

**Committee on Banking, Housing, and Urban Affairs**

**Nomination Hearing for Dr. Stephen Miran, The Honorable Jeffrey Kessler, Mr. William Pulte, and The Honorable Jonathan McKernan**

**February 27, 2025**

**Questions for the Record for Jonathan McKernan**

**Ranking Member Warren**

**Question 1.** Do you agree with President Trump that the CFPB is an “important thing to get rid of”?

**Answer:** The CFPB’s existence will continue until an Act of Congress, signed by the President, provides otherwise.

**Question 2.** If confirmed, will you refuse to execute any unlawful directives from President Trump, Mr. Musk, DOGE, the Office of Management and Budget, or other federal officials?

**Answer:** If confirmed, I will fully and faithfully execute the law.

**Question 3.** If confirmed, will you commit to oppose efforts by President Trump, Mr. Musk, DOGE, the Office of Management and Budget, or other federal officials to weaken the ability of the CFPB to perform its key functions and responsibilities? If not, why not?

**Answer:** If confirmed, I will fully and faithfully execute the law. Under my watch, the CFPB will take all steps necessary to implement and enforce the Federal consumer financial laws and perform each of its other statutorily assigned functions.

**Question 4.** If confirmed, will you commit to conducting a thorough review of all positions eliminated—or slated for elimination—at the CFPB in recent weeks and assess the ability of the agency to comply with its statutory obligations at current staffing levels?

**Answer:** If confirmed, I will review and otherwise assess the extent to which the CFPB’s staffing levels are sufficient to ensure that the CFPB fulfills its statutory obligations.

**Question 5.** If confirmed, after conducting the review described in (4), will you commit to providing a detailed briefing to my staff of your findings and taking steps—including, if necessary, the reestablishing of staff positions and rehiring of staff—to ensure the CFPB workforce is capable of consistently, effectively, and proactively executing on its statutorily mandated obligations?

**Answer:** If confirmed, I will respond to requests for information as appropriate.

**Question 6.** Do you believe the CFPB’s statutory responsibilities mandated by Congress could be executed by a staff of 100 employees? If so, please provide an estimate of staff that would be

allocated to each of the CFPB’s supervisory, enforcement, rulemaking, consumer response, consumer education, and other functions.

**Answer:** If confirmed, I would look forward to being briefed by, and otherwise working with, CFPB staff to understand the staffing necessary for the CFPB to perform each of its statutory obligations, including its statutory obligations relating to supervision, enforcement, rulemaking, consumer response, consumer education, and other functions.

**Question 7.** Did the Supreme Court find the CFPB’s funding structure to be constitutional? Would you undo Acting Director Vought’s decision to “turn off” the CFPB’s funding?

**Answer:** My understanding is that the Supreme Court has not found the CFPB’s funding structure to be unconstitutional. If confirmed, I will ensure that the CFPB takes all steps—including with respect to funding—necessary to implement and enforce the Federal consumer financial laws and perform each of its other statutorily assigned functions.

**Question 8.** On February 18, 2025, President Trump issued an Executive Order on Ensuring Accountability for All Agencies.

- a. If confirmed, will you send all proposed and final rules to the White House for review prior to their publication in the Federal Register?
- b. If confirmed, will you consult with the White House on all material supervisory and enforcement actions and investigations?
- c. If confirmed, will the White House have the final say on the CFPB’s funding levels and staffing decisions?
- d. Please provide statutory citations that vest these CFPB authorities with the White House.

**Answer:** If confirmed, I will take all appropriate steps to establish accountability to our elected officials, including by complying with applicable executive orders to the extent permitted by law, and I would look forward to working with CFPB staff to identify and assess the CFPB’s relevant statutory authorities and the requirements and restrictions governing an exercise of those authorities.

**Question 9.** If confirmed, will you commit to complying with all relevant federal ethics laws, regulations, and norms?

**Answer:** If confirmed, I will comply with applicable ethical obligations.

**Question 10.** If confirmed, will you commit to ensuring that all CFPB employees comply with all relevant federal ethics laws, regulations, and norms?

**Answer:** If confirmed, I will ensure the CFPB maintains and implements policies, procedures, and controls to ensure that the CFPB’s employees comply with applicable ethical obligations.

**Question 11.** If confirmed, will you commit to ensuring that all federal officials engaged in decision-making involving the CFPB are in compliance with all relevant federal ethics laws, regulations, and norms? Will you commit to denying access to CFPB datasets, records, and other proprietary information to any individual who you cannot confirm is in compliance with all relevant federal ethics laws, regulations, and norms?

**Answer:** If confirmed, I will ensure the CFPB maintains and implements policies, procedures, and controls to ensure that any access to the CFPB’s protected information is granted in compliance with applicable legal requirements.

**Question 12.** If confirmed, will you commit to providing timely, comprehensive, and accurate responses to congressional inquiries regarding compliance with ethics laws at CFPB? Will you commit to reporting all individuals who violate ethics laws to the relevant authorities?

