

Crapo Statement at CFPB Semi-Annual Report to Congress

July 29, 2020

WASHINGTON – U.S. Senator Mike Crapo (R-Idaho), Chairman of the U.S. Senate Committee on Banking, Housing and Urban Affairs, delivered the following remarks at a virtual hearing to receive the Consumer Financial Protection Bureau’s Semi-Annual Report to Congress.

The text of Chairman Crapo’s remarks, as prepared, is below.

“Today, we will receive testimony from CFPB Director Kathy Kraninger on the CFPB’s semiannual report.

“On July 2, the CFPB issued its Spring 2020 Semiannual Report, which outlines the CFPB’s significant work between October 2019 and March 2020, including rulemakings and supervisory and regulatory activities.

“The report also provides insight into what the CFPB plans to undertake in the coming work period.

“Director Kraninger last appeared before this Committee on March 10, three days before President Trump declared a national state of emergency related to the COVID-19 outbreak.

“Shortly thereafter, the CARES Act was signed into law, which included measures to help families directly, provide aid to small businesses, and to stabilize our markets.

“In implementing the CARES Act, the CFPB has taken important actions related to mortgage origination and servicing, consumer credit reporting, and data reporting to further address the economic impact of the ongoing pandemic.

“The CFPB has also announced several policies and valuable educational initiatives intended to help consumers take steps to protect their finances during the COVID-19 emergency, and to ensure that regulated entities can take reasonable and prudent steps to assist communities impacted by the coronavirus.

“I commend Director Kraninger and her staff for taking these steps to help consumers, families and small businesses as they continue to weather this global coronavirus pandemic.

“Last month, the Supreme Court issued a ruling on *Seila Law v. CFPB* that found the agency’s structure, led by a single director only able to be removed ‘for cause,’ is unconstitutional.

“The Court’s decision on this case is consistent with what many in Congress have long said: The CFPB’s structure lacks sufficient accountability and transparency.

“I continue to advocate for establishing a bipartisan board of directors to oversee the CFPB; subjecting the CFPB to the annual appropriations process, similar to other federal regulators; and establishing a safety-and-soundness check for the prudential regulators.

“On July 7, the CFPB finalized a rule rescinding the mandatory underwriting provisions of its Small Dollar Loan rule.

“The availability of short-term, small dollar credit is essential to millions of Americans.

“Updating this rule is an important step toward ensuring the availability of credit that is essential to so many consumers who struggle to access or qualify for other options.

“The changes made by the 2020 Small Dollar Loan final rule carefully balances ensuring the widespread availability of credit to all Americans while preserving strong protection for all consumers.

“During this hearing, I look forward to hearing more about the impact of the COVID-19 emergency on consumers and the financial marketplace; key COVID-19 response initiatives undertaken by the CFPB in recent months; additional regulatory and legislative changes that can further support the economy; and Director Kraninger’s priorities for the CFPB in the upcoming work period.

“Director Kraninger, thank you again for joining the Committee this morning to discuss the CFPB’s activities and plans.”

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