



United States House of Representatives  
One Hundred Nineteenth Congress  
Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, DC 20515

June 26, 2025

Mr. Fred W. Gibson  
Acting Inspector General  
Board of Governors of the Federal Reserve System and  
Bureau of Consumer Financial Protection  
20th Street and Constitution Avenue NW  
Washington, D.C. 20551

Dear Mr. Gibson:

The House Committee on Financial Services is continuing its oversight of the Consumer Financial Protection Bureau (CFPB or the Bureau). The Biden Administration’s weaponization of the CFPB and its overreaching regulations extended beyond the scope of the Bureau’s mandate and raised serious concerns that legal businesses will continue being targeted based on ideological differences. I am writing to request that your office investigate former CFPB Director Rohit Chopra’s unlawful expansion of CFPB’s statutory authority and weaponization of the Bureau.

Congress created the CFPB in the *Dodd-Frank Wall Street Reform and Consumer Protection Act* (Dodd-Frank) in the aftermath of the 2008 financial crisis.<sup>1</sup> Dodd-Frank charged the CFPB with implementing and enforcing consumer protection laws, collecting consumer complaints, and supervising financial institutions with more than \$10 billion in assets.<sup>2</sup> The CFPB also regulates nonbank financial institutions such as those in the payday lending and credit reporting industries, among others.<sup>3</sup>

### Expanded Authority

Under former Director Chopra, the CFPB consistently “attempted to expand its own jurisdiction by rejecting the plain meaning of statutory language, ignoring its own precedent, and

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<sup>1</sup> Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203; *see also Building the CFPB*, <https://www.consumerfinance.gov/data-research/research-reports/building-the-cfpb/> (last visited May 19, 2025).

<sup>2</sup> *Id.*; *see also* David H. Carpenter, et al., *Introduction to Financial Services: The Consumer Financial Protection Bureau (CFPB)*, CONGRESS.GOV, May 9, 2025, <https://www.congress.gov/crs-product/IF10031#:~:text=The%20CFPB%20has%20broad%20regulatory,data%2C%20and%20consumer%20debt%20collection.>

<sup>3</sup> *Id.*

avoiding notice-and-comment rulemaking to shield its actions from judicial review.”<sup>4</sup> For example, Congress provided the CFPB with explicit “authority to address discrimination through statutes like the Equal Credit Opportunity Act (ECOA), which prohibits ‘discrimination’ and defines specific protected classes, elements of a claim, and exclusions from liability.”<sup>5</sup> Yet, in 2022, the CFPB broadened its definition of “unfair, deceptive and abusive acts and practices” to include discrimination.<sup>6</sup> Further, the CFPB stated it would “consider not just whether companies were purposefully discriminating, but also whether their actions had a disparate impact.”<sup>7</sup> However, the Bureau’s purported “authority to prohibit disparate-impact discrimination is something Congress rarely authorizes.”<sup>8</sup>

Under former Director Chopra, the CFPB also attempted to expand the definition of “credit” under the Truth in Lending Act (TILA). TILA defines credit as “the right granted by a creditor to a debtor to defer payment of debt or incur debt and defer its payment.”<sup>9</sup> TILA provides that “informed use of credit” is achieved through “meaningful disclosure of credit terms.”<sup>10</sup> However, as the Bank Policy Institute notes, “the Bureau has attempted to enlarge the scope of those provisions by applying the [TILA’s] disclosure requirements to products and services that are not credit.”<sup>11</sup> For example, the CFPB promulgated a 2024 rule targeting overdraft fees by classifying them as “credit” under TILA.<sup>12</sup> Overdraft fees are triggered when a transaction causes a negative account balance<sup>13</sup> and do not meet the definition of “credit” as defined in TILA.<sup>14</sup>

Former Director Chopra even tried to expand the definition of a credit card to encapsulate digital user accounts used to access Buy Now, Pay Later (BNPL) products,<sup>15</sup> despite TILA defining “credit card” as physical devices, such as “any card, plate, coupon book or other credit device[.]”<sup>16</sup> Former Director Chopra also tried to shoehorn Earned Wage Access (EWA) products

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<sup>4</sup> *CFPB and the Law: Assessing Regulatory Overreach Under Director Chopra*, BANK POLICY INSTITUTE, Jan. 17, 2025, (Annex section on pages 16-18 of the report provides examples of CFPB actions taken and the substantive and procedural flaws with each action), [https://bpi.com/cfpb-and-the-law-assessing-regulatory-overreach-under-director-chopra/#\\_ftn1](https://bpi.com/cfpb-and-the-law-assessing-regulatory-overreach-under-director-chopra/#_ftn1) [hereinafter “CFPB and the Law”].

