

Honorable Member
United States Senate
Washington, DC 20510

March 6, 2025

Dear Senator:

The undersigned 24 consumer, civil rights, community, labor, faith-based, small business, farm, and other organizations urge you to reject the nomination of Jonathan McKernan to serve as Director of the Consumer Financial Protection Bureau (CFPB). The CFPB requires a Director who is deeply committed to consumer financial protection and will seek to sustain and build upon the Bureau's record protecting families, servicemembers, veterans, and consumers while holding Wall Street and predatory financial actors accountable. Mr. McKernan's testimony made clear he is woefully ill-suited for this role.

Congress created the CFPB in the aftermath of the 2008 financial crisis in response to the persistent failure of the banking regulators to enforce consumer protection and civil rights laws. Wall Street, big banks and mortgage brokers pushed people into predatory and toxic subprime mortgages that precipitated the crisis; 10 million families lost their homes to foreclosure, and U.S. households lost trillions of dollars in wealth. Congress charged the agency with implementing and enforcing federal consumer financial laws so that all people have access to financial products and services that are fair, transparent and competitive. In accordance with that authority the CFPB has returned more than \$21 billion to 200 million people through its enforcement and supervisory actions to date, and has saved households tens of billions of dollars more a year by putting in place commonsense safeguards that stop rip offs and keep money in people's pockets.

Since it opened its doors in 2011, the CFPB has been fighting rip-offs, junk fees, fraud, and unfair treatment. The CFPB's supervision and enforcement has held firms accountable for violating consumer protection and civil rights laws and made financial markets fairer, safer, and more transparent. It has helped families secure fair home mortgages and stay in their homes; it has returned \$363 million to servicemembers and veterans and stopped abuses that target them; reduced unfair junk fees; improved credit reporting fairness and cracked down on unlawful and unfair debt collection; protected student loan borrowers from unfair and abusive practices; fought discrimination in lending and other financial services; and put safeguards in place to protect people's privacy, remedy errors, and combat fraud on digital payment platforms.

The CFPB has a record of substantial accomplishment in advancing exactly the consumer protection mission Congress assigned. But — despite a grudging admission of the agency's statutory goals and powers during the hearing — Mr. McKernan continued to falsely suggest that the CFPB was acting outside the scope of its authority. In this he is parroting the words of lawbreaking financial companies which want to be able to harm consumers with impunity. Mr. McKernan also suggested in his testimony that shrinking the CFPB is necessary because the agency lacks legitimacy. This too is parroting the talking points of Wall Street banks, Big Tech payments apps, and predatory lenders. The agency was created by Congress, and Congress has rejected multiple industry driven efforts to limit its effectiveness. The courts, including the Supreme Court, have also repeatedly upheld its current authority and structure. And the agency's work is enormously popular with the public, across lines of region and party.

Mr. McKernan said that he would prioritize undermining the independence of the CFPB, making it subject to the business and political interests that want to escape regulation and accountability. The CFPB has been effective in boosting people's economic security precisely because of its ability to act on the facts and the law despite self interested opposition. He also said he supported acting Director Vought's plan to not seek further funding from the Federal Reserve for the agency, a plan which would make it impossible for the agency to do its work. The Senate should not confirm a CFPB Director nominee who intends to undermine or dismantle the agency's ability to carry out its statutory consumer protection mission.

Finally, Mr. McKernan, in answering questions during his nomination hearing, tacitly endorsed the extreme assault on the agency he seeks to lead by the Elon Musk DOGE wrecking crew. On February 7, 2025, DOGE descended on the Bureau and effectively shuttered it, banning almost all operations, locking employees out of the building, accessing all of its confidential and proprietary data, and ending enforcement, supervision, regulatory oversight, and consumer complaint support services. When asked if he would commit to reopen the CFPB and resume the agency's critical work to protect consumers and take actions against companies who violate the law, Mr. McKernan would not commit to protecting the agency he is seeking to lead, raising grave concerns about whether he would even reopen the CFPB.

Mr. McKernan also failed to confront the harm to consumers and fair markets, and conflicts of interest posed by Elon Musk's access to the CFPB's data. Mr. Musk's social media platform X is launching a payment app and the DOGE access to CFPB's personal and proprietary data gives Musk an unfair competitive advantage over rivals apps who Musk's X and its payment app X-Money generate advertising revenues from complex data analytics from consumer transaction, financial, and sensitive personal information, making his access to the CFPB data trove deeply concerning. But, when

asked, Mr. McKernan refused to answer whether granting this access to the CFPB's data was in any way problematic.

The CFPB needs a Director who will continue the Bureau's role as a rigorous, independent protector of the public interest. The Director should preserve the Bureau's integrity, capacity, and independence and stand up against capricious and unlawful efforts to defund, dismantle, or diminish the agency. Jonathan McKernan fails to meet these standards. We respectfully urge you to vote no and reject his nomination.

Sincerely,

20/20 Vision

AFL-CIO

AFT

American Economic Liberties Project

Americans for Financial Reform

Americans for Tax Fairness

Center for Economic Justice

Climate Action California

Coastal Enterprises, Inc.

Committee for Better Banks

Communications Workers of America (CWA)

Economic Action Maryland Fund

Faith in Action

HEAL (Health, Environment, Agriculture, Labor) Food Alliance

Maine People's Alliance

New Jersey Citizen Action

Oregon Consumer League

Public Citizen

Public Justice

Rise Economy

Rivers & Mountains GreenFaith

South Carolina Appleseed Legal Justice Center

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Take on Wall Street