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## United States Senate

COMMITTEE ON BANKING, HOUSING, AND  
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

March 31, 2026

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

Dear Acting Director Vought:

I am writing to request any materials or information in the possession of the Consumer Financial Protection Bureau (CFPB) related to second mortgages that were extinguished under the terms of the National Mortgage Settlement (the Settlement or NMS). I am concerned that banks may have received credit for extinguishing mortgages under the terms of the Settlement and then turned around and sold those same loans to debt collectors, particularly given recent reporting that debt collectors are attempting to foreclose on thousands of Americans based on second “zombie” mortgages that many of these homeowners believed were cancelled.<sup>1</sup> Prior to your leadership, the CFPB under President Biden had conducted extensive work on zombie mortgages and may have records germane to my investigation.

In 2012, five large mortgage servicers, Bank of America Corporation, JPMorgan Chase & Co., Wells Fargo & Company, Citigroup Inc. and Ally Financial Inc., reached a historic \$25 billion settlement, the National Mortgage Settlement, with forty-nine of the state attorneys general and the federal government following investigations into their abusive misconduct while servicing mortgages and conducting foreclosures.<sup>2</sup> As part of the settlement, these five servicers provided over \$15 billion of relief to consumers with second mortgages.<sup>3</sup> At least three other companies also entered into consent judgements with standards based on the NMS.<sup>4</sup>

However, recent reporting indicates that some of these second mortgages may not have been extinguished after all. There have been numerous reported cases of homeowners who had stopped receiving statements on their second mortgage, received tax documents saying their

<sup>1</sup> NPR, “Why Zombie second mortgages are threatening thousands of Americans' homes,” Chris Arnold, May 23, 2024, <https://www.npr.org/2024/05/23/nx-s1-4973761/why-zombie-second-mortgages-are-threatening-thousands-of-americans-homes>.

<sup>2</sup> U.S. Department of Justice, “Federal Government and State Attorneys General Reach \$25 Billion Agreement with Five Largest Mortgage Servicers to Address Mortgage Loan Servicing and Foreclosure Abuses,” press release, February 9, 2012, <https://www.justice.gov/archives/opa/pr/federal-government-and-state-attorneys-general-reach-25-billion-agreement-five-largest>.

<sup>3</sup> Urban Institute, Housing Finance Policy Center Commentary, “National Mortgage Settlement: Lessons Learned,” April 2014, p. 5-6, <https://www.urban.org/sites/default/files/publication/22526/413095-National-Mortgage-Settlement.PDF>.

<sup>4</sup> Office of Mortgage Settlement Oversight, “About the National Mortgage Settlement,” <https://www.jasmithmonitoring.com/omso/about-the-national-mortgage-settlement>.

second mortgage was cancelled, or had the loans removed from their credit reports—and then learned that the second mortgage was still active.<sup>5</sup> Companies purchased millions of dollars of these second mortgages—and waited to collect until home prices rose.<sup>6</sup> Now, Americans who thought they were doing everything right learned, in many cases years later, that debt collectors seeking to exploit the increase in their home valuations were going to foreclose on their homes.<sup>7</sup>

Given how many second mortgages were extinguished as part of the Settlement, I am concerned that banks may have received credit for extinguishing second mortgages in the settlement, when in fact they sold those loans to debt collectors. In the aftermath of the Settlement, there were reports of “ongoing disorganization deep inside the loan servicing departments of the banks.”<sup>8</sup> Further, there were over 60,000 consumer “complaints ... about servicers rushing the foreclosure process or mishandling a modification request” between 2014 and mid-2015.<sup>9</sup>

To better understand which second mortgages the banks received credit for extinguishing, I wrote to the independent monitor of the Settlement requesting any data in his possession about the second mortgages that had been extinguished.<sup>10</sup> While the Monitor did not have the records at issue, the Monitor discussed the importance of the CFPB, stating that “[t]he CFPB has primary jurisdiction under the mortgage servicing provisions of Dodd-Frank and under the Truth in Lending and the Fair Debt Collection Practices Acts” and is an “important ‘cop[] on the beat.’”<sup>11</sup> He also said:

A properly functioning CFPB is crucial to protecting people from predatory practices, including promising to cancel mortgages and then using those mortgages to foreclose on homes many years later, as is being reported. As a former regulator with a long history of working to ensure fair treatment of financial services consumers, I am deeply troubled by the current state of that agency, including its apparent unwillingness to hold financial services providers accountable when they violate the law.<sup>12</sup>

