Testimony of Elizabeth Warren
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## I. Introduction

Thank you Chairman Issa, Ranking Member Cummings, and members of the Committee for inviting me to testify about the work of the Consumer Financial Protection Bureau (CFPB).

This will be the third time I have testified before Congress since joining the Treasury Department as Special Advisor to the Secretary for the CFPB. In March, I appeared before the House Financial Services Committee's Subcommittee on Financial Institutions and Consumer Credit, and in May, I testified before this Committee's Subcommittee on TARP, Financial Services, and Bailouts of Public and Private Programs. In addition, the Director of our Office of Servicemember Affairs, Holly Petraeus, has testified twice, once before the House Veterans Affairs Committee and once before the Senate Committee on Homeland Security's Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia. Last week, Associate Director Raj Date testified before a joint hearing of the House Financial Services Committee's Subcommittee on Financial Institutions and Consumer Credit and Subcommittee on Oversight and Investigations. At each of those appearances, we provided detailed written testimony on our efforts to establish the CFPB. Today, I welcome this opportunity to testify before the full Committee on Oversight and Government Reform and to provide additional written testimony.

On July 21, 2010 – nearly a year ago – President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), which established the CFPB. In the time since, the Treasury Department has been hard at work standing up the new CFPB so that it can fulfill the responsibilities vested in it under the Act. Some of the highlights of our work to date include:

- *Know Before You Owe Mortgage Disclosure Project* – The CFPB has begun implementing a process for combining the complex and duplicative federal Truth in Lending Act and Good Faith Estimate disclosure forms into a single, useable form. By sharing early drafts of the new form with the public and integrating comments and insights into subsequent versions, we will begin the formal rulewriting process with the most effective form possible.

- *Larger Participant Definition* – Before the CFPB can supervise certain types of nonbank providers of consumer financial products or services, it is required by law to define who is a "larger participant" in certain markets. Once again, by engaging the public early in the process, we intend to begin formal rulewriting from a strong foundation that takes into account a broad spectrum of viewpoints.

- *February Conference on the Credit Card Accountability Responsibility and Disclosure Act of 2009* – In February, the CFPB hosted a conference on the one-year anniversary of the implementation of key provisions of the CARD Act. The conference was held to develop data about the impact of the new law and to initiate a candid conversation with industry participants and others about credit card markets.

- *Establishment of the Office of Servicemember Affairs* – Under the leadership of Holly Petraeus, a longtime advocate for military families and a member of a multi-generational military family herself, we have worked hard to get an early start on helping servicemembers and their families navigate the unique circumstances that affect their financial lives.

- *Hiring* – The CFPB has developed an organizational chart and has hired approximately 400 employees. In past testimony, I have provided lists of our Associate and Assistant Directors – a talented group that brings a variety of perspectives and viewpoints into our work.

- *Engagement and Outreach* – Since last September, we have spoken directly with community bankers in all 50 states and with credit unions across the country. We have also met with dozens of banking executives, trade associations, consumer advocates, state banking officials, and other stakeholders to provide clarity about the CFPB's goals and mission and to take in as much input as possible on our early priorities.

- *Launch of CFPB Website* – In February, the Bureau launched a website (ConsumerFinance.gov) to provide greater transparency in our efforts. We regularly post information about our work to keep the public informed about how we are trying to make consumer financial markets work for all Americans.

- *Large Bank Supervision* – The CFPB has taken the first steps toward supervision of the country's largest depository institutions by entering into information-sharing memoranda of understanding with other bank regulators. The Bureau is familiarizing itself with the operations, risks, and issues associated with these institutions, and it will work closely with the other bank regulators to coordinate our supervisory and examination activities.

- *Congressional Engagement* – I have had the benefit of more than 100 one-on-one conversations with Members of Congress to keep them apprised of our efforts and to seek feedback. Staff-to-staff discussions and briefings have also been extensive.

In addition, over the next few weeks as we pass the designated transfer date, we will move forward on a number of projects and reports that I look forward to discussing in greater detail during today's hearing.

## II. The CFPB's Pending Activities — Highlights

*A. Background*

The CFPB will increase accountability in government. Under the old system, seven different federal agencies had some responsibility for consumer financial protection, but none of them had the authority and comprehensive tools necessary to ensure that prices and risks were clear and that consumer financial markets worked for American families. In the wake of the worst financial disaster since the Great Depression, the Dodd-Frank Act reformed this flawed regulatory structure by placing consumer financial protection responsibility squarely on the CFPB. The CFPB will be directly accountable to Congress and the public for getting this job done.

