

**House Financial Services Committee**  
**Financial Institutions Subcommittee**  
**Testimony of Seth Frotman**  
**Former CFPB General Counsel and Senior Advisor to the Director**  
**March 26, 2025**

Chairman Barr, Ranking Member Foster, members of the Committee. My name is Seth Frotman. Until about a month ago, I was General Counsel and Senior Advisor to the Director at the Consumer Financial Protection Bureau, but today I am speaking for myself about the profound disconnect between a hearing that purports to be about “consumer protection” and the devastation that this Administration’s actions and legislative agenda will unleash for working people.

Over the last four years, the CFPB cracked down on junk fees that make life more expensive for everyday Americans,<sup>1</sup> tackled the crushing impact of medical debt,<sup>2</sup> protected military families from fraud<sup>3</sup> and widowed spouses from scams,<sup>4</sup> and took on Big Tech’s relentless stampede into consumer finance.<sup>5</sup> We stood up for hundreds of millions of Americans—the same ones this Administration promised to fight for—who aren’t rich enough to buy a house without a mortgage or to send their kids to school without loans, or who rely on increasingly ubiquitous financial products to make it through the end of the month.<sup>6</sup>

That’s who the CFPB protects. The CFPB stands up to dubious and deceptive products that unscrupulous corporations and billionaires deploy to rip off working families.<sup>7</sup> In the decade since its creation, the CFPB has gotten back more than \$20 billion for working people, on a budget that is a fraction of that size.<sup>8</sup> It has made markets from mortgages to international money transfers more “fair, transparent, and competitive.”<sup>9</sup> It has made sure that honest businesses can compete on a level playing field with companies that try to thrive on tricks and traps.

All that work came to a screeching halt when President Trump, Elon Musk, and Russell Vought took over the CFPB. They have taken Wall Street’s cops off the beat, tearing the signs off the CFPB building and granting shameless pardon after shameless pardon to companies that ripped off their own customers.<sup>10</sup> To give only one example, just a few weeks ago, literally in the middle of a Congressional hearing to confirm the CFPB Director, Russ Vought dismissed with prejudice multiple enforcement actions where consumers had been defrauded.

This Administration’s attack on the CFPB drips with disdain for the everyday Americans that it claims to work for.<sup>11</sup> The actions of this Administration to take money from working people and give it to the rich speak louder than words, especially any empty rhetoric about “balancing” or “reprioritizing” consumer protection that will be said at this hearing.

So I will repeat what I told this Committee almost exactly six years ago about the vital role of the CFPB.<sup>12</sup>

It is important to recall what people's lives looked like—what this nation looked like—as the CFPB opened its doors [in 2011].

It had been three years since the peak of the financial crisis, but for millions across the country, the crisis was still raging, leaving real, tangible human affliction in its wake. Families were losing their homes. Servicemembers were falling victim to financial predators who viewed them as dollar signs in uniforms. Everyday Americans were targeted with bogus add-ons and hidden fees, leading to financial ruin by a thousand cuts.

And this affliction was fueled by companies that had no shame when stealing the last dollar in someone's bank account in order to pad their own bottom line—in large part, because they knew they could get away with it. The combined force of these ripples of deceit and devastation left millions of shattered families and shattered dreams.

Across the country, American families needed someone—needed their government—in their corner. That is where the CFPB stepped in.

Six years later, because of President Trump, Elon Musk, and Russell Vought, we are on the verge of returning to that bleak and dangerous past.<sup>13</sup> The people who stood between American families and the companies ripping them off were told they could pick up their personal items in fifteen-minute intervals at a loading dock. The complaint system that helped people get answers when their bank gave them the runaround has been broken. The offices tasked by Congress to look after students, older Americans, and military families were told to stand down. Nearly a dozen enforcement actions have been dropped.

And while this is going on, we are now subjected to the same old, tired industry talking points—the same push for deregulation that makes too-big-to-fail bankers, Big Tech, and billionaires rich, while leaving working people and their communities bankrupt when the music stops.

