

United States House of Representatives  
Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, D.C. 20515

December 9, 2022

## Memorandum

**To:** Members, Committee on Financial Services  
**From:** FSC Majority Staff  
**Subject:** December 14, 2022, Full Committee Hearing entitled, “Consumers First: Semi-Annual Report of the Consumer Financial Protection Bureau”

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The Full Committee will hold a hearing entitled, “Consumers First: Semi-Annual Report of the Consumer Financial Protection Bureau” on Wednesday, December 14, 2022, at 10:00 a.m. ET in room 2128 of the Rayburn House Office Building and on the Cisco Webex platform. There will be one panel with the following witness:

- **The Honorable Rohit Chopra**, Director, Consumer Financial Protection Bureau

### Overview

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), the Director of the Consumer Financial Protection Bureau (CFPB) is required to testify before the Committee on its semi-annual report.<sup>1</sup> The most recent semi-annual report issued by CFPB was published on December 6, 2022, which covers agency activity from October 1, 2021 to March 31, 2022.<sup>2</sup> This memo summarizes the CFPB’s most recent report and other activities since April 2022, when CFPB Director Rohit Chopra last testified before the Committee.<sup>3</sup>

### Background

In response to the 2008 financial crisis, caused in part by a period of unchecked and rampant predatory lending, Congress passed the Dodd-Frank Act, which created the CFPB as an independent agency within the Federal Reserve System to better protect consumers from unfair, deceptive, or abusive acts or practices in the financial marketplace.<sup>4</sup> In establishing the CFPB, Congress explicitly laid out in statute the agency’s purpose, objectives, and functions.<sup>5</sup>

Since opening its doors in 2011, the CFPB has protected consumers from unfair, deceptive, or abusive acts or practices, and taken action against companies that break the law.<sup>6</sup> The CFPB has sent more than 3.3 million consumer complaints to companies with a 98% timely response rate by financial firms to those complaints.<sup>7</sup> Since its founding, the CFPB has delivered over \$14.9 billion in monetary compensation, principal reductions, cancelled debts, and other consumer relief through its enforcement and supervisory work.<sup>8</sup> The CFPB has also issued numerous rulemakings since its creation related to consumer protection.<sup>9</sup> In addition, the CFPB performs research on various consumer financial products

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<sup>1</sup> Dodd-Frank Act § 1016.

<sup>2</sup> CFPB, [Semi-Annual Report of the Consumer Financial Protection Bureau Spring 2022](#) (Dec. 6, 2022).

<sup>3</sup> Financial Services Committee (FSC) hearing, [Consumers First: Semi-Annual Report of the CFPB](#) (Apr. 27, 2022).

<sup>4</sup> See CRS, [Introduction to Financial Services: The Consumer Financial Protection Bureau](#) (Jan. 13, 2022); and Constitutional Accountability Center, [Constitutional and Accountable: The Consumer Financial Protection Bureau](#) (Oct. 2016).

<sup>5</sup> Dodd-Frank Act § 1021(a). Also see Dodd-Frank Act § 1021(b) and § 1022(c).

<sup>6</sup> CFPB, [The Bureau](#) (Accessed Nov. 29, 2022).

<sup>7</sup> Information provided by CFPB staff on December 8, 2022.

<sup>8</sup> Information provided by CFPB staff on December 8, 2022.

<sup>9</sup> See CFPB, [Rulemaking](#) (Accessed Nov. 29, 2022).

and services, and provides free resources to the public to better understand these products and services, as well as their rights and protections afforded them under the law.<sup>10</sup>

Last month, the Department of Justice and CFPB filed a petition with the U.S. Supreme Court to appeal the U.S. Court of Appeals for the Fifth Circuit's decision in *Community Financial Services Association of America v. CFPB*, which ruled that the CFPB's funding mechanism is unconstitutional and, therefore, the 2017 payday lending rule is invalid.<sup>11</sup> The ruling is in contradiction to the D.C. Circuit and at least six district court rulings that have deemed CFPB's funding mechanism constitutionally sound, and experts have raised other concerns if the ruling were to be upheld, including the impact on marketplace stability.<sup>12</sup>