**Answer:** If confirmed, I will respond to requests for information as appropriate, including with respect to compliance with ethics laws. If confirmed, I will fully and faithfully comply with all requirements governing the reporting of violations of ethics laws to the relevant authorities.

**Question 13.** On February 27th, the CFPB dropped five lawsuits against companies cheating American families, including actions against Capital One, Rocket Homes, the Pennsylvania Higher Education Assistance Agency, Vanderbilt Mortgage, and Heights Finance.

- a. Prior to your appearance at your nomination hearing, did you have any awareness that the agency was considering dismissal or modification of any of these cases? If so, please describe your awareness, and the nature of any discussions you may have had on these matters.
- b. If confirmed as Director of the CFPB, will you commit to reconsidering these dismissals?

**Answer:** Prior to my appearance at my nomination hearing, I had not been briefed on any contemplated action to dismiss or modify any of these cases.

**Question 14.** CFPB staff were recently ordered to “cease all supervision and examination activity.”

- a. Are you concerned about a broad swath of consumer finance, from mortgage companies to payment apps, operating unsupervised due to sudden shutdown of the CFPB? If not, why not?
- b. If confirmed, will you commit to resuming all supervision and examination activity?

**Answer:** I have not been briefed on any directive to CFPB staff to this effect. If confirmed, I will ensure that the CFPB takes all steps necessary to implement and enforce the Federal consumer financial laws and perform each of its other statutorily assigned functions, including the requirements assigned to the CFPB under sections 1021(c)(4), 1024(b)(1), and 1025 of the Consumer Financial Protection Act of 2010 (the “CFPA”).

**Question 15.** There has long been insufficient oversight of nonbank financial companies, which was evident in the 2008 crisis when non-bank financial firms pushed toxic predatory mortgage loans on unsuspecting families. If confirmed, will you ensure that the bureau continues to monitor these types of financial companies?

**Answer:** Section 1024(b)(1) of the CFPB provides “the [CFPB] shall require reports and conduct examinations on a periodic basis of persons described in subsection (a)(1) [of section 1024]” for certain specified purposes. Subject to limited exceptions, that subsection (a)(1) provides that section 1024 of the CFPB applies to certain nonbank financial companies, including certain “covered person[s] who . . . offer[] or provide[] origination, brokerage, or servicing of loans secured by real estate for use by consumers primarily for personal, family, or household purposes . . . .” If confirmed, I will ensure that the CFPB takes all steps necessary to perform each of its statutorily assigned functions, including those relating to supervision of nonbank mortgage companies.

**Question 16.** Too many bad actors view fines and penalties as simply “the cost of doing business.” The CFPB’s repeat offender unit and registry detects and deters corporate recidivists. The CFPB has a track record of holding repeat offenders accountable, including taking multiple enforcement actions against Bank of America.

- a. Do you agree that it is important for the bureau to monitor repeat offenders?
- b. If confirmed, do you commit to maintaining the CFPB’s repeat offender registry?
- c. Would you extend that commitment to highly connected firms, like Andreesen Horowitz-backed LendUp loans, which engaged in deceptive practices, violated the Military Lending Act, and repeatedly failed to tell people why they were denied credit?

**Answer:** Section 1021(c)(4) of the CFPB provides that a “primary function of the [CFPB] is . . . taking appropriate enforcement action to address violations of Federal consumer financial law.” Section 1055(a)(2) of the CFPB authorizes a court, or the CFPB as the case may be, to grant civil money penalties and certain other relief with respect to a violation of Federal consumer financial law. Section 1055(c)(3) of the CFPB provides that “[i]n determining the amount of any penalty assessed under [section 1055(a)(2)], the [CFPB] or the court shall take into account the appropriateness of the penalty with respect to . . . the history of previous violations.” If confirmed, I will ensure that the CFPB takes all steps necessary to perform each of its statutorily assigned functions, including those relating to “the history of previous violations” in determining penalties under section 1055 of the CFPB.

**Question 17.** With the agency in limbo, there is uncertainty about the fate of current lawsuits the agency has filed against bad actors. For example, just last week, the CFPB dropped a lawsuit against online lender Solo Funds, which the CFPB alleged had offered loans to consumers with deceptive terms. If confirmed, will you commit to resuming enforcement actions?

**Answer:** Section 1021(c)(4) of the CFPB provides that a “primary function of the [CFPB] is . . . taking appropriate enforcement action to address violations of Federal consumer financial law.” If confirmed, I will ensure that the CFPB takes all steps necessary to perform each of its

statutorily assigned functions, including those relating to enforcement of the Federal consumer financial laws.

**Question 18.** The CFPB uses enforcement actions to tackle discrimination in housing and our economy. In particular, the CFPB has taken enforcement action against banks for mortgage lending discrimination, including, for example, Fairway Independent Mortgage Corporation. If confirmed, would you continue to take enforcement action against companies that engage in illegal mortgage lending discrimination?

**Answer:** Section 1021(c)(4) of the CFPA provides that a “primary function of the [CFPB] is . . . taking appropriate enforcement action to address violations of Federal consumer financial law.” Under section 1002 of the CFPA, “Federal consumer financial law” is defined to include the Equal Credit Opportunity Act. If confirmed, I will ensure that the CFPB takes all steps necessary to perform each of its statutorily assigned functions, including those relating to illegal mortgage lending discrimination.

