, and Julie Margetta Morgan, “Interest Nation: The State of America's Credit Card Debt Crisis,” The Century Foundation, March 17, 2026, <https://tcf.org/content/report/interest-nation-the-state-of-americas-credit-card-debt-crisis/>.

¹⁹ Peter Granville, Eduard Nilaj, Jennifer Zhang, and Aissa Canchola Bañez, “Trump's Student Loan Delinquency Crisis, Unmasked,” The Century Foundation, February 20, 2026, <https://tcf.org/content/report/trumps-student-loan-delinquency-crisis-unmasked/>.

²⁰ “Bankruptcies Increase 11.9 Percent,” United States Courts, April 23, 2026, <https://www.uscourts.gov/data-news/judiciary-news/2026/04/23/bankruptcies-increase-119-percent>.

²¹ Nicole Friedman and Veronica Dagher, “High Housing Costs Are Pushing Foreclosures to a Six-Year High,” *Wall Street Journal*, May 1, 2026, <https://www.wsj.com/economy/housing/high-housing-costs-are-pushing-foreclosures-to-a-six-year-high-266c56c0>.

more than thirty days.²² Paycheck advance loans—short-term loans offered to workers who need credit to make it from one paycheck to the next—are now embedded into major HR and payroll platforms like ADP and BambooHR.²³ The CFPB estimated that the APR on a typical employer-partnered paycheck advance loan is a whopping 109.5 percent.²⁴ Medical debt, including specialty credit cards and installment loans, will continue to grow as healthcare costs rise and consumers struggle with high cost, low coverage insurance plans.²⁵

Researchers and policy analysts tend to study different types of credit in isolation, and as a result, it can be hard to get a clear picture of the overlap of these trends. The Century Foundation’s research with Protect Borrowers shows that in many cases, consumers—particularly those with limited financial resources—are stacking different kinds of consumer debt in a precarious game of financial Jenga. For example, our examination of auto debt found that borrowers who take on auto loans see significantly higher and faster credit card balance growth, regardless of income level. Borrowers who take on longer auto loans to keep monthly payments low are also carrying monthly credit card balances that are 190 percent of their monthly income.²⁶ Research from the Consumer Financial Protection Bureau (CFPB) found that consumers who take on buy now, pay later loans are more likely to hold higher balances on other types of credit, including credit cards, student loans, and personal loans.²⁷

This mountain of debt is disastrous for American families, and it’s disastrous for the U.S. economy as well. But this story has winners in addition to losers, and some of them are represented at this very hearing. Large financial institutions and fintechs have made an artform out of filling the gap between families’ financial obligations and their means.

For example, a recent analysis from the Consumer Bankers Association identifies the rising cost of housing, healthcare, food, and transportation as the drivers of increased credit card debt, and it

²² Nina R. Acree, Kayleigh Barnes, Alexander Bruce, Simona M. Hannon, “‘Buy Now, Pay Later’ Beyond ‘Pay in 4,’ A Comprehensive Product Overview,” Board of Governors of the Federal Reserve System, June 5, 2026, <https://www.federalreserve.gov/econres/notes/feds-notes/buy-now-pay-later-beyond-pay-in-4-a-comprehensive-product-overview-20260605.html>.

²³ “BambooHR and Clair Launch Fully Integrated On-Demand Pay,” GlobeNewswire, May 11, 2026, <https://finance.yahoo.com/sectors/technology/articles/bamboohr-clair-launch-fully-integrated-130000249.html>.

²⁴ “Data Spotlight: Developments in the Paycheck Advance Market,” Consumer Financial Protection Bureau, July 18, 2024, <https://www.consumerfinance.gov/data-research/research-reports/data-spotlight-developments-in-the-pay-check-advance-market/>.

²⁵ Maanassa Kona, Sabrina Corlette, Zeynep Celik, “As Federal Protections Stall, States Move to the Front Lines to Alleviate Medical Debt,” The Commonwealth Fund, January 22, 2026, <https://www.commonwealthfund.org/blog/2026/federal-protections-stall-states-move-front-lines-alleviate-medical-debt>.