The Dodd-Frank Act established the CFPB and defined the scope of its authority with respect to consumer financial products and services. Under the Act, the CFPB is charged with ensuring that: 1) consumers have timely and understandable information to make responsible decisions about financial transactions; 2) consumers are protected from unfair, deceptive, or abusive acts or practices, and from discrimination; 3) outdated, unnecessary, or overly burdensome regulations are identified and addressed in order to reduce unwarranted regulatory burdens; 4) federal consumer financial law is enforced consistently, without regard to the status of a person as a depository institution, in order to promote fair competition; and 5) markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation.

A fair, transparent, and competitive market is based on the premise that consumers can easily see the costs and risks of the products they are about to purchase and that they are able to compare the costs and benefits of different products effectively before making their choices. From our first day of work, promoting transparency in the credit market and reducing what is buried in the fine print has been a core goal of the agency. The CFPB is focused on making markets work, and this principle animates the Bureau's activities.

*B. Mortgage Disclosure Simplification*

I have previously testified about the Bureau's efforts to simplify federal mortgage disclosures. In May, the CFPB launched its *Know Before You Owe* project, an effort to combine two federally required mortgage disclosures – the Truth in Lending Act disclosure form and the Good Faith Estimate – into a single, simpler form. This project aims to provide consumers with upfront, easy-to-understand information that helps them compare different mortgage offers and find the one that's best for them. It also aims to reduce regulatory burden by giving mortgage originators a clearer, less complicated form to work with.

We undertook this project after extended discussions with borrowers and lenders, many of whom identified the current paperwork as incomprehensible and a waste of time. With their support, we spent months studying the existing disclosures and legal requirements, reviewing research, consulting with stakeholders, and designing draft prototypes. In May, the CFPB began conducting one-on-one interviews with consumers, lenders, and brokers to test their reaction to two different draft forms, each a two-page application-stage disclosure form. At the same time, the Bureau posted the draft forms on its website, ConsumerFinance.gov, to seek public views about the design and content of the forms.

The reception has been extremely positive.[1] In the first few days, the *Know Before You Owe* page on the CFPB website was viewed approximately 118,000 times. More than 14,000 people chose their preferred version of two alternative prototype forms. And more than 6,000 of those people took the time to provide more than 14,000 detailed suggestions and comments online.

After reviewing these comments and the results of our interview testing, we revised our prototypes and posted an updated version of the forms two weeks ago, again with a request for public input. Over the next few months, we will continue with additional rounds of testing as we work toward a single draft disclosure form. All of our work with consumers, community banks, credit unions, mortgage brokers, other industry representatives, consumer advocates, and others will help us better understand good disclosures prior to beginning the rulemaking process.

After the interview testing of the prototype forms concludes in September, and after further consultation with other agencies and small businesses, the Bureau will publish proposed regulations and its draft model forms for formal notice and comment. Once the Bureau has taken those comments into account, the final versions of the forms will be subjected to quantitative testing before any rule is finalized.

### *C. Larger Participant Definition*

Under the Dodd-Frank Act, many financial companies that are not banks will be subject to federal supervision for the very first time. This is a significant change in the oversight of providers of consumer financial products and services. Banks, thrifts, and credit unions have been subject to supervision and examination by various federal regulators for decades. In contrast, nonbank institutions – for example, payday lenders, mortgage brokers, prepaid card providers, remittance providers, and credit reporting agencies – provide consumer financial products or services without any significant federal review of their business practices to ensure compliance with the federal consumer financial laws. One of the goals of the Dodd-Frank Act is to better protect consumers by helping to ensure that all providers of consumer financial services – banks and nonbanks alike – are treated similarly.

In addition to strengthening consumer protection, the CFPB's supervision of nonbank financial service providers will serve to level the playing field between banks and non-banks. For too long, the uneven regulatory burdens between banks and nonbanks have distorted the competition for customers' business, often placing banks and credit unions at a substantial disadvantage. When the CFPB is able to supervise both banks and nonbanks for compliance with consumer

[1] Kate Davidson, "New CFPB Mortgage Disclosures Win Praise for Content and Process," *American Banker*, May 19, 2011, available at http://www.americanbanker.com/issues/176_96/cfpb-offers-two-new-mortgage-disclosure-forms-1037690-1.html?zkPrintable=1&nopagination=1.

financial protection laws, those differences should subside. The supervision of nonbank companies will be a crucial piece of the CFPB's work.