**Question 19.** If confirmed, will you take enforcement action against companies that violate the Equal Credit Opportunity Act?

**Answer:** Section 1021(c)(4) of the CFPA provides that a “primary function of the [CFPB] is . . . taking appropriate enforcement action to address violations of Federal consumer financial law.” Under section 1002 of the CFPA, “Federal consumer financial law” is defined to include the Equal Credit Opportunity Act. If confirmed, I will ensure that the CFPB takes all steps necessary to perform each of its statutorily assigned functions, including those relating to illegal mortgage lending discrimination.

**Question 20.** Do you believe the CFPB’s enforcement authorities should be altered? If so, in what way?

**Answer:** I believe the Director should fully and faithfully follow the law, including by taking all steps necessary to ensure the CFPB exercises its enforcement authority in conformity with the law. I would look forward to working with our elected officials to provide technical assistance and other support should they wish to alter the CFPB’s enforcement authorities.

**Question 21.** Will you commit to ensuring the CFPB continues to operate as a regulator of Wall Street and big banks, implementing the rules that have been finalized?

**Answer:** Section 1021(c)(5) of the CFPA provides that a “primary function of the [CFPB] is . . . issuing rules, orders, and guidance implementing Federal consumer financial law.” Section 1021(b) of the CFPA provides that “[t]he [CFPB] is authorized to exercise its authorities under Federal consumer financial law for the purposes of ensuring that, with respect to consumer financial products and services . . . outdated, unnecessary, or unduly burdensome regulations are regularly identified and addressed in order to reduce unwarranted regulatory burdens.” Section 1022 of the CFPA provides that “[t]he [CFPB] shall conduct an assessment of each significant rule or order adopted by the [CFPB] under Federal consumer financial law” not later than 5 years after the effective date of the rule or order. If confirmed, I will ensure that the CFPB takes all steps necessary to perform each of its statutorily assigned functions, including those relating to

implementing the Federal consumer financial laws and reviewing the rules implementing those laws.

**Question 22.** Medical bills on credit reports can make loans more expensive, limit access to credit, and harm people's ability to rent an apartment or get a job, and the bureau has found that medical debts are a poor predictor of a borrower's ability to repay debts. In January, the CFPB finalized a rule that would ban the inclusion of medical bills on credit reports used by lenders, removing an estimated \$49 billion in medical bills from the credit reports of approximately 15 million Americans.

- a. Do you believe someone who went through an unexpected medical event should suffer from a lifetime of more expensive loans?
- b. If confirmed, will you defend the Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V) final rule in court?

**Answer:** I understand that the CFPB has identified concerns with the power that medical debt information has in predicting default, as well as with the accuracy of medical debt information. If confirmed, I will look forward to being briefed by CFPB staff on this rule and developing an informed point a view.

**Question 23.** Credit card late fees cost American families more than \$14 billion a year. In May, the CFPB finalized the credit card late fee rule, which would reduce a typical fee from \$32 to \$8. The rule is estimated to save American families more than \$10 billion in late fees.

- a. Do you think that companies should be able to hike up their credit card late fees without evidence of increased costs?
- b. If confirmed, will you commit to defending the credit card penalty fees final rule in court?

**Answer:** I understand that the CFPB has identified credit card late fees as a significant source of consumer complaints received by the CFPB. I have not been briefed on the evidence relied upon by the CFPB in prescribing this rule or on the CFPB's assessment of its statutory authorities to prescribe this rule. If confirmed, I will look forward to being briefed by CFPB staff on this rule and developing an informed point of view.

**Question 24.** In December, the CFPB finalized the overdraft lending rule, which would limit the bank overdraft to \$5 or a fee that simply covers the bank's costs and losses. The rule is expected to save consumers \$5 billion or approximately \$225 in overdraft fees per household.

- a. Several institutions, including Ally and Citibank, have eliminated their overdraft fees, but there are larger institutions such as Wells Fargo that have yet to change their overdraft fee policy. Will you commit to implementing the CFPB's final rule and working to ensure that larger financial institutions also limit their bank overdraft fees?
- b. The final rule is being litigated in the Southern District of Mississippi. If confirmed, will you commit to defending the overdraft lending rule in court?

**Answer:** I understand that the CFPB has identified overdraft fees as a significant source of consumer complaints received by the CFPB. I have not been briefed on the evidence relied upon by the CFPB in prescribing this rule or on the CFPB's assessment of its statutory authorities to prescribe this rule. If confirmed, I will look forward to being briefed by CFPB staff on this rule so as to develop an informed point of view.

**Question 25.** Digital payment apps have increasingly become substitutes for traditional banks or credit unions. However, these apps have not been supervised to ensure they are complying with the same consumer protection safeguards as traditional financial services companies. In November, the CFPB finalized a rule that would allow CFPB to supervise the "largest nonbank companies offering digital funds transfer and payment wallet apps" like PayPal and Cash App. This rule would cover apps that collectively process over 13 billion consumer payment transactions annually.