## **Rulemaking Developments**

### ***Credit Reporting***

Since April 2022, CFPB issued several rules and guidance related to the Fair Credit Reporting Act (FCRA). On June 24, 2022, CFPB issued a rule prohibiting consumer reporting agencies (CRAs) from providing a consumer report that contains adverse information about a consumer that resulted from certain forms of trafficking, if the consumer has provided trafficking documentation to the CRA.<sup>13</sup> This rule was required as part of the Debt Bondage Repair Act sponsored by Ranking Member Patrick McHenry (R-NC).<sup>14</sup> Other actions included clarifying that states have flexibility to pass their consumer reporting laws to reflect emerging problems affecting their local economies and citizens,<sup>15</sup> affirming that a CRA may not provide a consumer report to a consumer report user unless it has reason to believe that all of the consumer report information it includes pertains to the consumer who is the subject of the user's request,<sup>16</sup> and highlighting that a CRA must have reasonable internal controls to prevent the inclusion of false information in consumer reports.<sup>17</sup>

### ***Credit Card Late Fees and Late Payments***

On June 22, 2022, CFPB issued an advanced notice of proposed rulemaking, seeking information from credit card issuers, consumer groups, and the public regarding credit card late fees and late payments, and card issuers' revenue and expenses.<sup>18</sup> CFPB inquired about, among other things, factors utilized to set late fee amounts; the deterrent effects of late fees; and card issuers' revenue and expenses related to their domestic consumer credit card operations. The comment period closed on July 22, 2022.

### ***Mortgage Refinances and Forbearances***

On September 22, 2022, CFPB issued a Request for Information,<sup>19</sup> seeking comments about (1) ways to facilitate mortgage refinances for consumers who would benefit from refinancing, especially consumers with smaller loan balances; and (2) ways to reduce risks for consumers who experience disruptions in their financial situation that could interfere with their ability to remain current on their mortgage payments. The comment period closed on November 28, 2022.

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<sup>10</sup> See CFPB, [Data and Research](#) (Accessed Nov. 29, 2022).

<sup>11</sup> See U.S. Court of Appeals for the Fifth Circuit, [CFSA et al v. CFPB et al](#) (Oct. 19, 2022); and SCOTUS, [CFPB et al. v. Community Financial Services Association of America, Ltd. et al.](#) (Nov. 2022).

<sup>12</sup> *Id.* Also see Constitutional Accountability Center, [CFPB Appellate Ruling Portends 'Chaos' in Financial System](#) (accessed Dec. 7, 2022); Adam Levitin, [Dual Insulation? The Fifth Circuit's Factual Misunderstanding of CFPB Funding](#) (Oct. 21, 2022); David Dayen, [Conservative Judicial Ruling Threatens Functioning of Daily Life](#) (Oct. 21, 2022); UnidosUS, [Fifth Circuit court ruling on funding for CFPB threatens consumer trust and financial stability](#) (Nov. 18, 2022).

<sup>13</sup> CFPB, [Prohibition on Inclusion of Adverse Information in Consumer Reporting in Cases of Human Trafficking](#) (Jun. 24, 2022).

<sup>14</sup> [Pub. L. No. 117-81](#) (2021)

<sup>15</sup> CFPB, [The Fair Credit Reporting Act's Limited Preemption of State Laws](#) (Jun. 2022).

<sup>16</sup> CFPB, [Permissible Purposes for Furnishing, Using, and Obtaining Consumer Reports](#) (Jul. 2022).

<sup>17</sup> CFPB, [Advisory Opinion on Fair Credit Reporting; Facially False Data](#) (Oct. 2022).

<sup>18</sup> CFPB, [Regarding Credit Card Late Fees and Late Payments](#) (Jun. 22, 2022).

<sup>19</sup> CFPB, [Request for Information Regarding Mortgage Refinances and Forbearances](#) (Sep. 22, 2022).