<sup>5</sup> *Id.*; see also 15 U.S.C. § 1691(a), (b).

<sup>6</sup> Press Release, Consumer Financial Protection Bureau, CFPB Targets Unfair Discrimination in Consumer Finance (Mar. 16, 2022), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-targets-unfair-discrimination-in-consumer-finance/>.

<sup>7</sup> CFPB and the Law, *supra* note 4.

<sup>8</sup> Chamber of Com. v. Consumer Financial Protection Bureau, 691 F. Supp. 3d 730, 741 (E.D. Tex. 2023); see also Richard A. Primus, *Bolling Alone*, 104 COLUMBIA L. REV. 975, 1027 (2004).

<sup>9</sup> 15 U.S.C. § 1602(f).

<sup>10</sup> 15 U.S.C. § 1601(a).

<sup>11</sup> CFPB and the Law, *supra* note 4.

<sup>12</sup> Overdraft Lending: Very Large Financial Institutions, 89 Fed. Reg. 106,768 (Dec. 30, 2024).

<sup>13</sup> Brandon Renfro, et al., *What is an overdraft fee and how can you avoid it?*, BANKRATE, Mar. 28, 2025, <https://www.bankrate.com/banking/checking/what-is-an-overdraft-fee/#:~:text=An%20overdraft%20can%20be,when%20a%20transaction%20is%20debited.>

<sup>14</sup> Miss. Bankers’ Ass’n v. Consumer Financial Protection Bureau, 3:24-cv-792 (S.D. Miss.) (Complaint) (Dec. 12, 2024).

<sup>15</sup> Truth in Lending (Regulation Z); Use of Digital User Accounts to Access Buy Now, Pay Later Loans, 89 Fed. Reg. 47068 (published May 31, 2024).

<sup>16</sup> 15 USC § 1602(l).

into the definition of credit,<sup>17</sup> despite well-established legal precedent that in order to be credit, there must be a legal obligation to repay a debt, and a creditor claim to a debt, which is not present in many EWA products.<sup>18</sup>

While there are several other examples of the CFPB extending its authority and jurisdiction, the CFPB has also routinely disregarded its own regulations.<sup>19</sup> The CFPB distorted Regulation B, the implementing regulation for the ECOA,<sup>20</sup> to require “that creditors must explain adverse credit decisions made using artificial intelligence or ‘complex’ credit models.”<sup>21</sup> However, as the American Bankers Association noted, “Regulation B simply requires that the reasons given be the principal reasons for adverse action” and “neither the rule nor the commentary require[s] creditors to explain th[ose] reasons.”<sup>22</sup>

### Coordinated Weaponization

The CFPB has intensified coordination with state attorneys general under the guise of consumer protection while also unfairly targeting disfavored businesses with overly aggressive enforcement actions. The Bureau has served as the “weaponized arm of the bureaucracy that leverages its power against certain industries and individuals disfavored by so-called ‘elites.’”<sup>23</sup> On October 12, 2023, the CFPB, along with the Department of Justice, released a joint statement warning financial institutions against considering an individual’s immigration status when reviewing credit applications.<sup>24</sup> However, the ECOA allows for creditors to consider citizenship status.<sup>25</sup>

In 2017, the Bureau began investigating Townstone, a small mortgage company in Chicago, claiming violations of civil rights law.<sup>26</sup> The Bureau prohibits “lenders from making statements that ‘discourage’ minorities from applying for loans.”<sup>27</sup> The CFPB alleged that

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<sup>17</sup> Truth in Lending (Regulation Z); Consumer Credit Offered to Borrowers in Advance of Expected Receipt of Compensation for Work, 89 Fed. Reg. 91358 (published July 31, 2024).

<sup>18</sup> *Capela v. J.G. Wentworth, LLC*, 2009 WL 3128003 (E.D.N.Y. Sept. 24, 2009).

<sup>19</sup> CFPB and the Law, *supra* note 4.

<sup>20</sup> 12 C.F.R. 1002 (2011).

<sup>21</sup> *Id.*

<sup>22</sup> Letter from Kathleen C. Ryan, Senior Vice President, American Bankers Ass’n., to Rohit Chopra, Director, Consumer Financial Protection Bureau (Feb. 12, 2024).

