

FOR IMMEDIATE RELEASE

Wednesday, December 18, 2024

Contact:

Lizeth George

Senior Communications Manager

866-231-0545 ext.1076

lizeth.george@lscu.coop



Time for CFPB Reform and a True Focus on Protecting Consumers

TALLAHASSEE, FL – *The following release is the opinion and analysis of Samantha A.M. Beeler, President of the League of Southeastern Credit Unions:*

“Over the last four years, the Consumer Financial Protection Bureau (CFPB) has increasingly strayed from its core mission to protect consumers and promote fairness in the financial marketplace. What was once hailed as a vital consumer watchdog has become a politically charged agency that prioritizes ideology over its intended purpose. Instead of tackling issues that truly harm consumers—like predatory payday lenders for example, the CFPB has spent years chasing settled issues and engaging in politically motivated enforcement actions. It is time for reform—and for the Department of Government Efficiency (DOGE) to take a hard look at how the Bureau operates.

Under the current Director, the CFPB has taken a bold and public approach to enforcement, frequently making sweeping announcements via press releases and media appearances. These high-profile stunts have done little to educate or protect consumers. Rather, they have fostered a climate of mistrust and stifled financial innovation, as the Bureau’s actions appear to be more about political grandstanding than meaningful consumer protection.

The statistics are staggering. Since October 2021, the CFPB has issued nearly 80 enforcement actions, leading to over \$10 billion in civil penalties. This is just the beginning: the Bureau is on track to break its own record for civil penalties in a single year. Recently, the Bureau levied the largest civil penalty in its history. But what is particularly concerning is the timing and nature of these actions. A large number of these enforcement measures are not aimed at the worst offenders in the marketplace but at institutions that have already taken steps to correct violations. For all its talk of “protecting consumers,” the CFPB has repeatedly overlooked predatory lending and financial fraud—issues that actually harm consumers—in favor of enforcing rules that have already been addressed. This is a bureaucratic failure that must be rectified.

It is also worth noting that the majority of CFPB’s actions are backward-looking, focusing on issues that were resolved long ago rather than proactively addressing the most pressing threats

to consumers. A recent report from the Competitive Enterprise Institute revealed that the current administration has issued nearly 3,000 final rules in 2024 alone, a quarter of which affect small businesses. Meanwhile, enforcement data from the CFPB shows that the agency has shifted its focus away from predatory actors and instead broadened its reach into the day-to-day operations of financial institutions—creating an environment of uncertainty and overregulation.

While the CFPB continues to expand its regulatory footprint, credit unions have proven that consumer protection does not require a massive government bureaucracy. Credit unions, by their very nature, are member-owned cooperatives that prioritize the interests of their members over all else. Unlike the CFPB, credit unions are governed by their members and held accountable through direct, face-to-face interactions. Credit unions are the original consumer protectors. Their structure is built on trust, transparency, and accountability—values that should be the foundation of consumer protection in financial services.

The need for CFPB reform has never been more urgent. The agency's current trajectory undermines the work of institutions like credit unions, who have been successfully serving communities for decades without the overbearing presence of a bloated federal agency. The CFPB's own overreach, paired with its flawed governance structure, has proven that it is time for reform. The focus of consumer protection must shift to where it matters most: addressing financial fraud, cybersecurity risks, and predatory actors like payday lenders.

Rather than wasting resources on stifling innovation in an already highly regulated industry, we urge DOGE to consider the creation of a Cybersecurity and Financial Fraud Protection Bureau—one that can truly protect consumers from the growing threats of financial fraud and cybercrime. These areas are under-resourced and in desperate need of attention. A dedicated bureau focused on these critical areas would offer real value to consumers, far more than the CFPB has demonstrated in its current form.

Credit unions are already doing the work the CFPB was designed to do. It is time for the government to acknowledge that and help shift the focus back to combating real consumer harm. The current CFPB is a broken agency—one that needs to be reined in, restructured, and refocused on the issues that matter most to consumers. We must act now.”

###

ABOUT THE LEAGUE OF SOUTHEASTERN CREDIT UNIONS & AFFILIATES

The League of Southeastern Credit Unions & Affiliates represents nearly 300 credit unions throughout Alabama, Florida, and Georgia. It has a combined total of almost \$200 billion in assets and 12.5 million members. LSCU provides advocacy, compliance services, education and training, cooperative initiatives, and communications. For more information, visit www.lscu.coop. Follow LSCU on [Facebook](#), [LinkedIn](#), and [X](#).