## ***Consumer Data Rights***

On October 27, 2022, CFPB released an outline of proposals, in advance of issuing regulations to implement Section 1033 of the Dodd-Frank Act,<sup>20</sup> which would define the rights that consumers have to access their financial information from financial services providers. According to the Spring 2022 Semi-Annual report, CFPB expects to convene a small business review panel in December 2022 as a next step toward issuing Section 1033 rules.<sup>21</sup>

## ***Other Rulemakings***

The CFPB has indicated it expects to issue final rules implementing Section 1071 of the Dodd-Frank Act by March 2023.<sup>22</sup> The CFPB recently issued guidance and rules, including: a rule describing the authorities of states to pursue companies and individuals that violate federal consumer financial protection laws;<sup>23</sup> a rule clarifying that digital marketing providers involved in identifying or selecting prospective customers or selecting or placing content to affect consumer engagement are liable under the Consumer Financial Protection Act (CFPA);<sup>24</sup> and two advisory opinions, with the first affirming that the Equal Credit Opportunity Act protects consumers applying for credit and those who have applied for and have received credit;<sup>25</sup> and the second affirming that the Fair Debt Collection Practices Act prohibit debt collectors from charging consumers convenience fees for making payment in a particular way (i.e. telephone, online), unless those fees are authorized or permitted by law.<sup>26</sup>

## **Consumer Complaints**

According to the most recent report, between April 1, 2021 and March 31, 2022, the CFPB received approximately 1,104,400 consumer complaints, sending more than 745,000 complaints to companies for response.<sup>27</sup> Since March 31, the CFPB received another 533,000 consumer complaints.<sup>28</sup> The most complained about consumer financial products and services were credit or consumer reporting (73% of all complaints), debt collection (12%), credit cards (4%), checking and savings (4%), and mortgages (3%), comprising about 96% of all complaints received during the reporting period.<sup>29</sup> CFPB also reported on complaints from special consumer populations, including servicemembers and student borrowers.<sup>30</sup> In 2021 overall, more than 60% of all complaints submitted by servicemembers were related to credit or consumer reporting and debt collection.<sup>31</sup> CFPB also noted that student loan complaints increased nearly 58% since the last reporting period.<sup>32</sup>

## **Enforcement Actions**

Since April 1, 2022, CFPB announced 16 public enforcement actions including complaints filed, consent orders, and settlements.<sup>33</sup> In May and July, CFPB issued two orders against Bank of America; the first, for engaging in unfair and deceptive acts and practices when processing garnishment notices, requiring consumers to waive certain protections and misrepresenting to consumers of their rights to seek

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<sup>20</sup> CFPB, [Small Business Advisory Review Panel for Consumer-Permissioned Sharing of Consumer Financial Data Rulemaking Outline of Proposals and Alternatives Under Consideration](#) (Oct. 2022).

<sup>21</sup> CFPB, [Semi-Annual Report of the Consumer Financial Protection Bureau Spring 2022](#) (Dec. 6, 2022).

<sup>22</sup> CFPB, [Semi-Annual Report of the Consumer Financial Protection Bureau Spring 2022](#) (Dec. 6, 2022).

<sup>23</sup> CFPB, [Authority of States to Enforce the Consumer Financial Protection Act of 2010](#) (May 2022).

<sup>24</sup> CFPB, [Limited Applicability of Consumer Financial Protection Act's "Time or Space" Exception to Digital Marketers](#) (Aug. 2022).

<sup>25</sup> CFPB, [Advisory Opinion on Revoking or Changing the Terms of Existing Credit Arrangements](#) (May 9, 2022).

<sup>26</sup> CFPB, [Advisory Opinion on Debt Collectors' Collection of Pay-to-Pay Fees](#) (Jun. 2022).

<sup>27</sup> CFPB, [Semi-Annual Report of the Consumer Financial Protection Bureau Spring 2022](#) (Dec. 6, 2022).

<sup>28</sup> CFPB, [Consumer Complaint Database](#), (Last accessed Dec. 8, 2022).

