

The CFPB Stands Up For Consumers, Returning Billions Back to Over 200 Million People

The Consumer Financial Protection Bureau (CFPB), created after the devastating 2008 financial crisis, exemplifies the government working for the people by vigorously protecting consumers and their families, including by reducing junk fees and holding corporations and financial institutions accountable when they engage in unfair and illegal conduct. Since its creation, the CFPB continues to stand up for the little guy against Wall Street, predatory lenders, and other financial services companies, by cracking down on junk fees, reducing the burdens of medical debt, fighting lending discrimination, and promoting banking competition, all while returning billions of dollars back into the pockets of everyday people.

In the last 14 years, the Bureau has already:

- **Obtained over \$21 billion in relief for over 200 million people**¹ in the form of restitution or cancelled debts, through its supervision and enforcement powers. The agency kept many billions more in people's pockets through new rules, guidance and other effective oversight policies;
- **Collected \$5 billion in civil money penalties for misconduct and wrongdoing**;²
- **Returned \$363 million back to servicemembers and veterans** through 39 public enforcement actions, including six Military Lending Act violations;³
- **Helped eliminate medical debt from credit reports of 22.8 million people** with at least one medical debt collection removed from their credit reports;⁴
- **Ordered \$100 million in redress for harmed student borrowers and put an end to Navient's abusive and illegal actions.**⁵

The CFPB continues to crack down on junk fees, including:

- **Curbed excessive overdraft fees that could save consumers \$5 billion annually.**⁶ The CFPB's overdraft fee rule closes a bank overdraft loophole that had been allowing financial institutions to unfairly charge billions in excessive overdraft fees. This rule lowers overdraft fees from as high as \$35 down to \$5 per transaction, and is expected to save households \$5 billion annually.
- **Stopped credit repair scams and returned \$1.8 billion back to 4.3 million consumers** when a ring of credit repair companies illegally charged advance fees and used deceptive bait-and-switch advertising tactics.⁷
- **Ordered credit card late fees capped at \$8 to save \$10 billion a year in junk fees, but tied up in court.** In March, the CFPB finalized a rule to lower excessive credit card late fees, bringing credit card late fees from \$32 down to \$8.⁸ This rule would have saved consumers \$10 billion in late fees every year, but due to litigation initiated by Wall Street banks, the rule has been paused by an industry friendly 5th Circuit.⁹
- **Returned \$80 million in illegally charged overdraft fees to servicemembers, veterans and Department of Defense civilian employees.**¹⁰ In November, the CFPB ordered Navy Federal Credit Union, the country's largest credit union, to stop charging its customers illegal overdraft fees. The credit

¹ Consumer Financial Protection Bureau. [About the Bureau](#). Accessed December 6, 2024.

² Ibid.

³ Ibid.

⁴ Ibid.

⁵ CFPB. [Press Release] [CFPB bans Navient from federal student loan servicing and orders the company to pay \\$120 million for wide-ranging student lending failures](#). September 12, 2024.

⁶ CFPB. [Press release]. "[CFPB closes overdraft loophole to save Americans billions in fees.](#)" December 12, 2024.

⁷ CFPB. [Press release]. "[CFPB announces return of \\$1.8 billion in illegal junk fees to 4.3 million Americans harmed in massive credit repair scheme.](#)" December 5, 2024.

⁸ [Credit Card Penalty Fees \(Regulation Z\)](#). 89 Fed. Reg. 52. March 15, 2024.

⁹ Americans for Financial Reform Education Fund. [Wall Street Ripoff Counter](#). Accessed December 6, 2024. Click [here](#) to see how much people have lost from the credit card late fee rule's delay.

¹⁰ CFPB. [Press release]. "[CFPB orders Navy Federal Credit Union to pay more than \\$95 million for illegal surprise overdraft fees.](#)" November 7, 2024.

union must refund \$80 million back to its customers and pay a \$15 million penalty to the CFPB victims relief fund.

The Bureau continues to improve the fairness and accuracy of credit reports.

- **The proposed medical debt rule will protect 15 million people with unfairly lowered credit scores due to medical debt.**¹¹ In June 2024, the CFPB proposed a rule that would prohibit medical debt from being considered in credit underwriting decisions since medical debt is not an accurate predictor of one's ability to repay debts.¹² Keeping medical debt on credit reports may make loans more expensive, block access to credit, and harm someone's ability to rent an apartment or get a job.

The CFPB works to keep our personal financial data safe and make it easier for consumers to switch financial service providers.

- **The proposed data broker rule will protect online privacy and prevent fraud.**¹³ The CFPB's proposed data broker rule will protect consumers from unscrupulous data brokers that sell sensitive personal and financial information and limit the sale of personal identifiers such as Social Security Numbers and phone numbers.¹⁴ Data brokers that sell sensitive consumer information would need to comply with the Fair Credit Reporting Act (FCRA) and its accuracy requirements, provide consumers access to their information, and maintain safeguards against data misuse.
- **The recently finalized Personal Financial Data Rights rule will create a more consumer-friendly and competitive financial services marketplace.**¹⁵ This open-banking proposal empowers consumers to control their own financial data and allows consumers to more easily switch financial service providers and move their personal financial data at no extra charge. Covered data would also need to be standardized and consistently presented, so consumers can more easily comparison shop between financial service providers.¹⁶

The CFPB holds Walls Street, predatory lenders, and Big Tech accountable when they hurt and defraud people.

- **The recently finalized Big Tech Larger Participants rule will bring much needed oversight and supervision to nonbank fintech providers, so they do not facilitate fraud, and provide the same oversight for their payment apps as banks and credit unions.**¹⁷ As it becomes much more common for consumers to use digital wallets and payment apps to make purchases, large nonbank fintech providers such as Google Pay or Apply Pay, must take payment fraud more seriously and also adhere to the same compliance measures followed by banks and credit unions' payment apps, including data privacy laws and the Electronic Funds Transfer Act (EFTA).

¹¹ CFPB. [Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information \(Regulation V\)](#). 89 Fed. Reg. 118. June 18, 2024.

¹² CFPB. [Press release]. "[CFPB proposes to ban medical bills from credit reports.](#)" June 11, 2024.

¹³ CFPB. [Protecting Americans from Harmful Data Broker Practices \(Regulation V\)](#). (Not yet published in Federal Register). December 3, 2024.

¹⁴ CFPB. [Press release]. "[CFPB proposes rule to stop data brokers from selling sensitive personal data to scammers, stalkers, and spies.](#)" December 3, 2024.

¹⁵ CFPB. [Required Rulemaking on Personal Financial Data Rights](#). 80 Fed. Reg. 222. November 18, 2024.

¹⁶ Ibid at 90873.

¹⁷ CFPB. [Defining Larger Participants of a Market for General-Use Digital Consumer Payment Applications](#). 88 Fed. Reg. 221. November 17, 2023.