- a. Do you think the Bureau should have oversight over the largest payment apps to protect consumer privacy, guard against fraud, prevent illegal account closures, and level the playing field between fintechs and traditional banking services providers?
- b. The final rule is being litigated in the D.C. District Court. If confirmed, will you commit to defending the larger participant rule in court?
- c. Will you allow the DOGE deregulation effort to stifle enforcement of consumer protection statutes on digital payment platforms?

**Answer:** Section 1022(c) of the CFPA requires that "the [CFPB] shall monitor for risks to consumers in the offering or provision of consumer financial products or services, including developments in markets for such products or services." Section 1024(b)(1) of the CFPA provides "the [CFPB] shall require reports and conduct examinations on a periodic basis of persons described in subsection (a)(1) [of section 1024]" for certain specified purposes. Subject to limited exceptions, that subsection (a)(1) provides that section 1024 of the CFPA applies to certain nonbank financial companies, including "any covered person who . . . is a larger participant of a market for other consumer financial products or services, as defined by rule in accordance with [section 1024(a)(2)]." The CFPB has adopted a rule that designates certain digital payment applications as "larger participants" for purposes of section 1024 of the CFPA. If confirmed, I will ensure that the CFPB takes all steps necessary to perform each of its statutorily assigned functions, including those relating to monitoring risks to consumers and conducting examinations on a periodic basis of larger participants. I have not been briefed on the evidence relied upon by the CFPB in developing this rule or on the CFPB's assessment of its statutory authorities to prescribe this rule. If confirmed, I will look forward to being briefed by CFPB staff on this rule so as to develop an informed point of view.

**Question 26.** In December, the CFPB proposed a rule designed to apply Fair Credit Report Act protections to "sensitive consumer information...including information sold by data brokers." If confirmed, will you commit to finalizing and robustly implementing this rule?

**Answer:** I understand the CFPB has identified potential risks to consumers associated with the collection of consumer information by entities that are not currently regulated as consumer

reporting companies under the Fair Credit Reporting Act. I have not been briefed on the evidence relied upon by the CFPB in developing this proposal or on the CFPB's assessment of its statutory authorities to prescribe this proposal. If confirmed, I will look forward to being briefed by CFPB staff on this proposal so as to develop an informed point of view.

**Question 27.** In January, the CFPB proposed a rule that would bar companies from fining, suing, or deplatforming based on consumer comments, reviews, or political or religious views. If confirmed, will you commit to finalizing and robustly implementing this contract rule?

**Answer:** I understand the CFPB has identified potential risks to consumers associated with certain contract clauses, including those that might restrict a consumer's right to share negative reviews about the company's products or services. I have not been briefed on the evidence relied upon by the CFPB in developing this proposal or on the CFPB's assessment of its statutory authorities to prescribe this proposal. If confirmed, I will look forward to being briefed by CFPB staff on this proposal so as to develop an informed point of view.

**Question 28.** Do you agree that it is important for the CFPB to protect older Americans in the consumer marketplace and to return money unlawfully or deceptively gained to older consumers and their families and caregivers around the country?

**Answer:** By law, the CFPB must implement and enforce the Federal consumer financial laws to protect all consumers, including to protect older Americans and to return ill-gotten gains to older Americans.

**Question 29.** Do you agree that the CFPB's work to protect older Americans in the consumer marketplace benefits financial institutions?

**Answer:** Pursuant to section 1021(a) of the CFPA, the CFPB's implementation and enforcement of the Federal consumer financial laws are for the purpose, among other things, of ensuring that markets for consumer financial products and services are fair, transparent, and competitive. That can have the benefit of fostering public confidence in the consumer marketplace for the benefit of financial institutions.

**Question 30.** The CFPB provides several resources and tools for consumers to learn about elder financial exploitation. Do you agree that raising awareness about elder financial exploitation is important to combat the rising issue? Will you commit to keeping these resources available to the public?

**Answer:** Section 1021(c)(1) of the CFPA provides that one of "the primary functions of the [CFPB] is . . . conducting financial education programs." Section 1013(g)(1) of the CFPA requires the establishment of an Office of Financial Protection for Older Americans, "the functions of which shall include activities designed to facilitate the financial literacy of individuals who have attained the age of 62 years or more . . . on protection from unfair, deceptive, and abusive practices and on current and future financial choices, including through the dissemination of materials to seniors on such topics." Section 1031(g)(3) of the CFPA then specifies six related duties of that Office, including to "develop goals for programs that provide seniors financial literacy and counseling." If confirmed, I will ensure that the CFPB takes all

steps necessary to perform each of its statutorily assigned functions, including those relating to awareness about elder financial exploitation.

**Question 31.** The CFPB has successfully identified and barred predatory actors who scam older adults by charging fees for fake services. If confirmed, do you commit to taking actions against companies and individuals that engage in elder financial fraud?