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A lot of people in this town—the K Street lobbyists and revolving-door lawyers—try to make straightforward things complicated. The battle over the future of the CFPB is not, in fact, complicated. It comes down to a handful of simple questions:

- Are you on the side of military families, or the predators who lurk outside the base?<sup>14</sup>
- Are you on the side of parents struggling with error-ridden medical bills, or the debt collectors trying to make a buck on their backs?<sup>15</sup>
- Are you on the side of small business owners, or the modern-day loan sharks who peddle predatory products?<sup>16</sup>
- Are you on the side of seniors and servicemembers who’ve been scammed on payment apps, or the Big Banks and tech Billionaires who turn a blind eye to fraud?<sup>17</sup>
- Are you on the side of people who get “debanked,” or the financial institutions that fight like hell to keep doing it?<sup>18</sup>

When you look past the rhetoric—the deceptively labeled bills touting through-the-looking-glass “reform”—what is going on in the executive branch, alongside what is being talked about here in Congress, really boils down to one time-tested proposition:

Which side are you on?

If you are going to stand idly by when the nation’s consumer watchdog is decimated—if you push a legislative agenda of more junk fees, abusive medical debt collection practices, Big Tech domination, and predatory lending—then the answer is pretty clear.

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I want to close with this: you, your family, your neighbors, and your community are at risk today because President Trump, Elon Musk, and Russ Vought have corruptly handed over the keys of our nation’s consumer watchdog to the largest banks and tech companies in the world.<sup>19</sup> What is happening at the CFPB is an insult—to Congress, to the rule of law—to all of us.

To be clear: these actions are illegal. The indiscriminate and unjustified firing of staff is illegal.<sup>20</sup> If a man with a direct financial conflict of interest—who stands to reap billions out of the wreckage he is reaping—is involved in making these decisions, that is illegal.<sup>21</sup> The rogue efforts to shut down an agency that was created in the wake of the worst financial crisis in memory are blatantly illegal.<sup>22</sup>

Right now, the federal government is failing in its most basic responsibility—to protect the American people. There is a \$18 trillion ticking time bomb of consumer debt—a real and imminent threat to your family’s future. We have seen this movie before—when the mortgage

crisis ripped a hole in the world economy—and the sequel may well be much worse than the original.

It is time to end this debacle. The CFPB must get back to work. A hearing that purports to be about “consumer protection” that focuses on anything else is an insult to the many hardworking Americans who just want a fair shake in today’s economy.

Thank you.

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<sup>1</sup> See, e.g., CFPB, *Junk fees*, <https://www.consumerfinance.gov/rules-policy/junk-fees/> (last visited Mar. 22, 2025).

<sup>2</sup> See, e.g., Press Release, CFPB, *CFPB Takes Aim at Double Billing and Inflated Charges in Medical Debt Collection* (Oct. 1, 2024), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-aim-at-double-billing-and-inflated-charges-in-medical-debt-collection/>; Press Release, CFPB, *CFPB Finalizes Rule to Remove Medical Bills from Credit Reports* (Jan. 7, 2025), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-finalizes-rule-to-remove-medical-bills-from-credit-reports/>.

<sup>3</sup> See, e.g., E. Tammy Kim, *Killing the Military’s Consumer Watchdog*, *The New Yorker* (Mar. 18, 2025), <https://www.newyorker.com/news/deep-state-diaries/killing-the-militarys-consumer-watchdog>.

<sup>4</sup> See, e.g., CFPB, *Debt collectors that take advantage of surviving spouses and their vulnerabilities* (Sept. 20, 2024), <https://www.consumerfinance.gov/about-us/blog/debt-collectors-that-take-advantage-of-surviving-spouses-and-their-vulnerabilities/>; Ann Carns, *Surviving Spouses May Not Be Responsible for Partners’ Medical Bills*, *N.Y. Times* (Sept. 27, 2024), <https://www.nytimes.com/2024/09/27/your-money/medical-bills-spouse-deceased.html>.

<sup>5</sup> See, e.g., Press Release, CFPB, *CFPB Finalizes Rule on Federal Oversight of Popular Digital Payment Apps to Protect Personal Data, Reduce Fraud, and Stop Illegal “Debanking”* (Nov. 21, 2024), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-finalizes-rule-on-federal-oversight-of-popular-digital-payment-apps-to-protect-personal-data-reduce-fraud-and-stop-illegal-debanking/>; Evan Weinberger, *Meta Threatened With CFPB Lawsuit Over Financial Product Ads*, *Bloomberg* (Nov. 1, 2024), <https://news.bloomberglaw.com/banking-law/financial-ads-on-metas-platforms-draw-potential-cfpb-lawsuit>.

<sup>6</sup> See CFPB, *The CFPB*, <https://www.consumerfinance.gov/about-us/the-bureau/> (last visited Mar. 22, 2025).