<sup>23</sup> Press Release, The White House, CFPB Isn’t a Wall Street Regulator, It’s a Main Street Regulator (Feb. 10, 2025), <https://www.whitehouse.gov/articles/2025/02/cfpb-isnt-a-wall-street-regulator-its-a-main-street-regulator/>.

<sup>24</sup> CONSUMER FINANCIAL PROTECTION BUREAU, JOINT STATEMENT ON FAIR LENDING AND CREDIT OPPORTUNITIES FOR NONCITIZEN BORROWERS UNDER THE EQUAL CREDIT OPPORTUNITY ACT (2023).

<sup>25</sup> 15 U.S.C. § 1691; *see also* Will Kessler, *Biden Admin Threatens Banks That Refuse To Lend Money To Illegal Immigrants*, DAILY CALLER, Oct. 12, 2023, <https://dailycaller.com/2023/10/12/biden-admin-threatens-banks-refuse-lend-money-illegal-immigrants/>.

<sup>26</sup> Aaron Sibarium, *A Small Business Complained About Crime in Chicago. Then the Feds Came After It.*, THE WASHINGTON FREE BEACON, June 20, 2023, <https://freebeacon.com/policy/a-small-business-complained-about-crime-in-chicago-then-the-feds-came-after-it/>; *see generally* Press Release, Consumer Financial Protection Bureau, CFPB Seeks to Vacate Abusive, Unjust Case Against Townstone (Mar. 26, 2025), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-seeks-to-vacate-abusive-unjust-case-against-townstone/#:~:text=Townstone%20was%20targeted%20for%20their,79%20hours%20of%20radio%20content%20>.

<sup>27</sup> Sibarium, *supra* note 26; *see* 12 C.F.R. § 1002.4 (2011).

Townstone violated Regulation B when Townstone employees discussed crime in Chicago on “a company-hosted radio show about the mortgage market.”<sup>28</sup> In one instance, Townstone employees stated that home sellers should “take down the confederate flag.”<sup>29</sup> The CFPB argued that the mere mention of the confederate flag could be enough to discourage black applicants from applying for loans through Townstone.<sup>30</sup> Reportedly, CFPB staff misled then-senior leadership to initiate an investigation, with staff claiming “[m]uch of the content of the show is overtly political, and often highly critical of the Bureau.”<sup>31</sup> CFPB staff provided “only a perfunctory notation that this was ‘irrelevant’ to the investigation.”<sup>32</sup> Despite CFPB staff admitting to finding no wrongdoing,<sup>33</sup> they nonetheless proposed to keep investigating Townstone in order to “provide an opportunity for further investigation into Townstone’s views on race and racism.”<sup>34</sup>

CFPB staff justified their investigation by identifying only “16 minutes out of nearly 79 hours of radio content (0.33%) that they deemed ‘disconcerting’ and that ‘could be interpreted as inappropriate, incorrect, or insensitive.’”<sup>35</sup> However, a report commissioned by Townstone and published by Kleimann & Company, LLC, found “no participant [to the survey] objected to the Specific Comments [stated by Townstone employees].”<sup>36</sup> The report also noted that “nearly all participants were willing to use [Townstone] for their own future mortgage needs” and “nearly all participants were willing to have family and friends consider [Townstone] for their future mortgage needs.”<sup>37</sup>

Additionally, the CFPB has increasingly colluded with states “contrary to the *Consumer Financial Protection Act* (CFPA).”<sup>38</sup> The Bureau expanded the “authority of states to pursue and enforce violations of federal consumer protection law under the CFPA.”<sup>39</sup> The CFPB promoted

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<sup>28</sup> Sibarium, *supra* note 26.

<sup>29</sup> *Id.*

<sup>30</sup> Plaintiffs’ Amended Complaint, Bureau of Consumer Financial Protection v. Townstone Financial, Inc., No. 1:20 CV 04176 (N.D. Ill. Nov. 25, 2020).

<sup>31</sup> Joint motion to vacate judgment, Bureau of Consumer Financial Protection v. Townstone, Inc., No. 1:20 CV 04176 (N.D. Ill. Mar. 26, 2025); *see also* CFPB admits misstep, files joint motion to vacate baseless Townstone settlement, PACIFIC LEGAL FOUNDATION, Mar. 26, 2025, <https://pacificlegal.org/press-release/cfpb-admits-misstep-files-joint-motion-to-vacate-baseless-townstone-settlement/#:~:text=Washington%2C%20DC;%20March%2026%2C,podcast%20about%20crime%20in%20Chicago>.