The CFPB in past Administrations had been deeply involved in supervising the mortgage servicing market, leading to billions in relief due to misconduct by mortgage services and was a

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<sup>5</sup> Bloomberg, “No Cop on the Beat,” Coulter Jones, Noah Buhayar, and Eric Fan, October 30, 2025, <https://www.bloomberg.com/graphics/2025-zombie-home-mortgage-debt-collection-investigation/>; Bloomberg, “Pay up or Move Out,” Noah Buhayar, Coulter Jones, Eric Fan, et al., October 6, 2025, <https://www.bloomberg.com/graphics/2025-zombie-debt-collectors-mortgage-loans/>.

<sup>6</sup> Bloomberg, “Pay up or Move Out,” Noah Buhayar, Coulter Jones, Eric Fan, et al., October 6, 2025, <https://www.bloomberg.com/graphics/2025-zombie-debt-collectors-mortgage-loans/>; NPR, “Zombie 2nd mortgages are coming to life, threatening thousands of Americans’ homes,” Chris Arnold, Robert Smith, Jess Jiang, et al., May 10, 2024, <https://www.npr.org/2024/05/10/1197959049/zombie-second-mortgages-homeowners-foreclosure>.

<sup>7</sup> *Id.*

<sup>8</sup> Politico, “Big banks abusing 2012 settlement deal,” Jon Prior, September 28, 2015, <https://www.politico.com/story/2015/09/foreclosures-mortgage-lenders-2012-settlement-banks-213322>.

<sup>9</sup> *Id.*

<sup>10</sup> Letter from U.S. Senator Elizabeth Warren to Joseph A Smith, Jr., December 16, 2025, [https://www.banking.senate.gov/imo/media/doc/letter\\_to\\_independent\\_monitor\\_re\\_zombie\\_mortgages.pdf](https://www.banking.senate.gov/imo/media/doc/letter_to_independent_monitor_re_zombie_mortgages.pdf).

<sup>11</sup> Letter from Joseph A. Smith, Jr. to U.S. Senator Elizabeth Warren, January 29, 2026, <https://www.banking.senate.gov/imo/media/doc/Joseph%20Smith%20NMS%20letter%202026.01.26.pdf>.

<sup>12</sup> *Id.*

major party in the three consent judgments following the NMS.<sup>13</sup> Further, the CFPB has supervisory authority over the five servicers subject to the Settlement.<sup>14</sup>

The CFPB had previously used its jurisdiction over zombie mortgages to conduct important work on behalf of consumers. Recent reporting indicates that the CFPB had been preparing cases against multiple parties involved in zombie mortgages, including one enforcement action it had been planning to bring as early as the first quarter of 2025.<sup>15</sup> While the White House stated that it was “completely false to claim work on these cases has been ‘abandoned,’”<sup>16</sup> the CFPB has not brought any public cases on this matter under your leadership.<sup>17</sup> During the Biden Administration and under former Director Rohit Chopra, the CFPB had issued guidance,<sup>18</sup> held a field hearing,<sup>19</sup> and published information for consumers<sup>20</sup> on zombie mortgages. Last year, the CFPB announced that it had “sent targeted information requests to mortgage servicers to better understand the size and risk of the zombie loan market.”<sup>21</sup> Finally, in a 2024 rulemaking, the agency requested comments and data about “long-dormant second mortgages,” and explicitly requested comments on, “any additional actions the CFPB could take, including amending existing rules, to better protect borrowers from harm caused by collection activity on these types of mortgages.”<sup>22</sup>

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<sup>13</sup> Consumer Financial Protection Bureau, “Consumer Financial Protection Bureau: Enforcing Consumer Protection Laws,” July 21, 2014, p. 2, [https://files.consumerfinance.gov/f/201407\\_cfpb\\_factsheet\\_supervision-and-enforcement.pdf](https://files.consumerfinance.gov/f/201407_cfpb_factsheet_supervision-and-enforcement.pdf); The Washington Post, “Nationstar Mortgage agrees to a \$91 million settlement for mishandling foreclosures and borrowers’ payments,” Michelle Singletary, December 8, 2020, <https://www.washingtonpost.com/business/2020/12/08/nationstar-mortgage-mr-cooper-91-million-settlement/>; Office of Mortgage Settlement Oversight, “About the National Mortgage Settlement,” <https://www.jasmithmonitoring.com/omso/about-the-national-mortgage-settlement>.