Before it can supervise certain nonbank financial institutions, the Bureau must determine which institutions are "larger participants" in certain markets. Under the Dodd-Frank Act, the CFPB automatically has the authority to examine companies of all sizes in the mortgage, payday lending, and private student lending markets. But for all other markets – such as other types of consumer credit and debt collection – the Dodd-Frank Act, as a general matter, authorizes the CFPB to supervise only larger nonbank participants. Before the Bureau can do that, however, it must define through a rule, no later than July 21, 2012, who is a "larger participant" in these markets.

To prepare for this eventual rulemaking, which will serve as an important building block in the CFPB's nonbank supervision program, the Bureau is seeking public comment through a Notice and Request for Comment. The Notice discusses several issues that arise when attempting to define "larger participant." These issues include, among others, how to set thresholds and criteria for defining larger participants and what markets to include in the initial rule. Each of these issues raises a host of questions that the initial rule will need to answer.

By issuing a Notice and Request for Comment, the CFPB is calling for interested persons to provide comments prior to the rulemaking process. The CFPB intends to develop a strong foundation that takes into account a broad spectrum of viewpoints by engaging industry, consumer advocates, and community groups.

*D. The Equal Credit Opportunity Act*

Section 1071 of the Dodd-Frank Act amends the Equal Credit Opportunity Act to require that financial institutions collect and report information concerning credit applications made by women- or minority-owned businesses and small businesses.

The data collection requirement in Section 1071 is an important tool that will significantly bolster both fair lending oversight and a broader understanding of the credit needs of small businesses. Developing effective implementing regulations will be critical to achieving Congress's objectives. Under an analogous regime established by the Home Mortgage Disclosure Act, the Board of Governors of the Federal Reserve System has issued detailed regulations and supporting materials that establish consistent definitions of terms; procedures for requesting information regarding race, ethnicity, and gender; information data fields to be collected; data coding protocols; and procedures for report formatting and transmittal.

The CFPB is working to implement Section 1071 so it can achieve Congress's objectives. Congress intended section 1071 to produce reliable and consistent data that can be analyzed by the Bureau, other government agencies, and members of the public to facilitate enforcement of fair lending laws and to identify business and community development needs. As part of that effort, the Bureau is in the process of gathering input from a variety of stakeholders, including nonprofit organizations, small business groups, and financial institutions, and we will ensure that the public has a full opportunity to comment on the Bureau's proposed regulations. Earlier this year, the CFPB issued guidance to financial institutions clarifying that their obligations under Section 1071 do not take effect until the Bureau issues necessary implementing regulations.

*E. Report on Study of Credit Scores*

Section 1078(b) of the Dodd-Frank Act requires the CFPB to conduct a study and submit a report to Congress on variations between the credit scores sold to creditors and those sold to consumers by certain consumer reporting agencies. Congress also has directed the Bureau to address whether those variations disadvantage consumers.

The final version of the report will cover a range of subjects, including: the process of developing credit scoring models, and why different scoring models may produce different scores for the same consumer; how different scoring models are used by creditors in the marketplace; and ways that differences between the scores provided to creditors and those provided to consumers could disadvantage consumers. The report will also describe a substantial data collection and analysis project being carried out by the CFPB that will allow us to understand more fully and to assess the significance of the credit score variations.

The report is due on July 21, 2011. We anticipate producing the credit score report on time and supplementing the report with additional data and analysis in the future.

*F. Study on Using Remittance History for Credit Scores*

Each year, U.S. consumers send tens of billions of dollars to family members, friends, and other recipients abroad. For both the U.S. senders and the foreign recipients, these transfers can be significant. The Dodd-Frank Act has defined many of these transfers as "remittance transfers." Section 1073(e) of the Dodd-Frank Act requires the CFPB to prepare a report regarding how a consumer's remittance history could be used to enhance her credit score, the impediments to using a consumer's remittance history in this way, and recommendations on ways to maximize transparency and disclosure to consumers of exchange rates used for remittance transfers.