<sup>29</sup> CFPB, [Semi-Annual Report of the Consumer Financial Protection Bureau Spring 2022](#) (Dec. 6, 2022).

<sup>30</sup> CFPB, [Report of the CFPB Education Loan Ombudsman](#) (Oct. 2022).

<sup>31</sup> CFPB, [Office of Servicemember Affairs Annual Report](#) (Jun. 2022).

<sup>32</sup> CFPB, [Report of the CFPB Education Loan Ombudsman](#) (Oct. 2021). Also see CFPB, [Report of the CFPB Education Loan Ombudsman](#) (Oct. 2022).

<sup>33</sup> CFPB, [Enforcement Actions](#) (Last accessed Dec. 8, 2022).

legal help to prevent wrongful garnishments, which violated the CFPB.<sup>34</sup> The second was for engaging in unfair acts or practices by denying prepaid debit cardholders’ notices of error and freezing their prepaid debit card accounts based solely on the results of the bank’s flawed fraud filter.<sup>35</sup> This continues CFPB’s focus on large corporate repeat offenders.<sup>36</sup> Additionally, on July 12, CFPB filed a lawsuit against a firm doing business as the payday lender, ACE Cash Express, Inc. (ACE); in 2014, ACE was found to have encouraged borrowers without a capacity to repay their current loans, to take out additional loans.<sup>37</sup> On July 26, CFPB issued a consent order against Hyundai Capital America for several violations of FCRA and Regulation V, including by failing to promptly update and correct information it furnished to consumer reporting companies that it determined was not complete or accurate; and failing to establish and implement reasonable policies and procedures regarding the accuracy and integrity of information provided to those companies.<sup>38</sup> In November, CFPB issued an order against Carrington Mortgage Services for violating the CARES Act and FCRA by failing to implement certain COVID-19 emergency protections including by not providing to borrowers 180 days of forbearance upon the borrower’s request and not accurately reporting borrowers’ forbearance status to CRAs.<sup>39</sup> During fiscal year 2022, CFPB estimates that enforcement actions resulted or will result in financial institutions, businesses, and individuals providing approximately \$300 million in monetary relief to harmed consumers.<sup>40</sup> Since January 2021, six fair lending-related public enforcement actions were filed.<sup>41</sup>

## Spending and Staffing

As of March 2022, CFPB spent approximately \$365.7 million in FY 2022 funds, which includes \$193 million in compensation and benefits for 1,604 employees.<sup>42</sup> According to the most recent financial report, CFPB had received \$642 million for FY 2022 from the Federal Reserve with a maximum allowable cap at \$734 million.<sup>43</sup> This compares with \$595.9 million in transfers from the Federal Reserve as of September 30, 2021, with a maximum allowable funding cap of \$718 million for FY 2021.<sup>44</sup> As of March 2022, the CFPB’s workforce was 50 percent female, which remained unchanged since the last reporting period.<sup>45</sup> People of color represented 43 percent of employees, which is a 1 percent increase from fiscal year 2021.<sup>46</sup> During the Spring 2022 reporting period, the CFPB hired 78 permanent employees, among them 53 percent were women and 36 percent were people of color.<sup>47</sup> The CFPB also noted that while 15.1 percent of employees identified as people with disabilities, 2.8 percent of permanent employees identified as having a “targeted disability,” which remained largely unchanged since the previous reporting period.<sup>48</sup>

## Reports, Initiatives, and COVID-19 Response

Since April 22, 2022, CFPB has issued several reports and publications on various topics, including credit card interest rates, the finances of consumers living in rural areas, the Buy Now, Pay Later (BNPL) industry, mortgage loans, tenant background checks, consumer complaints, elder financial exploitation, nursing home debt collection, college banking, student loans, medical debt on credit reports, payments

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<sup>34</sup> CFPB, [Bank of America, N.A.](#) (May 4, 2022).

<sup>35</sup> CFPB, [Bank of America, N.A.](#) (Jul. 2022).