**Answer:** Section 1021(c)(4) of the CFPB provides that a “primary function of the [CFPB] is . . . taking appropriate enforcement action to address violations of Federal consumer financial law.” Under section 1002 of the CFPB, “Federal consumer financial law” is defined to include the prohibition under section 1036 of the CFPB on any covered person engaging in any “unfair, deceptive, or abusive act or practice.” If confirmed, I will ensure that the CFPB takes all steps necessary to perform each of its statutorily assigned functions, including those relating to unfair, deceptive, or abusive acts or practices against older Americans.

**Question 32.** The CFPB protects consumers against illegal nursing home debt collection practices that violate federal law, including the Nursing Home Reform Act. If confirmed, do you commit to taking actions against nursing home providers that violate the law?

**Answer:** Section 1021(c)(4) of the CFPB provides that a “primary function of the [CFPB] is . . . taking appropriate enforcement action to address violations of Federal consumer financial law.” Under section 1002 of the CFPB, “Federal consumer financial law” is defined to include the Fair Debt Collection Practices Act. If confirmed, I will ensure that the CFPB takes all steps necessary to perform each of its statutorily assigned functions, including those relating to unlawful debt collection practices.

**Question 33.** Under the Debt Collection Practices Act (FDCPA), it may be illegal for debt collectors to employ or threaten judicial actions, such as foreclosures, to collect a debt once the state’s statute of limitations has passed. These predatory practices particularly affect older Americans. If confirmed, do you commit to taking actions against debt collectors that violate the FDCPA?

**Answer:** Section 1021(c)(4) of the CFPB provides that a “primary function of the [CFPB] is . . . taking appropriate enforcement action to address violations of Federal consumer financial law.” Under section 1002 of the CFPB, “Federal consumer financial law” is defined to include the FDCPA. If confirmed, I will ensure that the CFPB takes all steps necessary to perform each of its statutorily assigned functions, including to take action against debt collectors that violate the FDCPA.

**Question 34.** In December 2024, the CFPB finalized an Interagency Statement on Elder Financial Exploitation with the Federal Reserve, FDIC, FinCEN, NCUA, OCC, and state financial regulators. If confirmed, will you commit to continuing this interagency work to combat elder financial exploitation?

**Answer:** Section 1013(g)(1) of the CFPB requires the establishment of an Office of Financial Protection for Older Americans, “the functions of which shall include activities designed to facilitate the financial literacy of individuals who have attained the age of 62 years or more . . . on protection from unfair, deceptive, and abusive practices and on current and future financial

choices, including through the dissemination of materials to seniors on such topics.” Section 1031(g)(3) of the CFPB specifies six related duties of that Office, including to “coordinate consumer protection efforts of seniors with other Federal agencies and State regulators, as appropriate, to promote consistent, effective, and efficient enforcement.” If confirmed, I will ensure that the CFPB takes all steps necessary to perform each of its statutorily assigned functions, including those relating to coordination of consumer protection efforts of seniors with other Federal agencies and State regulators.

**Question 35.** The forced collection of Social Security benefits to repay defaulted student loans has increased 3,000% over the last two decades, pushing many older borrowers into poverty and undermining Social Security’s purpose. Do you agree that Social Security benefits should not be used to repay defaulted student loans?

**Answer:** If confirmed, I will look forward to working with the CFPB staff to develop a well-informed understanding of this issue and the CFPB’s authorities and responsibilities relating to any risks to older borrowers.

**Question 36.** Do you agree that it is important for the CFPB to protect servicemembers in the consumer marketplace and to return money unlawfully or deceptively gained to our servicemembers, veterans, and to families around the country?

**Answer:** By law, the CFPB must implement and enforce the Federal consumer financial laws to protect all consumers, including to protect servicemembers and veterans, and to return ill-gotten gains to these Americans.

**Question 37.** Servicemembers who accrue debt from high-interest loans can be subject to harassment by debt collectors, which can include threatening their standing with the armed services. Do you think this practice is acceptable?

**Answer:** Section 1021(c)(4) of the CFPB provides that a “primary function of the [CFPB] is . . . taking appropriate enforcement action to address violations of Federal consumer financial law.” Under section 1002 of the CFPB, “Federal consumer financial law” is defined to include the Fair Debt Collection Practices Act. If confirmed, I will ensure that the CFPB takes all steps necessary to perform each of its statutorily assigned functions, including those relating to unlawful debt collection practices.

**Question 38.** The Military Lending Act provides protections for members of the military against predatory loans. If confirmed, do you commit to taking robust enforcement actions against companies who have violated the Military Lending Act?

**Answer:** Section 662(b) of the National Defense Authorization Act for Year 2013 granted the CFPB certain authorities to enforce the Military Lending Act. If confirmed, I will ensure that the CFPB takes all steps necessary to perform each of its statutorily assigned functions, including those relating to enforcement of the Military Lending Act.

**Question 39.** The CFPB has found that many military families receive fraudulent calls and mailers from companies that claim to be affiliated with the government, the VA, or their home

loan servicer. If confirmed, do you commit to taking enforcement actions against companies that engage in deceptive mortgage advertising practices?