The report will be based on the CFPB's review of existing data and research, as well as interviews of market participants, researchers, and other industry experts. The report is due on July 21, 2011. We anticipate producing the remittance history report on time and supplementing the report with additional data and analysis in the future.

*G. Section 1063(i) List of Regulations*

Section 1063(i) of the Dodd-Frank Act requires the Bureau to publish by the designated transfer date a list of rules and orders that the Bureau will enforce. To increase public awareness, the Bureau published a draft list for public comment and intends to publish a final list by July 21.

This process should help to ensure that all parties affected by the Bureau's work are able to see clearly and upfront the rules that the CFPB will enforce.

### *H. Training and Workforce Development Plans*

Section 1067(b) of the Dodd-Frank Act requires the CFPB to prepare a report on three plans pertaining to the Bureau's staff: a training and workforce development plan, including identification of skill and technical expertise needs, a description of the steps taken to foster innovation and creativity, and a leadership development and succession plan; a workplace flexibilities plan, covering items such as telework, flexible work schedules, and parental leave benefits; and a recruitment and retention plan that includes provisions relating to targeting highly qualified and diverse applicants, streamlined employment application processes, and the collection of information to measure indicators of hiring effectiveness. This report also will provide overarching information on the vision for the CFPB, the unique "start-up" context of the Bureau, the challenges we have faced, and the current make-up of the CFPB's staff.

The report is due on July 21, 2011. We anticipate producing this workforce report on time.

## III. The CFPB's Stand-up Period

### *A. Organizational Structure and Personnel*

With the help of advice from many outside stakeholders, last fall we began the process of designing an organizational structure. This structure will provide a solid, long-term foundation for the consumer bureau. The current organizational chart is available on the Bureau's website. The CFPB's six divisions under that organizational chart are: Consumer Engagement and Education; Supervision, Enforcement, and Fair Lending; Research, Markets, and Regulations; the Office of the General Counsel; External Affairs; and the Chief Operating Officer.

At the consumer bureau, we know that people are our most valuable resource. In keeping with that knowledge, we have worked hard to hire a staff with a wealth of experience and a diversity of backgrounds. We have hired approximately 400 employees, with more coming all the time as we build out our various teams. The largest number of employees will be in our Supervision, Fair Lending, and Enforcement division, where we expect to have more than half of our total positions when we are fully staffed. We are also working hard to build our other functions, including research, rulewriting, consumer complaints, and consumer education, along with all the support functions, including the general counsel, information technology, procurement, and human resources. Building a team of dedicated, experienced, and top-notch personnel who bring a variety of perspectives and viewpoints into our work – including people with significant business backgrounds who understand what it is like to be on the receiving end of regulations and the costs and challenges associated with compliance – is a critical priority.

*B. Engagement and Outreach*

We recognize the importance of communicating substantively and frequently with those who will be affected by the Bureau. A critically important part of public engagement is to listen. To appreciate the full implications of this new agency and to build it to best serve our nation, we are working to understand the expectations and concerns of individuals and groups from the full range of perspectives. Stories we have learned in our travels across the country have been extremely helpful in informing our work. I have talked directly with community bankers from all 50 states, and I have spoken frequently with credit union officials across the country. I visit with bankers, other financial service providers, and trade associations regularly, not just in D.C. but also by telephone and during my travels outside Washington. I also have had many meetings with consumers and with consumer advocates. In addition to my own meetings, the CFPB staff has held dozens of roundtables, one-on-one meetings, and telephone calls with various stakeholders to solicit feedback on our work. We have also visited some of the communities that have been hardest-hit by financial problems. Members of the CFPB team and I sat in on foreclosure court in Miami, met with victims of predatory lending in San Antonio and the Mission District of San Francisco, and held a roundtable in Columbus, Ohio. We have listened to the diverse voices of the Chicago community at Lakeview Lutheran Church and the concerns of consumer advocates in Little Rock, Arkansas. The stories we have heard from so many people across the country have only deepened our conviction that better consumer financial protection is urgently needed.