²⁶ Laura Valle Gutierrez, Tara Mikkilineni, Eduard Nilaj, Angela Hanks, and Aissa Canchola Bañez,, “When the Wheels Come Off: How Surging Auto Loan Debt Is Hurting Households,” The Century Foundation, May 6, 2026, <https://tcf.org/content/report/when-the-wheels-come-off-how-surging-auto-loan-debt-is-hurting-households/>.

²⁷ “Consumer Use of Buy Now, Pay Later and Other Unsecured Debt,” Consumer Financial Protection Bureau, January 2025, https://files.consumerfinance.gov/f/documents/cfpb_BNPL_Report_2025_01.pdf.

characterizes credit cards as the “shock absorber” that families use to bridge gaps between their paycheck and their stack of bills.²⁸ But that shock absorber now comes at an incredibly high price. Interest rates hover around 24 percent on general purpose credit cards at large banks and 31 percent for private label cards.²⁹ That’s nearly double the rate charged a decade ago. Though borrowing costs for card issuers fluctuate, research from the Consumer Financial Protection Bureau shows that APRs have increased at a greater rate than their borrowing costs, and issuers’ APR margins on general purpose cards have increased steadily over time.³⁰ The Federal Reserve Bank of Philadelphia reports that interest rate margins are at an all-time high.³¹ As a result, credit card issuers benefit not only from the higher cost of goods, but also from cardholders’ inability to pay for those goods. And they’re benefiting to the tune of billions of dollars: in 2024 alone, Americans paid more than \$160 billion in credit card interest charges.³²

The same pattern plays out in auto finance, private student lending, specialty rental and medical credit cards, paycheck advance loans, home equity investment contracts, and more. While consumers are posting record-high delinquencies, some financial companies are posting record-high revenues.³³ The potential to profit from consumers’ inability to afford high prices appears to be luring large businesses to enter into profit-sharing arrangements with financial institutions, or to engage in direct lending services themselves. Airlines have received a lot of attention for their shift toward a finance-centered business model, but the same could be said for many large retailers deriving significant revenue from private-label credit cards, or healthcare providers that have shifted into financial services like United Health’s Optum. Just a few weeks ago, the Trump administration recommended that health insurers offer loans to customers who cannot afford the high cost of premiums or deductibles.³⁴

There are two important conclusions from observing the extent to which families are using high-cost credit to weather this cost-of-living crunch. First, it puts Americans’ frustrations with the Trump administration and high costs in context. Policymakers are focused on the cost of a gallon of gas today, but millions of Americans are still paying off last week’s tank of gas, plus more than 20 percent interest on those fuel costs. We can’t really resolve the cost of living crisis without addressing the mountain of debt it has created. Second, it draws attention to the extent to which finance costs are a key driver of the affordability crisis, an increased burden on family budgets that rivals the combined impact of high gas and

²⁸ Weston Loyd, “The Affordability Story Behind Credit Card Balances,” Consumer Bankers Association, June 4, 2026, <https://consumerbankers.com/blog/the-affordability-story-behind-credit-card-balances/>.

²⁹ Gene Huang and Jeremy Cohn “Large Bank Credit Card and Mortgage Data 2025 Q4 Narrative: Q4 2025 Insights Report,” Federal Reserve Bank of Philadelphia, April 8, 2026, <https://www.philadelphiafed.org/surveys-and-data/2025-q4-large-bank>.

³⁰ Tom Nawrocki, “APR Margins Are Driving Sky-High Credit Card Rates,” *PaymentsJournal*, February 27, 2024, <https://www.paymentsjournal.com/apr-margins-are-driving-sky-high-credit-card-rates/>.

³¹ Huang and Cohn, “Large Bank Credit Card and Mortgage Data 2025 Q4 Narrative.”

³² “The Consumer Credit Card Market,” Consumer Financial Protection Bureau, December 2025, https://files.consumerfinance.gov/f/documents/cfpb_consumer-credit-card-market-report_2025.pdf.

