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United States Senate
COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS
WASHINGTON, DC 20510-6075

January 23, 2026

The Honorable Russell Vought
Acting Director
Consumer Financial Protection Bureau
1700 G St. NW
Washington, DC 20552

Dear Acting Director Vought:

On January 9, 2026, President Trump called for “a one year cap on Credit Card Interest Rates of 10%,” effective January 20.¹ I spoke with President Trump last week and told him that Congress could pass legislation to cap credit card rates, if he would fight for it. While Congress considers legislation to address the issue, your own actions are directly undermining the President’s stated goals. Either President Trump is not serious about making credit cards more affordable or you are insubordinately disregarding his direction. Under your leadership, the Consumer Financial Protection Bureau (CFPB) has taken steps to make it easier—not harder—for big banks and credit card companies to rip off Americans. Indeed, you have worked to dismantle the agency, even though it would be responsible for implementing a cap on credit card fees—and should already be using the full scope of its authorities to address excessive credit card costs and to crack down on bad actors.

According to the CFPB’s own data, released just weeks ago, the average annual percentage rate (APR) for credit cards has reached the highest level since 2015: specifically, consumers are facing an average APR of “25.2 percent for general purpose cards and 31.3 percent for private label credit cards.”² Consumers were charged a cumulative \$160 billion in credit card interest payments in 2024, up over \$50 billion since 2022.³ Meanwhile, the percentage of people making just their minimum payment each month “was at its highest since at least 2015.”⁴

Evidence suggests that credit card interest rates have become excessively high—enriching credit card companies and banks at the expense of the public. For example, credit card companies appear to be charging significantly more than is needed to offset default risk. APRs have risen

¹ Post on Truth Social by President Donald Trump, January 9, 2026, <https://truthsocial.com/@realDonaldTrump/posts/115868132990949589>.

² Consumer Financial Protection Bureau, “The Consumer Credit Card Market,” December 2025, pg. 5, https://files.consumerfinance.gov/f/documents/cfpb_consumer-credit-card-market-report_2025.pdf.

³ *Id.*

⁴ *Id.*

far faster than the Federal Funds Rate, even as charge-off rates have held steady.⁵ And in 2024, spreads between the Federal Fund Rates and APRs hit a historical high of 16.4%.⁶ Today, credit card borrowers pay interest rates that are about 8.8 percentage points higher than what would be needed to cover default losses.⁷ In other words, banks and credit card companies are hoarding profit while Americans struggle to keep up with rising interest payments.

The CFPB was designed to help protect consumers from financial exploitation, and it has a key role to play in reducing credit card costs for Americans. Yet rather than use the CFPB's authorities to their fullest extent, you have prioritized dismantling it. You have attempted to fire hundreds of CFPB employees,⁸ instructed CFPB staff "to 'cease all supervision and examination activity,'" and "pause [ongoing] 'enforcement actions,'" and dropped numerous enforcement actions—jeopardizing more than \$360 million in redress to harmed consumers.¹⁰ You have also sided with credit card companies on behalf of consumers. In April 2025, the CFPB dismissed a lawsuit against a credit card company that allegedly collected more than \$51 million in fees by tricking consumers into high-cost membership programs.¹¹ That same month, the Bureau abandoned its rule lowering credit card late fees from an average of \$32 to \$8.¹² Under your leadership of the agency, credit card companies have free rein to scam and cheat consumers out of their money.

If the Trump Administration is serious about reducing credit card costs for American consumers, it will empower the CFPB—an agency that has returned more than \$21 billion to families cheated by big banks and giant corporations. As Congress considers legislation to cap credit card interest rates—legislation that the CFPB would play a key role in implementing and enforcing—you should direct the agency to do the following:

⁵ Federal Reserve Bank of St. Louis, "FRED Graph: Federal Funds Effective Rate, Commercial Bank Interest Rate on Credit Card Plans, All Accounts, Charge-Off Rate on Credit Card Loans, All Commercial Banks," <https://fred.stlouisfed.org/graph/?g=1Qxgl>.

⁶ *Id.*

⁷ Federal Reserve Bank of New York, "Credit Card Banking," October 2025, https://www.newyorkfed.org/research/staff_reports/sr1143.

⁸ Protect Borrowers, "Trump Administration Defies Federal Appeals Court, Attempts Illegal Mass Firing at Federal Consumer Watchdog," April 17, 2025, <https://protectborrowers.org/trump-admin-defies-federal-appeals-court-attempts-illegal-mass-firing-at-cfpb/>.

⁹ American Banker, "Trump picks Russ Vought as acting CFPB director, WSJ reports," Kate Berry, February 7, 2025, <https://www.americanbanker.com/news/trump-picks-russ-vought-as-acting-cfpb-director>; NBC News, "Russell Vought, CFPB's new acting head, issues directives to halt parts of bureau activity," Katherine Doyle, Raquel Coronell Uribe, and Megan Lebowitz, February 8, 2025, <https://www.nbcnews.com/politics/doge/russell-vought-consumer-financial-protection-bureau-trump-rcna191356>.

¹⁰ Protect Borrowers, "Thanks to Trump CFPB's Actions, More than \$360 Million Owed to Americans is at Risk, New Investigation Reveals," July 29, 2025, <https://protectborrowers.org/thanks-to-trump-cfpb-360-million-owed-to-americans-is-at-risk-cfa-sbpc/>.