<sup>32</sup> *Id.*

<sup>33</sup> *See* Joint motion to vacate judgment, Bureau of Consumer Financial Protection v. Townstone, Inc., No. 1:20 CV 04176, 6-7 (N.D. Ill. Mar. 26, 2025).

<sup>34</sup> *Id.* at 7.

<sup>35</sup> Press Release, Consumer Financial Protection Bureau, CFPB Seeks to Vacate Abusive, Unjust Case Against Townstone (Mar. 26, 2025), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-seeks-to-vacate-abusive-unjust-case-against-townstone/>.

<sup>36</sup> KLEINMANN & COMPANY LLC, REPORT ON TESTING OF TOWNSTONE PODCASTS AND RADIO BROADCAST WITH AFRICAN AMERICAN RESIDENTS OF CHICAGO’S SOUTH SIDE 6 (2019), <https://freebeacon.com/wp-content/uploads/2023/06/2019-07-29-KCG-Report-on-Testing-of-Townstone-Podcast.pdf>.

<sup>37</sup> *Id.* at 6.

<sup>38</sup> Letter from Patrick McHenry et al., Ranking Member, H. Comm. on Financial Serv., to Rohit Chopra, Director, Consumer Financial Protection Bureau (July 28, 2022).

<sup>39</sup> *Id.*

this supplemental enforcement activity by assuring states that they may bring “an enforcement action to stop or remediate harm that is not addressed by a CFPB enforcement action against the same entity.”<sup>40</sup> While states can enforce the CFPA when the CFPB has not, the “statute does not allow for a state attorney general to become a party to an existing CFPB enforcement action.”<sup>41</sup> Between October 12, 2021 and April 30, 2022 then-Director Chopra met with attorneys general on at least twenty-three occasions.<sup>42</sup> On December 7, 2021, then-Director Chopra encouraged state attorneys general to bring enforcement actions under the *Consumer Financial Protection Act*, particularly when federal protections are stronger than state statutes.<sup>43</sup>

The CFPB has routinely exceeded its statutory mandate and evaded judicial and congressional review. Under former Director Rohit Chopra, the Bureau undertook a significant and unilateral expansion of its authority and jurisdiction – often through informal guidance, enforcement actions, and novel legal interpretations – without clear statutory authorization. This “underscore[s] its pervasive threat to the well-being of the American people.”<sup>44</sup> Accordingly, I request that your office conduct a comprehensive investigation into the CFPB’s adherence to proper processes and procedures, including potential violations of statutory and regulatory requirements, abuses of authority, and any irregularities in how these decisions were made and implemented, including but not limited to:

1. The CFPB’s decision to broaden its UDAAP authority to include discrimination;
2. The CFPB’s decision to expand the definition of “credit” under TILA to promulgate their overdraft lending rule;
3. Former Director Chopra’s increased coordination with state attorneys general, exceeding the statutory authority granted under the CPFA; and
4. The time and costs associated with enforcement actions brought under former Director Chopra as compared to prior directors.

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<sup>40</sup> Press Release, Consumer Financial Protection Bureau, CFPB Bolsters Enforcement Efforts by States (May 19, 2022), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-bolsters-enforcement-efforts-by-states/>.

<sup>41</sup> Letter from Patrick McHenry et al., Ranking Member, H. Comm. on Financial Serv., to Rohit Chopra, Director, Consumer Financial Protection Bureau (July 28, 2022).

<sup>42</sup> *Consumer Financial Protection Bureau Leadership calendar*, <https://www.consumerfinance.gov/about-us/the-bureau/leadership-calendar/> (last visited May 20, 2025).

<sup>43</sup> Press Release, Consumer Financial Protection Bureau, Director Chopra Remarks – December NAAG Meeting (Dec. 7, 2021), <https://www.consumerfinance.gov/about-us/newsroom/director-chopra-remarks-december-naag-meeting/>.

<sup>44</sup> *Primer: The CFPB Should Be Shut Down*, CENTER FOR RENEWING AMERICA, Feb. 10, 2025, <https://americarenewing.com/issues/primer-the-cfpb-should-be-shut-down/>.

Mr. Fred W. Gibson

June 26, 2025

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If you have any questions, please contact Kelsey Donohue at [kelsey.donohue@mail.house.gov](mailto:kelsey.donohue@mail.house.gov). Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in blue ink that reads "Dan Meuser". The signature is written in a cursive style with a large initial "D" and "M".

Dan Meuser

Chairman

Subcommittee on Oversight and Investigations