Testimony of the Honorable Russell T. Vought
Acting Director, Consumer Financial Protection Bureau
Before the Senate Committee on Banking, Housing, and Urban Affairs
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Chairman Scott, Ranking Member Warren, and Members of the Committee, thank you for the invitation to appear before you today as I reach the end of my tenure at the CFPB. I am pleased to present the Consumer Financial Protection Bureau's semi-annual report to Congress as well as to provide you an update on the activities of the Bureau during my tenure.

After being appointed Acting Director of the Bureau, our team took a look under the hood and found an agency that was weaponized, out-of-control, and had gone far beyond its statutory mandate. Under previous administrations, this agency actually imposed huge costs on the American people and stifled the innovation and resourcefulness that is necessary for a strong economy. Consumers paid the price, literally, in the form of higher prices, reduced product offerings, increased borrowing expenses, and misuse of their taxpayer dollars. In fact, the Council of Economic Advisors found that CFPB has cost consumers $237 to $369 billion dollars since 2011.

Instead of going down this destructive path, we have steered the Bureau towards operating with humility, accountability, and fiscal responsibility. Regulations should be justified by statute, not the whims of ideologues at the Bureau. Supervision should be precisely targeted to avoid stifling economic growth and innovation and disproportionately increasing compliance costs. And enforcement should be based on clear violations of law—not on advancing a political agenda outside of accountability and oversight from elected officials and the American people.

The Bureau's express purpose is to implement and enforce Federal consumer financial law consistently so that all consumers have access to markets and that such markets are fair, transparent, and competitive. While we have sought to downscale this agency to the maximum extent possible and rein in its abuses, we have continued to operate it in accordance with that purpose. The Bureau's enforcement actions are now focused on addressing actual harm to consumers and ensuring due process.

President Trump ensured that the Bureau, along with other so-called "independent regulatory agencies" are accountable to leaders elected by the American people and no longer operate with impunity. Recently, the Supreme Court confirmed that no such "independent agencies" exist in *Slaughter*. The Bureau's regulatory actions are no longer developed in isolation, and the rest of government works to improve its proposals through the Office of Information and Regulatory Affairs (OIRA), which ensures alignment with Administration priorities.

I have also reoriented our internal processes. In Supervision, the Bureau focuses its resources on pressing threats to consumers and in the areas that are clearly within the Bureau's statutory authority. In the past, the supervision program pushed well past the limits of statutory authority under the guise of consumer protection. The Bureau also now avoids duplication of supervision by other regulators. Supervision is conducted with transparency and respect, as examiners announce through the Humility Pledge, they must read at the beginning of all examinations. Enforcement also is being guided by a new set of principles so that the CFPB focuses on addressing actual harm to consumers, ensuring due process, seeking collaboration when appropriate, and promoting efficiency. Under President Trump, there has been a paradigm shift in the way CFPB regulates, supervises, and enforces the laws as required under the Dodd-Frank Act.

Though we have improved a great deal about how it operates, the Bureau remains structurally defective and I do not believe it should exist in its current form. I have been committed to running it in a responsible manner and addressing real harms instead of remaking financial markets in service of a radical political agenda. If confirmed, I know President Trump's nominee, Brian Johnson, will do a great job in continuing to steer the CFPB in an appropriate manner. Ultimately, however, the CFPB must be subject to Congress's most basic function—the appropriations process—to ensure accountability and legitimize an otherwise unserious agency.

Thank you. I look forward to your questions.