<sup>36</sup> CFPB, [“Reining in Repeat Offenders”: 2022 Distinguished Lecture on Regulation, University of Pennsylvania Law School](#) (Mar. 28, 2022).

<sup>37</sup> CFPB, [Populus Financial Group, Inc., d/b/a ACE Cash Express, Inc.](#) (Jul. 12, 2022).

<sup>38</sup> CFPB, [Hyundai Capital America](#) (Jul. 26, 2022).

<sup>39</sup> CFPB, [Carrington Mortgage Services, LLC](#) (Nov. 17, 2022).

<sup>40</sup> Information provided by CFPB staff on December 8, 2022.

<sup>41</sup> CFPB, [Fair Lending Report of the Consumer Financial Protection Bureau 2021](#) (May 6, 2022); and based on information provided by CFPB staff on December 8.

<sup>42</sup> CFPB, [Semi-Annual Report of the Consumer Financial Protection Bureau Spring 2022](#) (Dec. 6, 2022).

<sup>43</sup> CFPB, [CFPB Financial Report Fiscal Year 2022](#) (Nov. 2022).

<sup>44</sup> *Id.*

<sup>45</sup> CFPB, [Semi-Annual Report of the Consumer Financial Protection Bureau Spring 2022](#) (Dec. 6, 2022).

<sup>46</sup> *Id.*

<sup>47</sup> *Id.*

<sup>48</sup> CFPB, [Semi-Annual Report of the Consumer Financial Protection Bureau Spring 2022](#) (Dec. 6, 2022).

providers' use of consumer data, and financial well-being.<sup>49</sup> In this reporting period, CFPB published several reports on housing topics. In May, CFPB issued a report based on data obtained from 16 large mortgage servicers<sup>50</sup> to identify areas of risk in those servicers' response to the COVID-19 pandemic, call center data, COVID-19 hardship forbearance exits, delinquency, and mortgage borrower profiles for between May and December 2021. In September, CFPB published a report on key trends in mortgage lending in 2021,<sup>51</sup> including: an increase in mortgage originations from 13.4 million in 2020 to 13.7 million; a drop in the number of mortgage lenders reporting loan data from 4,472 in 2020 to 4,332 financial institutions; as well as an increase in home purchase loans made to Asian, Black, and White Hispanic borrowers.<sup>52</sup> In November, CFPB published two reports on tenant background checks, one which provided an overview of the tenant screening industry, the features of tenant screening reports, the regulatory landscape, and the participants in the tenant screening data ecosystem; and a second which focused on the difficulties prospective renters encountered in connection with a landlord's use of a tenant screening report.<sup>53</sup>

According to the most recent Semi-Annual report, CFPB began the development of a five-year Diversity and Inclusion Strategic Plan.<sup>54</sup> The plan's goals include, among other things, empowering and supporting leaders in creating an equitable work environment, developing an internal diverse talent pipeline, and developing strategies and processes to promote and sustain an inclusive and equitable culture at CFPB. Following the publication of CFPB's research demonstrating the largest bank's reliance on overdraft and non-sufficient funds (NSF) revenue,<sup>55</sup> several banks announced changes to their overdraft program and NSF fees.<sup>56</sup> Following the publication of CFPB's reports on the credit reporting challenges that consumers face as a result of medical billing and collections, Experian, Equifax and Transunion announced that they would remove nearly 70% of medical collection debt tradelines from consumer credit reports beginning in July 2022.<sup>57</sup> CFPB also continued its work to root out and eliminate bias in home appraisals, and continued the evaluation of discriminatory practices as potential "unfair" practices.<sup>58</sup>

## Responding to Emerging Technologies

In September, CFPB released a report on market trends and consumer impact of the BNPL industry, which identified areas of consumer risk, including discrete harms such as requiring consumers to use autopay for all payments, data harvesting, and borrower overextension.<sup>59</sup> The report was based on data CFPB collected from five companies offering BNPL credit, as well as comments from consumers and organizations about their experiences with the BNPL market in response to a Request For Information issued in January 2022.<sup>60</sup> In November, CFPB published a bulletin analyzing more than 8,300 consumer complaints about virtual currency, a term CFPB used to define "crypto-assets."<sup>61</sup> According to the report, the most complained about issues with the use of virtual currency, and the platforms in which it is stored, bought, sold, sent, received, loaned, and borrowed, were about fraud and scams that included theft and account hacks, followed by transaction issues.<sup>62</sup>

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<sup>49</sup> CFPB, [Research & Reports](#) (Accessed Nov. 29, 2022).

