

**SUPPORT [S.J.Res. 147](#) to Protect Consumers from Abusive Acts or Practices by Lenders**

In 2023, the Consumer Financial Protection Bureau (CFPB) issued new guidance to help crack down on abusive practices across the financial industry—from home mortgages to credit cards to student loans. The guidance explained what constitutes financial abuse, gave clear examples of how the CFPB would identify violations of the law, and made it easier to enforce the Consumer Financial Protection Act—a law passed in the wake of the 2008 financial crisis to shore up protections for consumers. But in a rule submitted to Congress, the Trump CFPB rescinded that guidance and increased the risk of lenders engaging in abusive practices.

Senator Durbin’s joint resolution of congressional disapproval (JRD) would undo the Trump CFPB decision and restore the earlier rule: “Statement of Policy Regarding Prohibition on Abusive Acts or Practices.”

Endorsers: National Consumer Law Center (on behalf of its low-income clients), Consumer Federation of America, Center for Responsible Lending, Protect Borrowers, Americans for Financial Reform, National Community Reinvestment Coalition

Key Points

- **Congress took steps to strengthen consumer protection laws after the financial crisis, which centered on mortgage lenders profiting on loans doomed to fail.** Millions of Americans lost their homes, and the unemployment rate soared to [10%](#). Shortly after, Congress passed the Consumer Financial Protection Act (CFPA) to address consumer protection failures and ban abusive financial conduct to ensure fair dealing and protect consumers and market participants.
- **The Biden CFPB issued guidance on what constitutes financial abuse, warning bad actors and making it easier to enforce the law.** In 2023, the Biden CFPB issued a [policy statement](#) that spelled out the legal definition of abusive conduct and provided summaries and explanations as to how the CFPB analyzes abusiveness. For example, the CFPB explained that abusive practices include obscuring or withholding information in a way that makes it difficult for consumers to understand key terms in their mortgages, credit card agreements, or other financial contracts. The guidance warned bad actors about engaging in these practices, deterring abusive conduct and making it easier to bring enforcement actions when it occurs.
- **The Trump Administration withdrew this commonsense guidance, and this JRD seeks to restore it.** Although underlying statutes like the CFPA continue to prohibit abusive acts, the Trump Administration’s rescission of this guidance signals to bad actors that they may have more leeway to engage in predatory practices without fear of facing any real consequences from the current CFPB—and walks back the clear examples of abuse the CFPB had identified. It is critical for Congress to restore the earlier guidance.