**Answer:** Section 1021(c)(4) of the CFPB provides that a “primary function of the [CFPB] is . . . taking appropriate enforcement action to address violations of Federal consumer financial law.” Under section 1002 of the CFPB, “Federal consumer financial law” is defined to include the prohibition under section 1036 of the CFPB on any covered person engaging in any “unfair, deceptive, or abusive act or practice” and section 626 of the Omnibus Appropriations Act of 2009, which is implemented by the Mortgage Acts and Practices Rule (12 C.F.R. pt. 1014). If confirmed, I will ensure that the CFPB takes all steps necessary to perform each of its statutorily assigned functions, including those relating to unfair, deceptive, or abusive acts or practices or any other Federal consumer financial law that applies to deceptive mortgage advertising practices.

**Question 40.** The CFPB’s Victims Relief Fund ensures that servicemembers can get relief when the company that harms them is unable to provide compensation or has gone out of business. If confirmed, do you commit to maintaining the victims relief fund?

**Answer:** Pursuant to section 1017(d)(1) of the CFPB, “[t]here is established in the Federal Reserve a separate fund, to be known as the ‘Consumer Financial Civil Penalty Fund’ (referred to in this section as the ‘Civil Penalty Fund’).” Pursuant to section 1017(d)(2) of the CFPB, amounts in the Civil Penalty Fund may be used “for payments to the victims of activities for which civil penalties have been imposed under the Federal consumer financial laws,” and “[t]o the extent that such victims cannot be located or such payments are otherwise not practicable,” the CFPB may use amounts in the Civil Penalty Fund for consumer education and financial literacy programs. If confirmed, I will ensure that the CFPB takes all steps necessary to perform each of its statutorily assigned functions, including those relating to the Civil Penalty Fund.

**Question 41.** If confirmed, do you commit to taking enforcement actions against companies that impose illegal and excessive charges on servicemembers and their dependents?

**Answer:** Section 1021(c)(4) of the CFPB provides that a “primary function of the [CFPB] is . . . taking appropriate enforcement action to address violations of Federal consumer financial law.” If confirmed, I will ensure that the CFPB takes all steps necessary to perform each of its statutorily assigned functions, including those relating to enforcing Federal consumer financial laws that prohibit illegal and excessive charges on servicemembers and their dependents.

**Question 42.** The Servicemembers Civil Relief Act provides active duty servicemembers extra protections in the event “that legal or financial transactions adversely affect their rights during military or uniformed service.” These protections include reducing the interest rate on any pre-service loans to a maximum of 6 percent, termination of residential housing and automobile leases without penalty, and protections against default judgements in civil cases, foreclosure on their home, and repossession of their property.

- a. Sometimes servicemembers’ financial problems require the attention of another agency, like the Department of Justice. Will you ensure that complaints are routed to the correct agencies?

- b. If confirmed, will you commit to taking enforcement actions against companies that violate the Servicemembers Civil Relief Act?

**Answer:** The Servicemembers Civil Relief Act (SCRA) is a law created to provide extra protections for servicemembers in the event that legal or financial transactions adversely affect their rights during military or uniformed service. These protections enable servicemembers to devote their entire energy to the defense needs of the Nation. The CFPB provides educational resources to military families, monitors complaints, and coordinates with federal partners on matters related to consumer protection for the military community. If confirmed, I will ensure that the CFPB takes all steps necessary to perform each of its statutorily assigned functions that facilitate or otherwise relate to enforcement of the SCRA, including with respect to monitoring complaints and coordinating with Federal partners.

**Question 43.** The CFPB has closely monitored student borrowers' experiences during the return to repayment after the COVID-19 pandemic, using consumer complaints to identify emerging problems. If confirmed, will you commit to continuing the agency's work and employing its supervisory authority to examine loan servicers' conduct and performance?

**Answer:** If confirmed, I will ensure that the CFPB takes all steps necessary to perform each of its statutorily assigned functions, including those that relate to monitoring for risks to consumers in the student loan servicing market.

**Question 44.** Recent CFPB reports find that many student borrowers face inaccurate billing, including premature due dates and inflated monthly payments, which can result in missed payments, unexpected fees, and potential damage to credit scores. If confirmed, will you commit to continuing the agency's work to address harmful inaccurate billing practices?

**Answer:** Section 1021(c)(4) of the CFPA provides that a "primary function of the [CFPB] is . . . taking appropriate enforcement action to address violations of Federal consumer financial law." Under section 1002 of the CFPA, "Federal consumer financial law" is defined to include the prohibition under section 1036 of the CFPA on any covered person engaging in any "unfair, deceptive, or abusive act or practice." If confirmed, I will ensure that the CFPB takes all steps necessary to perform each of its statutorily assigned functions, including those relating to work to address harmful inaccurate billing practices that violate section 1036 of the CFPA or any other Federal consumer financial law.

**Question 45.** The CFPB has been closely monitoring borrower experiences and consumer complaints to identify emerging problems, such as long hold times, processing delays in income-driven repayment applications, and inaccurate billing statements. If confirmed, will you commit to addressing consumer complaints, including those made against student loan servicers?