Earlier this year, Holly Petraeus, the head of the CFPB's Office of Servicemember Affairs, and I traveled to Joint Base San Antonio, Texas. There, we held our first town hall with servicemembers and their families to deepen our understanding of how the Bureau and its Office of Servicemember Affairs can empower military families with tools to make better financial decisions and protect them from the latest scams. Holly and I also visited Joint Base Myer–Henderson Hall in Virginia, and Holly has visited four other bases since January as well, with more trips on our schedule.[2] Our outreach to the military community has provided valuable insights to our Office of Servicemember Affairs on the unique challenges faced by military families, such as deployment and frequent moves.

Because we are building a 21st-century agency, not all of our outreach and engagement is conducted in person. The CFPB's website, ConsumerFinance.gov, launched in February. The website's "Open for Suggestions" feature encouraged direct communication with the CFPB through YouTube videos, Twitter, e-mail, and other media. The CFPB blog launched, as did multiple social media outposts on Twitter, Facebook, Flickr, and YouTube. These outlets have been providing a steady stream of information about how the CFPB can make consumer financial markets more fair, competitive, and transparent.

In its early efforts, the CFPB also has worked collaboratively with state regulators to try to provide the most efficient, effective network of consumer protection possible. In January 2011, the CFPB signed a memorandum of understanding with the Conference of State Bank

[2] In addition to Joint Base San Antonio and Joint Base Myer–Henderson Hall, Holly has visited Fort Bragg, Naval Station Great Lakes, Joint Expeditionary Base, Little Creek, and the Marine Corps Recruit Depot in San Diego. She has also visited with the Illinois, Ohio, and Oklahoma National Guard.

Supervisors, and, since that time, regulators from 31 states have joined that agreement to share information, to coordinate on examination procedures and examiner training, and to cooperate on enforcement and supervision matters. This agreement is important to both our bank and our nonbank supervision programs and is an important step in the process of ensuring that all lenders comply with the rules.

In April, the CFPB and the National Association of Attorneys General announced agreement on a joint statement of principles to advance shared goals relating to the protection of consumers of financial products and services from unlawful acts and practices. State attorneys general work hard to enforce consumer protection laws and can serve as an early warning system – the first responders to activities that harm American families. They are committed to protecting their citizens, and that commitment directly engages them in consumer protection issues. As a result, they are also natural partners for the consumer bureau.

## IV. The CFPB's Commitment to Accountability and Transparency

Accountability is a core principle of the CFPB. I came to Washington in the fall of 2008 during the height of the financial crisis. My job was to chair the Congressional Oversight Panel on the Troubled Asset Relief Program, and my experience there helped make me a firm believer in the importance of oversight. In my current capacity, I have done my best to set a tone of openness and accountability for the Bureau. We have taken several concrete steps to strengthen this tenor of transparency:

- We began to post my calendar to the Treasury website proactively on November 24, 2010, even before we launched our own website. We have now posted my calendar online once each month and will continue to do so as a commitment to our openness. We update the calendar retrospectively; we do not post current or future calendars. In order to make the calendars as useful as possible, we have provided each month's calendar in multiple formats.

- I have had more than 100 one-on-one conversations with Members of Congress from both sides of the aisle, and our staff has provided additional information and briefings.

- I have met with a variety of open government organizations, and our staff has had additional meetings and conversations with these groups on an ongoing basis. The groups provided valuable input on how to build transparency into the makeup of the agency.

- We have posted our draft organizational chart online. We began this public posting in early February, although we had been providing the draft chart to Members of Congress and the media for a couple months before that. In developing the CFPB's organizational structure, we have asked for comments and critiques from individuals in the private sector, community groups, and academia, as well as from Members of Congress.

- We have provided updates online and in testimony on our hiring, including listing the names and experience of our senior leadership.

- We have shared publicly through our website our analysis and raw data about the impact of the CARD Act. In February, the consumer bureau held a conference on the first anniversary of when key provisions of the CARD Act took effect. The CFPB undertook a voluntary survey of the nine largest card issuers (representing approximately 90 percent of the market), and other studies also were conducted in connection with the conference. These studies revealed that late fees, interest rate hikes, and over-limit fees had been significantly curtailed since the CARD Act took effect.

- We have publicly posted budget updates to provide a snapshot of how we are spending funds and a broader perspective on how we are using our resources to fulfill our mission. We provided a description of major purchases and financial commitments.

- We have used our website to provide a steady flow of information and to solicit – in a highly transparent way – input from the public. We have maintained a blog, posting frequent updates on many facets of the Bureau's work – and we have offered an outlet to comment on those blog entries.

