

## MEMORANDUM

**TO:** Members of the Committee on Financial Services

**FROM:** Committee Majority Staff

**DATE:** March 21, 2025

**SUBJECT:** March 26, 2025, Subcommittee on Financial Institutions Hearing: “A New Era for the CFPB: Balancing Power and Reprioritizing Consumer Protections”

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On Wednesday, March 26, 2025, at 10:00 a.m. in Room 2128 of the Rayburn House Office Building, the Subcommittee on Financial Institutions will hold a hearing titled “A New Era for the CFPB: Balancing Power and Reprioritizing Consumer Protections.” The following witnesses will testify:

- **Ms. Ana Fonseca**, President and Chief Executive Officer, Logix Federal Credit Union (on behalf of America’s Credit Unions)
- **Ms. Rebecca E. Kuehn**, Partner, Hudson Cook, LLP
- **Mr. David Pommerehn**, General Counsel and Head of Regulatory Affairs, Consumer Bankers Association
- **Mr. Bryan A. Schneider**, Partner, Manatt, Phelps & Phillips, LLP
- **Mr. Seth Frotman**, former General Counsel and Senior Advisor to Director Chopra, Consumer Financial Protection Bureau

The hearing will examine the current regulatory and legal landscape for Federal consumer financial protection. The Subcommittee will review the structure and funding of the Consumer Financial Protection Bureau (CFPB), in addition to statutory authorities granted to the CFPB under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The Subcommittee will also review actions and proposals from the previous administration that limit choice and innovation in the market for consumer financial products and services.

### Legislative Proposals:

1. **H.R. 654, the Taking Account of Bureaucrats’ Spending (TABS) Act of 2025 (Barr):** H.R. 654 would transform the CFPB into an independent agency named the Consumer Financial Empowerment Agency and would transition the agency to the regular appropriations process.
2. **H.R. \_\_, the Consumer Financial Protection Commission Act (Huizenga):** H.R. \_\_ would transform the CFPB into a five-member, bipartisan commission, appointed by the President and confirmed by the Senate, with at least two members required to have private sector experience in the provision of consumer financial products and services.

3. **H.R. \_\_, the CFPB–IG Reform Act of 2025 (Meuser):** H.R. \_\_ would establish an Inspector General solely for the CFPB and separate from the Inspector General of the Board of Governors of the Federal Reserve System. This bill would require the CFPB Inspector General (CFPB-IG) to testify semiannually before the House Financial Services Committee and Senate Banking Committee. This bill would grant the CFPB-IG participation in the Council of Inspectors General on Financial Oversight (CIGFO). Additionally, the bill would require the President to appoint the CFPB-IG within 60 days of enactment.
4. **H.R. 2183, the CFPB Dual Mandate and Economic Analysis Act (Emmer):** H.R. 2183 would revise the purpose of the CFPB to include “strengthening private sector participation in markets, without government interference or subsidies, to increase competition and enhance consumer choice.” This bill would require the CFPB to establish an Office of Economic Analysis to review all proposed and existing guidance, orders, rules, and regulations. This bill would require the CFPB to identify in each proposed rulemaking the problem the rule or seeks to address, along with the metrics used to measure the rules’ success, including changes in consumer access to and the cost of consumer financial products and services.
5. **H.R. \_\_, the Transparency in CFPB Cost-Benefit Analysis Act (Loudermilk):** H.R. \_\_ would require each rulemaking issued by the CFPB to include a justification for the proposed rule, a quantitative and qualitative assessment of all anticipated direct and indirect costs and benefits, alternatives to the proposed rule, impacts on small businesses, and any assumptions, data, or studies used in preparing the information, including whether those studies are peer-reviewed.
6. **H.R. 1606, the Making the CFPB Accountable to Small Businesses Act of 2025 (Fitzgerald):** H.R. 1606 would require the CFPB, in proposing each rule, to consider the impact of the rule on small entities, in accordance with the Small Business Regulatory Enforcement Fairness Act (SBREFA) requirements.
7. **H.R. 1652, the Rectifying UDAAP Act (Barr):** H.R. 1652 would clarify the CFPB’s authority to define financial practices as “abusive” and establish clearer standards for UDAAP enforcement actions. The bill would also eliminate the CFPB’s ability to seek monetary relief if a provider shows good faith compliance, require a cost-benefit analysis for UDAAP rules, allow providers to self-report violations, and mandate the CFPB to issue rules on civil monetary penalties within 180 days.
8. **H.R. 1653, the Civil Investigative Demand Reform Act of 2025 (Barr):** H.R. 1653 would reform the CFPB’s civil investigative demand (CID) authority and process to ensure financial services providers, especially small entities, receive due process and are not subjected to undue burdens from the CFPB’s investigations.
9. **H.R. \_\_, the Business of Insurance Regulatory Reform Act of 2025 (Steil):** H.R. \_\_ would clarify the CFPB’s ability to regulate or enforce actions against insurance companies that are already regulated by a state insurance regulator.

**10. H.J.Res. 74, Disapproving the rule submitted by the Bureau of Consumer Financial Protection relating to “Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V)” (Norman):** H.J.Res. 74 would nullify the CFPB’s January 2025 rule, “Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V).”