<sup>7</sup> See, e.g., Jason Mikula, *Synapse Investor Marc Andreessen Says CFPB “Terrorizes” Fintech, Crypto To Protect Big Banks*, *Fintech Bus. Wkly.* (Dec. 1, 2024), <https://fintechbusinessweekly.substack.com/p/synapse-investor-marc-andreessen> (discussing Andreessen Horowitz’s “Long List of Questionable Practices By Portfolio Companies,” including by stating that the firm “is one of the most prolific venture investors in fintech and crypto, including companies that have or may be likely to run into regulatory issues, particularly related to consumer protection and anti-money laundering compliance”).

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<sup>8</sup> See, e.g., Press Release, U.S. Senate Comm. on Banking, Housing, and Urban Affairs (Feb. 25, 2025), <https://www.banking.senate.gov/newsroom/minority/warren-trump-musk-attack-on-cfpb-one-of-biggest-cons-on-the-american-people-in-recent-history>.

<sup>9</sup> 12 U.S.C. § 5511(a).

<sup>10</sup> See, e.g., Douglas Gillison, *Trump admin drops 5 consumer watchdog cases, including Capital One*, Reuters (Feb. 28, 2025), <https://www.reuters.com/legal/us-cfpb-drops-enforcement-action-against-capital-one-2025-02-27/>; @shahid\_\_naeem, Twitter (Feb. 28, 2025, 12:37 PM), [https://x.com/shahid\\_\\_naeem/status/1895528884403425544](https://x.com/shahid__naeem/status/1895528884403425544) (quoting former CFPB Director Rohit Chopra as saying that Capital One was “given a corporate pardon”).

<sup>11</sup> See, e.g., Matt Sedensky, *Consumer watchdog agency called ‘vicious’ by Trump seen as a ‘hero’ to many it aided*, AP (Feb. 15, 2025), <https://apnews.com/article/trump-musk-consumer-protection-cfpb-3690f473e8671fbf57a6cdca035e0d01>.

<sup>12</sup> See Testimony of Seth Frotman Before H. Comm. Financial Services 116th Cong. (2019), available at <https://democrats-financialservices.house.gov/uploadedfiles/hhrg-116-ba00-wstate-frotmans-20190307.pdf>.

<sup>13</sup> See, e.g., *Undermining the Consumer Financial Protection Bureau Would Harm Americans’ Financial Security*, Joint Econ. Comm. Democrats (Oct. 2023), [https://www.jec.senate.gov/public/\\_cache/files/c9dc35e0-1cb4-4db0-b450-e5812aa5e9ab/cfpb-factsheet.pdf](https://www.jec.senate.gov/public/_cache/files/c9dc35e0-1cb4-4db0-b450-e5812aa5e9ab/cfpb-factsheet.pdf); Joe Fisher, *Trump CFPB cuts raise concern about financial crises, conflict of interest*, UPI (Mar. 19, 2025), [https://www.upi.com/Top\\_News/US/2025/03/19/trump-consumer-protection-conflict-interest/3741742319848/](https://www.upi.com/Top_News/US/2025/03/19/trump-consumer-protection-conflict-interest/3741742319848/).

<sup>14</sup> See, e.g., *Trump is Surrendering Servicemembers to Financial Abuse*, Consumer Fed. of Am. (Feb. 25, 2025), <https://consumerfed.org/reports/trump-is-surrendering-servicemembers-to-financial-abuse/>; Sonner Kehrt, *Military, Vets Depend on Consumer Financial Protection Bureau. Its Future Is Uncertain*, The War Horse (Jan. 11, 2024), <https://thewarhorse.org/supreme-court-cfpb-case-could-risk-military-vet-protections/>.

<sup>15</sup> See, e.g., Press Release, Am. Cancer Soc., *Consumer Financial Protection Bureau Proposed Rule is Important Step in Reducing Devastating Impact of Medical Debt* (Jun. 11, 2024), <https://www.fightcancer.org/releases/consumer-financial-protection-bureau-proposed-rule-important-step-reducing-devastating>.

<sup>16</sup> See Report and Recommendation on Cross Motion for Summary Judgment, *Revenue Based Finance Coalition v. CFPB*, No. 23-24882 (S.D. Fla. Feb. 17, 2025), <https://www.consumerfinanceandfintechblog.com/wp-content/uploads/sites/58/2025/02/PDF-1.pdf>; Press Release, U.S. Senate Comm. on Banking, Housing, and Urban Affairs (May 22, 2024), <https://www.banking.senate.gov/newsroom/majority/brown-presses-doordash-on-high-cost-loans-to-small-businesses>; Press Release, Fed. Trade Comm’n, *FTC Case Leads to Permanent Ban Against Merchant Cash Advance Owner for Deceiving Small Businesses, Seizing Personal and Business Assets* (Oct. 30, 2023), <https://www.ftc.gov/news-events/news/press-releases/2023/10/ftc-case-leads-permanent-ban-against-merchant-cash-advance-owner-deceiving-small-businesses-seizing>.