- We have welcomed the many opportunities to testify before Congress.

## V. The CFPB Is Subject to Significant Oversight

In past testimony, I have explained in detail the substantial oversight that exists over the CFPB and the substantial limitations on its activities and authorities. For today's hearing, I would like to provide a summary of existing oversight and limitations.

First, if the CFPB issues a rule, like any other administrative agency, we are subject to the requirements and limitations of the Administrative Procedure Act. These requirements are enforceable through judicial review, ensuring that the CFPB operates within the constraints set by Congress and the U.S. Constitution. And, of course, as in the case of any federal agency, Congress can always overturn the Bureau's rules by passing legislation if it disagrees with our judgments.

Second, the Bureau faces special constraints enacted as part of the Dodd-Frank Act. For example, we are the only banking regulator (and one of only three agencies anywhere in government) that is required to conduct small business impact panels in connection with rulemaking proceedings to gather input from small businesses about the potential impact of proposed rules.[3] We are also subject to general requirements to consider the benefits and costs of proposed rules to consumers and providers,[4] as well as impacts on small depository institutions and rural consumers,[5] and to consult with the appropriate prudential regulators and other agencies in our rulemaking.[6]

[3] Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203, Section 1100G.
[4] *Id.* at Section 1022(b)(2)(A)(i).
[5] *Id.* at Section 1022(b)(2)(A)(ii).
[6] *Id.* at Section 1022(b)(2)(B).

Third, the checks on the CFPB's rulemaking are more stringent than the checks on other banking regulators. In addition to the unique requirements noted above, the Bureau is the only banking regulator whose rules can be overruled by a council made up of other federal agencies. In the Dodd-Frank Act, Congress provided that a two-thirds majority of the banking regulators and other members of the Financial Stability Oversight Council can veto any rule issued by the consumer bureau if the council determines that it would put the safety and soundness of the banking system or the stability of the financial system at risk. No similar restriction has been placed on the activities of any other financial regulator.

Fourth, the CFPB's funding structure is a significant source of accountability. If the Office of the Comptroller of the Currency believes it needs more funds to hire more examiners, it can raise more funds through assessments on the industry. Similarly, if other banking regulators determine that they need more funds to expand the scope of their work, they are the sole judges of how much money they will have. But the Bureau's independent funding is statutorily capped at a portion of the Federal Reserve System's 2009 operating expenses, with certain adjustments for inflation. If the CFPB concludes that it needs additional funding, it must persuade Congress to provide that funding. The CFPB is the only bank regulator that faces such constraints in determining its own funding levels.

Fifth, the Bureau must submit a variety of reports and undergo a variety of audits, including annual financial reports to Congress, budget justifications to Congress, reports on the consumer agency's activities, annual GAO audits on the Bureau's expenditures, quarterly financial reports for the OMB, and reviews by the Inspector General of the Federal Reserve Board.

At the Bureau, we are working nonstop to build an effective operation, with the goal of making consumer financial markets work better for consumers and better for financial services providers alike. We want to make prices and risks clear, and we want consumers to be able to compare two or three credit cards or two or three mortgages head to head. We think every consumer should have the information they need to answer two basic questions: "Can I afford this?" and "Is this the best deal I can get?" That's how markets are supposed to work, and that's where this new agency is headed. A transparent and efficient market serves both consumers and businesses, and a healthy consumer financial market benefits our entire economy.

We have all seen the consequences of a regulatory system in which no single regulator has the authority and the comprehensive tools necessary to ensure that the consumer financial markets work for American families. For years, we have seen the growth of fine print that hides important and complex terms, fine print that makes it almost impossible for consumers to know what they are really getting into when they sign on the dotted line. We have also witnessed an explosion of high-risk consumer lending among largely unregulated lenders such as payday and car title outfits. And we have seen the economy driven to the brink of collapse by subprime lenders and brokers pedaling high-risk mortgages to people who couldn't possibly repay them. As a country, we are all paying the price for a consumer credit system that was broken.

## VI. Conclusion

Chairman Issa, Ranking Member Cummings, and members of the Committee, thank you again for inviting me to testify today about the CFPB. As we prepare this agency to begin its various responsibilities, we appreciate the important oversight role of this Committee, and we thank you for your interest.