<sup>14</sup> Consumer Financial Protection Bureau, “Institutions subject to CFPB supervisory authority,” <https://www.consumerfinance.gov/compliance/supervision-examinations/institutions/>; Consumer Financial Protection Bureau, “CFPB Depository Institutions,” [https://files.consumerfinance.gov/f/documents/cfpb\\_depository-institutions\\_2025-12.pdf](https://files.consumerfinance.gov/f/documents/cfpb_depository-institutions_2025-12.pdf).

<sup>15</sup> Bloomberg, “No Cop on the Beat,” Coulter Jones, Noah Buhayar, and Eric Fan, October 30, 2025, <https://www.bloomberg.com/graphics/2025-zombie-home-mortgage-debt-collection-investigation/>; Bloomberg “Pay Up or Move Out,” Noah Buhayar, Coulter Jones, Eric Fan, et al., October 6, 2025, <https://www.bloomberg.com/graphics/2025-zombie-debt-collectors-mortgage-loans>.

<sup>16</sup> Bloomberg, “No Cop on the Beat,” Coulter Jones, Noah Buhayar, and Eric Fan, October 30, 2025, <https://www.bloomberg.com/graphics/2025-zombie-home-mortgage-debt-collection-investigation/>.

<sup>17</sup> Consumer Financial Protection Bureau, “Enforcement Actions,” <https://www.consumerfinance.gov/enforcement/actions/>.

<sup>18</sup> Consumer Financial Protection Bureau, “CFPB Issues Guidance to Protect Homeowners from Illegal Collection Tactics on Zombie Mortgages,” press release, April 26, 2023, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-issues-guidance-to-protect-homeowners-from-illegal-collection-tactics-on-zombie-mortgages/>.

<sup>19</sup> Consumer Financial Protection Bureau, “Zombie second mortgages: When collectors come for long forgotten home loans,” April 26, 2023, <https://www.consumerfinance.gov/about-us/blog/zombie-second-mortgages-when-collectors-come-for-long-forgotten-home-loans/>.

<sup>20</sup> Consumer Financial Protection Bureau, “What is a zombie second mortgage?,” <https://www.consumerfinance.gov/ask-cfpb/what-is-a-zombie-second-mortgage-en-2133/>; Consumer Financial Protection Bureau, “Back from the Dead: Zombie Second Mortgages,” Lorelei Salas, January 17, 2025, <https://www.consumerfinance.gov/about-us/blog/back-from-the-dead-zombie-second-mortgages/>.

<sup>21</sup> Consumer Financial Protection Bureau, “Back from the Dead: Zombie Second Mortgages,” Lorelei Salas, January 17, 2025, <https://www.consumerfinance.gov/about-us/blog/back-from-the-dead-zombie-second-mortgages/>.

<sup>22</sup> Consumer Financial Protection Bureau, Proposed Rule, “Streamlining Mortgage Servicing for Borrowers Experiencing Payment Difficulties; Regulation X,” July 24, 2024, <https://www.federalregister.gov/documents/2024/07/24/2024-15475/streamlining-mortgage-servicing-for->

The CFPB's decision under your leadership to abandon Americans losing their homes to zombie mortgages is just the latest example of the CFPB's dereliction of its duty to protect consumers. I have written to highlight that since you've been asleep at the wheel: consumers are struggling under excessive credit card interest rates,<sup>23</sup> auto repossession rates are reaching levels not seen since the great recession,<sup>24</sup> borrowers are increasingly relying on short-term loans to cover everyday expenses like groceries,<sup>25</sup> and millions of Americans are dealing with often-inaccurate medical debt appearing on their credit reports and unfairly limiting their access to affordable credit.<sup>26</sup> And yet, you have failed to engage in any substantive manner and instead appear to have spent 2025 laser focused on trying to shut down the agency through a combination of: attempting to fire nearly all staff members, issuing stop work orders, and unsuccessfully threatening to defund the CFPB.<sup>27</sup> Simultaneously, the CFPB has dropped settled consent orders, dismissed active enforcement actions, and walked away from its own final rules, costing consumers up to \$19 billion in a single year.<sup>28</sup>

The CFPB should be continuing its work to address zombie mortgages, but instead the Trump Administration's attempts to illegally shut down the CFPB are endangering Americans across the country who are at risk of losing their homes and are being subjected to illegal debt collection activities. I write to you, as Acting Director of the CFPB, to request that you provide any data the CFPB has about the second mortgages that were extinguished under the terms of the Settlement. I request that you provide the following information no later than April 13, 2026:

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[borrowers-experiencing-payment-difficulties-regulation-x.](#)

<sup>23</sup> Letter from U.S. Senator Warren to CFPB Acting Director Russell Vought, January 23, 2026, <https://www.banking.senate.gov/imo/media/doc/2026.01.23%20Letter%20to%20CFPB%20re%20Credit%20Card%20Interest%20Rates.pdf>.