³³ “SoFi Reports First Quarter 2026 with Record Net Revenue of \$1.1 Billion, Record Member and Product Growth, Net Income of \$167 Million,” BusinessWire, April 29, 2026, https://s27.q4cdn.com/749715820/files/doc_financials/2026/q1/2026-Q1-Earnings-Release_FINAL.pdf; Joel South, “JPMorgan Posted Record Profits, but CEO Jamie Dimon Says the Next Crisis Will Be Worse Than Anyone Expects,” 24/7 Wall Street, June 20, 2026,

<https://finance.yahoo.com/economy/policy/articles/jpmorgan-posted-record-profits-ceo-123025000.html>.

³⁴ Reed Abelson, “Can’t Pay Medical Bills? Trump Officials Suggest Getting a Loan,” *New York Times*, June 11, 2026, <https://www.nytimes.com/2026/06/11/business/aca-health-care-costs-medical-debt.html>.

grocery prices. As a result, policymakers can improve affordability simply by addressing profiteering and predatory practices in the financial services sector. President Trump himself seemed to acknowledge the role of financial institutions in the affordability crisis when he promised to lower credit card interest rates earlier this year. However, the President has never followed through on that promise, and we estimate that it's costing cardholders \$368 million per day in excess interest.³⁵

Families Are Drowning in Debt and Need Relief

Families cannot keep their heads above water forever. Yet many leaders, including the President himself, are either more interested in finger-pointing than providing real solutions, or too captured by industries that benefit from the current environment to step in on behalf of working families.

Given the role that financial institutions are playing in compounding families' affordability woes, there is plenty that this Committee, and banking regulators, could be doing to dramatically reduce families' financial burdens. I want to commend the Committee, and particularly Chair Scott and Ranking Member Warren, for recognizing the acute need to address housing affordability in this country and for advancing the 21st Century ROAD to Housing Act. This bipartisan package is bringing major reforms to the housing market that will boost housing supply and lower costs for families across the United States. But I believe this Committee could do much, much more.

For example, this committee has jurisdiction over the CFPB, an agency that can be a key tool in ensuring affordability. However, Republicans in the House and Senate have stood by while the Trump administration demolished it. The Consumer Financial Protection Bureau has returned \$21 billion to consumers defrauded by predatory companies. It gave Americans a place to go when they were concerned about a financial institutions' conduct and needed help to resolve a complaint. It put cops on the beat to ensure that financial institutions were following the law. Over the last several years, the CFPB finalized rules that saved consumers billions by cracking down on extractive and predatory practices, including setting reasonable limits on credit card late fees and preventing coercive use of credit reports to collect on medical debts.

When Donald Trump took office, he shifted the agency from serving the public to serving industry. The Trump administration shut down virtually all supervision and enforcement activity, giving companies the green light to break the law. It issued corporate pardons to financial institutions that had been caught violating federal law. And, working with Republicans in Congress, it rolled back major rules and guidance on credit card late fees, bank overdraft fees, and paycheck advance loans, and cut the CFPB's budget nearly in half.³⁶ These actions not only make life less affordable, but they also signal to average Americans that the government is not on their side.

³⁵ Zhang, et al., "Interest Nation."

³⁶ Chuck Bell, "Senate passes budget bill with devastating cut to CFPB's funding," Consumer Reports, July 1, 2025, https://advocacy.consumerreports.org/press_release/senate-passes-budget-bill-with-devastating-cut-to-cfpb-funding/; "The Price of Gutting the CFPB," United States Senate Committee on Banking, Housing, and Urban Affairs, February 9, 2026, https://www.banking.senate.gov/imo/media/doc/cfpb_year_in_review_report.pdf.

President Trump recently nominated Brian Johnson, an executive at Capital One—a bank that has saved billions of dollars through the Trump-era CFPB’s corporate pardons and the rollback of pro-consumer rules—to now lead the CFPB. This nomination offers the committee an opportunity to ensure that the CFPB reverses the culture of corruption and corporate capture that has taken root there in the past year and a half and starts working on behalf of the public once again.