**Answer:** Section 1021(c)(3) of the CFPA provides that a "primary function of the [CFPB] is . . . collecting, investigating, and responding to consumer complaints." If confirmed, I will ensure that the CFPB takes all steps necessary to perform each of its statutorily assigned functions, including those relating to addressing consumer complaints (and including those made against student loan servicers).

**Question 46.** The CFPB has taken enforcement actions against servicers engaging in unlawful practices, including banning Navient from federal student loan servicing and ordering the company to pay \$120 million in penalties for wide-ranging student lending failures. If confirmed, will you commit to take action against services that engage in unlawful conduct?

**Answer:** Section 1021(c)(4) of the CFPA provides that a “primary function of the [CFPB] is . . . taking appropriate enforcement action to address violations of Federal consumer financial law.” Subpart E of the CFPA generally grants the CFPB broad authority to take enforcement action against any person, including a student loan servicer, that violates a Federal consumer financial law. If confirmed, I will ensure that the CFPB takes all steps necessary to perform each of its statutorily assigned functions, including those relating to taking action against servicers that violate Federal consumer financial law.

**Question 47.** The CFPB has found that some for-profit colleges withhold transcripts from students as a debt collection tactic, preventing them from accessing their academic records, transferring credits, or securing jobs that require proof of transcript. Do you support this practice of transcript withholding?

**Answer:** Aggressive debt collection tactics can violate the Fair Debt Collection Practices Act or the prohibition under section 1036 of the CFPA against unfair, deceptive, or abusive acts or practices. If confirmed, I would look forward to working with CFPB staff to understand the risks to consumers posed by transcript withholding and the circumstances in which such practices violate the Fair Debt Collection Practices Act, section 1036 of the CFPA, or another Federal consumer financial law.

**Question 48.** The CFPB has found that many college-sponsored financial products, including deposit accounts and credit cards, often carry high fees and less favorable terms. If confirmed, will you commit to continuing the agency’s work to monitor college-sponsored financial products as required by the Credit Card Accountability, Responsibility, and Disclosure Act (CARD Act)?

**Answer:** The CARD Act amended the Truth in Lending Act, which is one of the Federal consumer financial laws that the CFPB implements and enforces. If confirmed, I will ensure that the CFPB takes all steps necessary to perform each of its statutorily assigned functions, including those relating to examining covered persons for, and taking appropriate enforcement action with respect to, violations of the Truth in Lending Act, and also the requirement under section 1022(c) of the CFPA that “the [CFPB] shall monitor for risks to consumers in the offering or provision of consumer financial products or services, including developments in markets for such products or services.”

**Question 49.** Do you agree that one of the lessons learned from the 2008 financial crisis is that the U.S. should have a regulatory body tasked with overseeing the buildup of risk across the entire financial system? Should Congress abolish FSOC?

**Answer:** One of the lessons of the 2008 financial crisis is that it is important to monitor risks to the stability of the financial system. To that end, I have spent much of my time in public service focused on enhancing the supervision and regulation of the government-sponsored enterprises.

Congress has tasked FSOC with related responsibilities. FSOC is a creation of Congress, and it is a question for our elected officials whether monitoring of risks to the stability of the financial system is done by FSOC or another body.

**Question 50.** Do you commit to faithfully execute FSOC’s mission to (i) identify risks to U.S. financial stability; (ii) promote market discipline by eliminating expectations of public bailouts; and (iii) respond to emerging threats to the stability of the U.S. financial system?

**Answer:** If confirmed, I will fully and faithfully execute my duties under law relating to the identifications of risks to U.S. financial stability, the elimination of expectations of public bailouts, and the response to emerging threats to the stability of the U.S. financial system.

**Question 51.** FSOC has the authority to proactively subject risky nonbank financial companies to enhanced oversight and financial stability safeguards by designating the firm as systemically important.

- a. Do you agree that FSOC’s authority to designate nonbanks as systemically important is necessary to fulfill its statutory mission?
- b. In evaluating different categories of nonbank financial companies, what type of large and complex firm are you most worried could threaten financial stability?
- c. You have previously highlighted some of the risks that the “Big Three” asset managers pose to the banking system. Do you believe the two largest nonbank asset managers pose any risks to the stability of the financial system?

**Answer:** I believe it is important to have appropriate processes for identifying, assessing, and mitigating risk to the stability of the U.S. financial system. To that end, if confirmed, I would look forward to assessing FSOC’s approach to stability risks.

**Question 52.** What do you see as the financial sector vulnerabilities that pose the most risk to the economy? Relatedly, what emerging risks should FSOC be monitoring?

**Answer:** Commercial real estate continues to merit close monitoring by the financial services regulators. Potential risk to the liquidity of the Treasury market also continues to merit attention. Financial services regulators also should remain vigilant against potential risks posed by wholesale short-term funding.

**Question 53.** If confirmed, will you commit to fostering and promoting a healthy workplace culture at the CFPB?

**Answer:** One of the lessons I learned during my time at the FDIC was the importance of, and the risks to, workplace culture. If confirmed, I will commit to fostering and promoting a professional workplace culture at the CFPB.