<sup>50</sup> CFPB, [Mortgage Metrics Report](#) (May 2022).

<sup>51</sup> CFPB, [CFPB Annual Report of 2021 Mortgage Market Activity](#) (Sep. 2022).

<sup>52</sup> *Id.*

<sup>53</sup> CFPB, [Consumer Snapshot: Tenant Background Checks](#) (Nov. 2022); and CFPB, [Tenant Background Checks Market Report](#) (Nov. 2022).

<sup>54</sup> CFPB, [Diversity, Equity, Inclusion and Accessibility \(DEIA\)](#) (May 2022).

<sup>55</sup> CFPB, [CFPB Research Shows Banks' Deep Dependence on Overdraft Fees](#) (Dec. 2021).

<sup>56</sup> CFPB, [Comparing overdraft fees and policies across banks](#) (Jul. 2022).

<sup>57</sup> FSC, [Consumers First: Semi-Annual Report of the Consumer Financial Protection Bureau](#) (Apr. 27, 2022).

<sup>58</sup> *Id.*

<sup>59</sup> CFPB, [Buy Now, Pay Later: Market trends and consumer impacts](#) (Sep. 2022).

<sup>60</sup> CFPB, [Consumer Financial Protection Bureau Opens Inquiry Into "Buy Now, Pay Later" Credit](#) (Dec. 2021).

<sup>61</sup> CFPB, [Complaint Bulletin: An analysis of consumer complaints related to crypto-assets](#) (Nov. 2022).

<sup>62</sup> *Id.*

## Appendix - Legislation

The Committee has previously advanced a number of bills to address issues related to this hearing, including H.J.Res.35 – Congressional Review Act resolution to rescind the OCC’s rule regarding “National Banks and Federal Savings Associations as Lenders” (C. Garcia); H.R. 166, Fair Lending for all Act (Green); H.R. 2123, Diversity and Inclusion Data Accountability and Transparency Act (Beatty); H.R. 2543, the Financial Services Racial Equity, Inclusion, and Economic Justice Act (Waters); H.R. 2547, the Comprehensive Debt Collection Improvement Act (Waters); H.R. 3621 (116<sup>th</sup> Cong.), the Comprehensive Credit Reporting Enhancement, Disclosure, Innovation, and Transparency (CREDIT) Act (Pressley); H.R. 4277, the Overdraft Protection Act (Maloney); H.R. 4483, the Veterans and Consumers Fair Credit Act (C. Garcia); H.R. 6814, the Small Business Fair Debt Collection Practices Act (Lawson); H.R. 5332 (116<sup>th</sup> Cong.), the Protecting Your Credit Score Act (Gottheimer); H.R. 8485, the Expanding Access to Credit through Consumer-Permissioned Data Act (N. Williams); H.R. 8487, the Credit Reporting Accuracy After a Legal Name Change Act (Pressley), and FSC provisions included in H.R. 7900, the National Defense and Authorization Act for FY 2023, among other bills. The following are additional bills the Committee will consider as part of this hearing:

- **H.R. 2069, “Home Loan Quality Transparency Act”** (Rep. Velázquez). This bill would expand requirements for public disclosures by depository institutions regarding mortgages and home equity lines of credit. Specifically, institutions with more than \$30 million in total assets that originate fewer than 500 mortgage loans or open-end lines of credit annually would no longer be exempt from certain enhanced HMDA reporting, as required by the Dodd-Frank Act.
- **H.R. 6054, “Small Business Lending Disclosure Act”** (Rep. Velázquez). This bill would require small business loans to be covered by the Truth In Lending Act, which currently requires disclosures of loan terms for consumer lending.
- **H.R.7351, “Promoting Fair Lending to Small Businesses Act”** (Rep. Velázquez). This bill would clarify that the CFPB has supervisory and fair lending enforcement authority of non-depository lenders to small businesses that collect and report data pursuant to Section 1071 of the Dodd-Frank Act.
- **H.R. \_\_\_\_\_, “Repeat Offenders, Megabanks, and Credit Bureaus Accountability Act”** (Rep. Waters). This bill would require the CFPB, Federal Reserve, FDIC, and OCC to design a strategic plan outlining how they would utilize the full extent of their existing authority to hold megabanks, credit bureaus, and other large financial institutions accountable for a pattern of repeated compliance failures, including those that result in extensive consumer harm. It would also require treble damages for harmed consumers when these large institutions do not promptly notify the CFPB and the public when they violate any Federal consumer protection law and provide for prompt remediation for harmed consumers. The bill would also require greater transparency regarding supervisory grades given to megabanks, and standards with respect to megabank boards. This bill is based, in part, on the Committee’s investigations of Wells Fargo and Equifax.<sup>63</sup>
- **H.R. \_\_\_\_\_, “Financial Data and Reproductive Justice Act”** This bill ensures that financial data relating to the provision of abortion and other essential reproductive healthcare services are not accessed, disclosed, or otherwise disseminated by a third party without the express written consent of the individual, and provides the CFPB with the authority to issue relevant regulations.

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<sup>63</sup> FSC, [Waters Releases Staff Report on Pattern of Consumer Abuse from Wells Fargo](#) (Sep. 29, 2017); FSC, [Waters Introduces Groundbreaking Legislation to Shut Down Abusive Megabanks Like Wells Fargo](#) (Oct. 4, 2017); FSC, [In Advance of Wells Fargo Hearings, Waters and Green Release Investigative Report Exposing Failures of Megabank’s Management, Board, and Regulators](#) (Mar. 4, 2020); FSC, [Holding Megabanks Accountable: An Update on Banking Practices, Programs and Policies](#) (May 27, 2021); and FSC, [Chairwoman Waters Vows to Hold Equifax Accountable for Repeatedly Harming Consumers](#) (Aug. 10, 2022).

- **H.R. \_\_\_\_\_, “Preventing Unfair Foreclosures Act”** This bill would require loss mitigation options be provided to homeowners before foreclosure and provide additional protections to help homeowners facing foreclosure remain in their homes, including by codifying CFPB’s Regulation X rule requiring 120 days of delinquency before the start of a foreclosure, improving written notices during the mortgage servicing process, and otherwise improving the mortgage servicing process for homeowners.
- **H.R. \_\_\_\_\_, “Promoting Equity in Mortgage Underwriting Act”** This bill would require FHFA, HUD, VA, and USDA, in consultation with the CFPB, to update their automated mortgage underwriting programs and systems to allow mortgage lenders to use additional credit information data, such as on-time rent payment history and other on-time payment information in the mortgage credit evaluation process, with the borrower’s permission to use such information. It would also require the CFPB to coordinate with the federal agencies to collect information about federally-backed mortgages issued using this additional credit information, and create a report that would be submitted to Congress, providing among other things, the number of mortgages originated during using the updated mortgage credit evaluation process, the performance of such mortgages, and recommendations for improving the incorporation of additional on-time payment information into the agencies’ respective automated credit underwriting systems.
- **H.R. \_\_\_\_\_, “Protecting Consumers From Payment Scams Act”** This bill would update the Electronic Fund Transfer Act (EFTA) to close gaps and clarify ambiguities when consumers are defrauded into sending money by covered payment apps. The bill would, among other things, protect consumers from liability when they are defrauded into initiating a transfer; eliminate EFTA’s exemption for bank wire transfers; and clarify when EFTA’s error resolution duties apply.