¹¹ Bloomberg Law, "CFPB Drops Biden-Era Case Against Credit Card Company Over Fees," Evan Weinberger, April 23, 2025, <https://news.bloomberglaw.com/banking-law/cfpb-drops-biden-era-case-against-credit-card-company-over-fees>.

¹² New York Times, "Court Scraps \$8 Credit Card Late Fee Limit, at Consumer Bureau's Request," Stacy Cowley, April 16, 2025, <https://www.nytimes.com/2025/04/16/business/credit-card-late-fee-limit-cfpb.html>.

1. *Rein in credit card late fees:* Under the CARD Act, credit card issuers may only charge late fees that are reasonable and proportional to the costs and deterrence of late payments.¹³ However, when implementing the Act, regulators created a loophole that has allowed credit card companies to evade accountability if they charged no more than \$25 for the first late payment, and \$35 for subsequent late payments, with both amounts to be adjusted for inflation each year.¹⁴ Those amounts have since ballooned to \$30 and \$41, respectively, even as the banks' related costs have fallen significantly as processes have become digitized and cheaper.¹⁵ The CFPB should immediately reinstate its rule capping credit card late fees at \$8, which would save Americans more than \$10 billion annually.¹⁶ At the very least, the CFPB should repeal the safe harbor regulators created and make banks show their math when calculating late fees.
2. *Stop surprise interest charges:* Deferred interest promotions often surprise consumers with massive lump sum interest at the end of the promotional period. These promotions promise no interest for a limited period, typically one year, if the balance is paid in full by the set deadline.¹⁷ Many consumers believe that they will only be charged interest on their remaining balance if they miss the deadline. However, they are often unaware that banks will charge interest on *paid* balances as well if the customer does not pay the full balance in time. The CFPB should promulgate rules to declare this practice deceptive or unfair.
3. *Resume TILA and CARD Act compliance:* When a credit card company increases a consumer's interest rate, they are required by the Truth in Lending Act (TILA) and Credit Card Accountability Responsibility and Disclosure (CARD) Act, to assess every six months whether it is appropriate to lower the rate down to its original rate.¹⁸ In 2022, CFPB examiners found banks were not doing this or were not doing it correctly, meaning Americans were paying higher interest than they should have been.¹⁹ Now that examiners are no longer looking under the hood, consumers are likely being charged higher rates

¹³ 12 C.F.R. § 1026.52.

¹⁴ Center for American Progress, "The CFPB Is Cleaning Up Junk Fees," April 9, 2024, <https://www.americanprogress.org/article/the-cfpb-is-cleaning-up-junk-fees/>; Consumer Financial Protection Bureau, "CFPB Bans Excessive Credit Card Late Fees, Lowers Typical Fee from \$32 to \$8," March 5, 2024, press release, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-bans-excessive-credit-card-late-fees-lowers-typical-fee-from-32-to-8/>.

¹⁵ Consumer Financial Protection Bureau, "CFPB Bans Excessive Credit Card Late Fees, Lowers Typical Fee from \$32 to \$8," March 5, 2024, press release, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-bans-excessive-credit-card-late-fees-lowers-typical-fee-from-32-to-8/>.

¹⁶ *Id.*

¹⁷ National Consumer Law Center, "Holiday Shoppers Beware! Buy Now Pay Later and Deferred Interest Credit Cards Hold Hidden Dangers," December 2, 2024, press release, <https://www.nclc.org/holiday-shoppers-beware-buy-now-pay-later-and-deferred-interest-credit-cards-hold-hidden-dangers/>.

¹⁸ 12 CFR Part 1026; Consumer Financial Protection Bureau, "Supervisory Highlights," Fall 2022, https://files.consumerfinance.gov/f/documents/cfpb_supervisory-highlights_issue-28_2022-11.pdf.

¹⁹ *Id.*

than they should be again. The CFPB should resume examinations around TILA And CARD Act compliance.

4. *End rewards bait-and-switch tactics:* In 2024 the CFPB issued guidance to protect consumers' credit card rewards and points.²⁰ In particular, the guidance stated that devaluing rewards consumers have earned, after consumers have earned them, is a deceptive bait-and-switch scheme. The CFPB even found that when consumers were trying to redeem rewards, the points were disappearing due to shoddy bank technology. You rescinded this guidance and have stopped policing banks from devaluing or disappearing Americans' credit card points. The CFPB should launch a rulemaking with respect to credit card rewards and begin supervision or enforcement investigations around the practices described in the guidance.
5. *Review credit card complaints:* The CFPB received 90,219 complaints about credit cards in 2025, up from 76,045 in 2024.²¹ Yet the CFPB's staff have been on administrative leave for nearly a year and therefore are not processing or investigating those complaints. The CFPB should put its consumer complaint, supervisory, and enforcement staff to work investigating these complaints.

Sincerely,



Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs

²⁰ Consumer Financial Protection Bureau, CFPB Takes Action on Bait-and-Switch Credit Card Rewards Tactics,” December 18, 2024, press release, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-on-bait-and-switch-credit-card-rewards-tactics/>.

²¹ Consumer Financial Protection Bureau, “Consumer Complaints Database (January 1, 2024-December 31, 2025),” https://www.consumerfinance.gov/data-research/consumer-complaints/search/?chartType=line&dateInterval=Month&date_received_max=2025-12-31&date_received_min=2024-01-01&lens=Product&product=Credit%20card&searchField=all&subLens=sub_product&tab=Trends.