**Question 54.** If confirmed, will you commit to retaining—and in the case of positions that the Trump Administration has recently eliminated, rehiring—staff the CFPB that play key roles in

preventing, investigating, eliminating, and educating staff on workplace harassment, misconduct, abuse, and discrimination?

**Answer:** It is important that the CFPB have effective processes for receiving and investigating allegations of harassment, abuse, discrimination, and other misconduct, investigating those allegations, determining appropriate discipline, and protecting against retaliation. If confirmed, I would be eager to assess the effectiveness of these processes at the CFPB, as well as the sufficiency of the staffing and other resources allocated to these processes.

**Question 55.** Among other important benefits, programs promoting diversity, equity, inclusion, and accessible workplaces “prevent discriminatory conduct and harassment from occurring” and “help ensure that unlawful conduct is promptly identified, reported and addressed when it does occur.” Based on your experience overseeing a robust investigation of workplace harassment at the FDIC, do you believe that the Trump Administration’s efforts to eliminate all federal “diversity, equity, inclusion, and accessibility (DEIA) mandates, policies, programs, preferences, and activities” are likely to increase or decrease the prevalence of workplace misconduct across federal agencies?

**Answer:** My experience at the FDIC was that the FDIC’s DEIA offices were not effective in identifying or mitigating workplace misconduct. In light of that, the FDIC Board of Directors determined to task newly established offices with responsibility for the processes for receiving allegations of harassment, abuse, discrimination, and other misconduct, investigating those allegations, determining appropriate discipline, and protecting against retaliation.

**Question 56.** If confirmed, you will again be an FDIC Board Member. Do you believe the FDIC staffing cuts, including the termination of staff in positions related to diversity and inclusion, inhibit the agency’s ability to complete its cultural transformation? Did the Cleary Gottlieb Report call for severe staffing cuts? Did the Report find that the FDIC was too focused on diversity, equity, and inclusion?

**Answer:** I believe that the FDIC’s efforts to foster a culture of accountability and excellence can advance efforts to improve the FDIC’s workplace culture.

**Question 57.** During or leading up to the selection of your nomination, did anyone on the Trump campaign, transition team, or other closely related entity approach you about your loyalty to President-elect Trump? Did you sign a loyalty pledge or other similar oath?

**Answer:** I am committed to maintaining the confidentiality of my conversations with you, other elected officials, and other policymakers and their advisors absent legal obligations to the contrary. That said, I will confirm that my only oaths and loyalty are to my wife, my family, this great Nation, and its Constitution.

**Question 58.** During or leading up to the selection of your nomination, did you discuss Project 2025 with any officials directly or associated with the Trump campaign or the Trump transition team? If so, please explain.

**Answer:** I am committed to maintaining the confidentiality of my conversations with you, other elected officials, and other policymakers and their advisors absent legal obligations to the contrary.

**Question 59.** During or leading up to the selection of your nomination, did you discuss Project 2025 with any officials directly or associated with the Heritage Foundation? If so, please explain.

**Answer:** I am committed to maintaining the confidentiality of my conversations with you, other elected officials, and other policymakers and their advisors absent legal obligations to the contrary.

**Question 60.** Please provide a comprehensive list of the people who approached you about joining the administration.

**Answer:** I am committed to maintaining the confidentiality of my conversations with you, other elected officials, and other policymakers and their advisors absent legal obligations to the contrary.

**Question 61.** Did any person provide advice to you, oral or written, on your responses to these questions? If so, please provide a comprehensive list of the individuals or organizations that provided assistance.

**Answer:** My responses to these questions were reviewed under the customary practices of recent Administrations.

**Question 62.** If confirmed, will you commit to making yourself and any other politically appointed employee of CFPB available to provide testimony (including but not limited to briefings, hearings, and transcribed interviews) to the Committee on any matter within its jurisdiction, upon the request of either the Chair or Ranking Member?

**Answer:** If confirmed, I will work with the Committee to make myself and employees of the CFPB available to the Committee as appropriate.

**Question 63.** If confirmed, will you commit to fully complying with all information requests from me and responding to those requests in a timely manner?

**Answer:** If confirmed, I will respond to requests for information as appropriate.

**Question 64.** If confirmed, do you intend to respond to congressional information requests differently depending on who is making the request?

**Answer:** If confirmed, I will respond to requests for information as appropriate.

**Question 65.** If confirmed, will you commit to complying with any federal protections for whistleblowers?

**Answer:** Yes.

**Question 66.** Will you commit to recuse yourself from any matters involving your former employers or clients for 4 years while serving as Director of the CFPB?

**Answer:** If confirmed, I will comply fully and faithfully with all obligations under the ethics laws.

**Question 67.** For at least 4 years after leaving the CFPB, will you not seek employment or compensation from (1) any entity that you personally and substantially interacted with in your role as CFPB Director and (2) from any entity that lobbies CFPB?

**Answer:** If confirmed, I will comply fully and faithfully with all obligations under the ethics laws.