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Attorney General Bonta Continues Defense of CFPB as Trump Administration Attempts to Shrink Its Responsibility to Protect Consumers

Press Release / *Attorney General Bonta Continues Defense of CFPB as Trump Ad...*

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Proposals would leave consumers who are buying a car, disputing debt, or transferring money internationally, vulnerable

OAKLAND — California Attorney General Rob Bonta today, along with 19 attorneys general, sent multiple letters to the Consumer Financial Protection Bureau (CFPB), opposing a series of proposals that would dramatically shrink the Bureau's supervisory oversight of the markets for auto finance, consumer reporting, debt collection, and international money transfer services. The proposals all outline the CFPB's intention to regulate only a small handful of companies in each of these markets, leaving consumers who use the vast majority of companies in these markets unprotected. The Trump

Administration's proposals would limit the CFPB's oversight to as few as six consumer reporting companies, 11 debt collectors, four international money transfer providers, and five auto finance companies. Shortly after taking office, the Trump Administration launched a campaign of destruction and systemic shuttering of the CFPB, threatening catastrophic harm to hardworking families and consumer financial markets nationwide.

“The Trump Administration’s razing of the CFPB, the top cop protecting Americans from financial exploitation, puts families nationwide at a glaring disadvantage when standing up to big businesses that aren’t playing by the rules,” **said Attorney General Bonta.** “With these proposals to limit its own oversight of critical financial markets, the CFPB is attempting to skirt its obligation under federal law to protect American consumers, meaning that hundreds of thousands of consumer complaints would fall on deaf ears. If you have ever had issues with your car loan, with sending money internationally, or have ever disputed a credit score error, these proposals impact you.”

The CFPB was created to protect consumers from being taken advantage of by corporations. As the cornerstone of federal consumer financial protections, the CFPB has worked to protect consumers from fraud, abuse, and unfair business practices — and has returned over \$20 billion to Americans since its creation.

In the letters today, the attorneys general oppose all four advanced notice of proposed rulemakings under the CFPB's larger participant rulemaking authority. The attorneys general argue that the proposals would leave millions of Americans without a federal agency looking after their best interests and would violate the CFPB’s obligation to protect consumers under federal law. Each proposal would dramatically shrink the CFPB’s oversight of certain markets — most of which are plagued with high consumer complaints.

Automobile Finance Market Proposal

Car loans are the most important consumer financial transaction besides a mortgage. Aside from homes, American consumers enter into the largest and most consequential financial decisions of their lives when obtaining automobile loans, which often run from five to seven years. And in its most recent report, the CFPB acknowledged receiving more than 18,000 complaints regarding automobile financing. The proposed rule would radically reduce the CFPB's coverage of the automobile finance market, leading the CFPB to only supervise less than half of all companies operating in this space, and none of the entities operating in the subprime space (for individuals with low credit scores), which is the riskiest lending space.

A copy of the letter can be found [here](#).

Consumer Reporting Market Proposal

The consumer reporting industry touches the lives of hundreds of millions of Americans in the financial marketplace. When the consumer reporting market does not function properly, consumers are harmed in nearly every area of life, including in their ability to access credit, obtain employment, rent housing, acquire insurance, and open bank accounts.

As it stands, this system is plagued by inaccuracies, and consumers continue to report trouble exercising their rights under the Fair Credit Reporting Act to dispute incorrect information on their credit reports. In 2024, consumers sent more than 2.7 million complaints to the CFPB about consumer reporting issues, accounting for 85% of all CFPB consumer complaints on any topic. Many complaints related to smaller and specialty consumer reporting companies.

A copy of the letter can be found [here](#).

Debt Collection Market Proposal

American consumers have the right to be free from abusive and predatory debt collection practices. Yet illegal debt collection practices are prevalent throughout the country. In 2024, debt collection related consumer complaints constituted the second highest category of complaints made by consumers to the CFPB. And the volume of debt collection related complaints is skyrocketing. From 2023 to 2024, debt collection complaints to the CFPB rose by a staggering 89%; from 98,000 complaints in 2023 to 207,800 in 2024. In the face of the significant and rising levels of consumer injury from illegal debt collection practices, the proposed rule would significantly reduce the number of debt collectors under the CFPB's supervision.

A copy of the letter can be found [here](#).

International Money Transfer Services Proposal

American consumers deserve to be treated fairly when sending money abroad. Yet too often consumers are charged hidden junk fees, lose money due to transfer errors, or are deceived by bad actors in the industry about the terms and conditions of the international money transfers they make. The CFPB is considering significantly shrinking their supervision so that only four international money transfer providers are subject to supervision.

A copy of the letter can be found [here](#).

Background

After examining the fallout of the 2008 financial crisis, Congress concluded the crisis resulted in part from the failure of federal banking and other regulators to address significant consumer protection issues detrimental to both consumers and the safety and

soundness of the banking system. In direct response to these events, Congress established the CFPB and tasked it with enforcing numerous federal consumer protection statutes and enacting regulations to further these efforts. For over a decade, the CFPB has served as an invaluable partner to state attorneys general and state banking regulators, both by working to protect consumers against fraudulent and abusive practices and by advancing a fair and level playing field in consumer financial markets by issuing regulations under federal law.

The Trump Administration has taken a series of actions intended to debilitate the CFPB, including issuing a suspension of work across the agency, terminating probationary employees, and announcing a decision not to draw additional funding from the Federal Reserve. These actions appear to be part of a unilateral effort to permanently shut down the agency, including programs and operations mandated by federal law. Most recently, the Trump Administration issued reduction in force notices to 90% of the CFPB's workforce — a move that was swiftly blocked by the courts.

Attorney General Bonta has been a vocal supporter of CFPB. Earlier this year, Attorney General Bonta submitted amicus briefs in *Mayor and City Council of Baltimore v. Consumer Financial Protection Bureau* and in *National Treasury Employees Union v. Vought*, lawsuits challenging the Trump Administration's efforts to dismantle the CFPB.

In sending today's letters, Attorney General Bonta joins the attorneys general of New York, Arizona, Colorado, Connecticut, Delaware, District of Columbia, Hawaii, Illinois, Maine, Maryland, Massachusetts, Michigan, New Jersey, New Mexico, North Carolina, Oregon, Rhode Island, and Washington.

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