This committee also has the power to advance legislation that would save consumers billions of dollars by placing reasonable limits on the financial products on which the majority of consumers rely. I know this committee has spent a considerable amount of time on cryptocurrency legislation, but only 15 percent of the lower-income households suffering most acutely from the affordability crisis have ever interacted with cryptocurrencies, and the CLARITY Act still does not sufficiently address scams, which are the biggest risk average families face when it comes to cryptocurrency. Meanwhile, 36 percent of non-college, working-class Americans report using buy now, pay later. Nineteen percent report using loans to make it from paycheck to paycheck. More than 40 percent of all Americans are unable to pay off their credit cards and carry a balance from month to month.³⁷

President Trump announced earlier this year that he would limit the interest rates on credit cards to 10 percent temporarily. According to polling by Data for Progress, nearly two-thirds of voters favor a 10 percent credit card interest rate cap.³⁸ Despite bipartisan support for a cap both in the public and in Congress, there has been no real progress. To the contrary, the Trump administration has actually increased costs for consumers by at least \$10 billion a year by abandoning a CFPB rule limiting credit card late fees and supporting efforts to block states from imposing limits on interest charges.³⁹ The rules of the road for credit cards are a fundamental affordability issue: consumers shouldn’t have to borrow to pay for their groceries, but they shouldn’t have to pay 20 percent interest on those groceries, either. Reasonable limits on credit card interest rates, measures to promote competition for smaller banks that offer lower rates, and better options for consumers trying to manage their debt would all improve financial stability for households across the country.

The Committee could similarly impose stronger protections for consumers using short-term credit, particularly high interest loans marketed as “buy now pay later.” In addition to imposing protections on the cost of loans, it is long overdue for Congress to take a close look at how financial institutions use individuals’ private financial data to try to drive purchase behavior or to bolster their profits. The Committee could also address the expansive and predatory industry that has risen up around medical debt, making medical billing and collections more fair and accurate, and alleviating the crush of outstanding medical debt. Our country desperately needs an overhaul of its approach to healthcare, and closing off

³⁷ Zhang, et al., “Interest Nation.”

³⁸ “Poll: Nearly Two-Thirds of Americans Prioritize Lower Credit Card Interest Rates Over Perks and Easy Approval,” Protect Borrowers, February 2026, <https://protectborrowers.org/resource/poll-nearly-two-thirds-of-americans-prioritize-lower-credit-card-interest-rates-over-perks-and-easy-approval/>.

³⁹ Alan S. Kaplinsky, Burt M. Rublin, and Ronald K. Vaske, “FDIC Files Amicus Brief Supporting Challenge to Colorado’s Opt-Out Interest Rate Law,” Ballard Spahr, LLP, June 9, 2026, <https://www.consumerfinancemonitor.com/2026/06/09/fdic-files-amicus-brief-supporting-challenge-to-colorado-opt-out-interest-rate-law/>.

providers' and insurers' ability to coerce families into paying debt they do not owe is a critical component of that.

Private student loans are another area that deserves close attention. Last year, Republicans in Congress, under pressure from private lenders like Sallie Mae, limited certain federal student loans, exposing more students to the private student loan market. Now, families are turning to high-interest private loans with few protections. We have seen this story play out before, and American families are still trying to get out from under decades-old predatory loans accrued during the last private student loan boom.⁴⁰

These reforms could meaningfully change the playing field for working families, reducing their monthly bills. They could shift the incentives for financial institutions away from siphoning profits through junk fees, tricks, and traps. However, unless President Trump puts an end to his willful and reckless actions that drive up costs for ordinary Americans while enriching himself and his peers, families are going to continue to fall behind and both our economy and our democracy will suffer.

⁴⁰ "Report of the CFPB Education Loan Ombudsman," Consumer Financial Protection Bureau, October 2023, https://files.consumerfinance.gov/f/documents/cfpb_annual-education-loan-ombudsman-report_2023.pdf.