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<sup>17</sup> See, e.g., Press Release, CFPB, *CFPB Sues JPMorgan Chase, Bank of America, and Wells Fargo for Allowing Fraud to Fester on Zelle* (Dec. 20, 2024), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-sues-jpmorgan-chase-bank-of-america-and-wells-fargo-for-allowing-fraud-to-fester-on-zelle/>; Matt Alderton, *How to Avoid Scams on Zelle, Venmo and Other P2P Apps*, AARP (Jan. 19, 2024), <https://www.aarp.org/money/scams-fraud/safely-send-money-on-zelle/>.

<sup>18</sup> See, e.g., Evan Weinberger, *CFPB Says Ruling on Bias Hurts Its Power to Prevent ‘Debanking’*, Bloomberg (Aug. 8, 2024), <https://news.bloomberglaw.com/banking-law/cfpb-says-ruling-on-bias-hurts-its-power-to-prevent-debanking>.

<sup>19</sup> See, e.g., *Undermining the Consumer Financial Protection Bureau Would Harm Americans’ Financial Security*, Joint Econ. Comm. Democrats (Oct. 2023), [https://www.jec.senate.gov/public/\\_cache/files/c9dc35e0-1cb4-4db0-b450-e5812aa5e9ab/cfpb-factsheet.pdf](https://www.jec.senate.gov/public/_cache/files/c9dc35e0-1cb4-4db0-b450-e5812aa5e9ab/cfpb-factsheet.pdf); Joe Fisher, *Trump CFPB cuts raise concern about financial crises, conflict of interest*, UPI (Mar. 19, 2025), [https://www.upi.com/Top\\_News/US/2025/03/19/trump-consumer-protection-conflict-interest/3741742319848/](https://www.upi.com/Top_News/US/2025/03/19/trump-consumer-protection-conflict-interest/3741742319848/).

<sup>20</sup> See, e.g., Stacy Cowley & Matthew Goldstein, *Trump Names 2 New Top Financial Regulators*, N.Y. Times (Feb. 11, 2025), <https://www.nytimes.com/2025/02/11/us/politics/trump-financial-regulators-jonathan-mckernan-gould.html> (“The firings at the bureau on Tuesday came despite an internal notice issued to agency leaders last month by Seth Frotman, then the bureau’s general counsel, citing legal grounds for retaining the probationary workers, many of whom are lawyers.”).

<sup>21</sup> See U.S. Office of Government Ethics, *Criminal Conflict of Interest Laws Summary for Executive Branch Employees*, [https://www.oge.gov/web/oge.nsf/0/7646D1C6ECAE9863852585B6005A1A20/\\$FILE/Criminal%20Conflicts%20of%20Interest%20508.pdf](https://www.oge.gov/web/oge.nsf/0/7646D1C6ECAE9863852585B6005A1A20/$FILE/Criminal%20Conflicts%20of%20Interest%20508.pdf); see also, e.g., Ben Kaufman, Persis Yu, & Mike Pierce, *Twitter/X Payments: Public Corruption Poses Risks for Consumers and Competition*, Student Borrower Prot. Ctr. (Feb. 11, 2025), <https://protectborrowers.org/wp-content/uploads/2025/02/Twitter-Memo-Feb-2025.pdf>; Stacy Cowley, Jessica Silver-Greenberg, & Kate Conger, *With Attack on Consumer Bureau, Musk Removes Obstacle to His ‘X Money’ Vision*, N.Y. Times (Feb. 12, 2025), <https://www.nytimes.com/2025/02/12/business/elon-musk-cfpb-x-money.html>; Matt Egan, *Elon Musk is waging war on a key check on his business empire*, CNN (Feb. 11, 2025), <https://www.cnn.com/2025/02/11/business/elon-musk-cfpb/index.html>.

<sup>22</sup> See Persis Yu & Erin Witte, *Statutory Requirements for Continuous Operation of the CFPB* (Feb. 13, 2025), <https://protectborrowers.org/wp-content/uploads/2025/02/CFPB-Statutory-Requirements-2.13.25.pdf>.