<sup>24</sup> United States Senate Committee on Banking, Housing, and Urban Affairs, "With Trump Sidelining CFPB, Warren Launches Probe into the Auto Lending Industry as Car Repossessions Skyrocket," press release, February 5, 2026, <https://www.banking.senate.gov/newsroom/minority/with-trump-sidelining-cfpb-warren-launches-probe-into-the-auto-lending-industry-as-car-repossessions-skyrocket>.

<sup>25</sup> Letter from U.S. Senators Elizabeth Warren, Tammy Duckworth, Cory A. Booker, et al., to Affirm Chief Executive Officer Max Levchin, November 18, 2025, <https://www.banking.senate.gov/imo/media/doc/20251118lettertoaffirmrebnpl.pdf>.

<sup>26</sup> Letter from U.S. Senators Elizabeth Warren, Raphael Warnock, Charles E. Schumer, et al., to CFPB Acting Director Russell Vought, July 14, 2025, <https://www.warnock.senate.gov/wp-content/uploads/2025/07/Letter-to-CFPB-Regarding-the-Medical-Debt-Rule.pdf>.

<sup>27</sup> U.S. Government Accountability Office, "Consumer Financial Protection Bureau: Status of Reorganization Efforts," pp. 10, 15, January 2026, <https://www.gao.gov/assets/gao-26-108448.pdf>; American Banker, "Federal court rules against CFPB in funding lawsuit," Kate Berry, March 16, 2026, <https://www.americanbanker.com/news/federal-court-rules-against-cfpb-in-funding-lawsuit>; Consumer Financial Services Law Monitor, "CFPB Complies with Court's Funding Order in NTEU v. Vought," Stefanie Jackman, Jesse Silverman, Lori Sommerfield et al., January 12, 2026, <https://www.consumerfinancialserviceslawmonitor.com/2026/01/cfpb-complies-with-courts-funding-order-in-nteu-v-vought/>.

<sup>28</sup> United States Senate Committee on Banking, Housing, and Urban Affairs, "New Report Finds Trump's Attack on the CFPB Has Cost Americans \$19 Billion in One Year Alone," press release, February 9, 2026, <https://www.banking.senate.gov/newsroom/minority/new-report-finds-trumps-attack-on-the-cfpb-has-cost-americans-19-billion-in-one-year-alone>.

1. Any records related to the second mortgages that were extinguished under the terms of the NMS,<sup>29</sup> including, for each: the lender name, loan number, borrower name, loan amount and amounts extinguished, date of extinguishment, and any other relevant identifying information for each loan.
2. A description of any active matters that the CFPB is pursuing related to zombie mortgages including but not limited to: promulgating rules, issuing guidance, conducting examinations, investigating relevant parties, requesting information, preparing for enforcement actions, or bringing enforcement actions. For each active matter, describe the content of the action, the parties involved, the anticipated timeline of the action, and the anticipated outcome.
3. Whether the CFPB has identified any overlap between mortgages purportedly extinguished under the NMS and mortgages on which debt collectors are currently attempting to collect.
4. A description of any matters that the CFPB has paused, dropped, or cancelled related to zombie mortgages on or after January 21, 2025, including but not limited to: promulgating rules, issuing guidance, conducting examinations, investigating relevant parties, requesting information, preparing for enforcement actions, or bringing enforcement actions. For each matter paused, dropped, or cancelled, provide an explanation for the decision to pause, drop, or cancel the matter.
5. An explanation of why the CFPB does not appear to have taken or initiated any new enforcement or other public actions to address the thousands of Americans at risk of losing their homes due to zombie mortgages since January 21, 2025.

Thank you for your attention to this matter.

Sincerely,



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

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<sup>29</sup> For purposes of the questions in this letter, include any information related to the consent judgements entered into by SunTrust, Ocwen, and HSBC.