

United States Senate

WASHINGTON, DC 20510

February 10, 2025

The Honorable Russell Vought, Director
Office of Management and Budget
725 17th St. NW
Washington, DC 20303

Dear Director Vought:

This morning, in your capacity as Acting Director of the Consumer Financial Protection Bureau (CFPB), you issued a directive to employees to cease all work without your express written approval. This includes investigations, supervision, enforcement, and litigation activities, as well as all stakeholder engagement and public communications. This decision leaves all Americans susceptible to predatory lending and other abusive practices, but in particular, it eliminates protections that prevent servicemembers from being exploited.

This funding, supervision, enforcement, and communications freeze will hit military families especially hard. Without a functional CFPB, military families will be stripped of their financial protections under the bipartisan Military Lending Act (MLA) that they have earned and deserve by serving our Nation. The CFPB is the primary agency responsible for supervising and enforcing the MLA against nonbank financial companies, including payday lenders, pawnshops, and debt collectors who have charged servicemembers interest rates as high as 600% and who have threatened to derail their careers if they do not pay up.

The agency's supervision and enforcement program has delivered concrete results for the military. The CFPB has resolved 39 cases involving harm to servicemembers and veterans, returning \$363 million to victims, including six enforcement actions for violations of the MLA. Two additional MLA cases are currently pending in court, alleging that a pawn shop and an installment lender charged sky-high interest rates to military families and engaged in deceptive practices to illegally harvest fees. With these cases frozen, no supervision, staff locked out, and additional enforcement off the table, unscrupulous lenders will exploit these circumstances to engage in additional predatory lending. The actions that you have taken since being installed as Acting Director betray our servicemembers and empower scammers who want to rip them off.

Further, recent CFPB research identified a long-running pattern of lenders failing to decrease servicemembers' interest rates while on active duty as required by the Servicemembers Civil Relief Act (SCRA). These failures cost servicemembers thousands of dollars per year. The CFPB's public communications have held lenders accountable and helped servicemembers exercise their rights under Federal law.


Nullifying the MLA and imperiling servicemembers' rights under the SCRA will degrade military readiness, cost taxpayers money, and tarnish servicemembers' records. The Department

of Defense (DOD) has stated that “high-cost debt can detract from mission focus, reduce productivity, and require the attention of supervisors and commanders.” Morale suffers when servicemembers and their families are trapped in cycles of debt. And taxpayers are on the hook when our servicemembers leave the military due to avoidable personal issues like financial insecurity. According to DOD, each separated servicemember costs the Pentagon more than \$58,000.

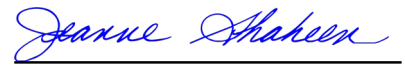
Accordingly, we request that the CFPB continue to supervise and investigate violations of the consumer financial protection laws and take forceful enforcement actions against lenders that violate the law, especially when it comes to predatory lending that harms our military readiness. We also request that the CFPB continue to make public communications to consumers, especially to servicemembers regarding the rights that they are owed under the SCRA.

We request your commitment no later than February 12, 2025. Thank you for your attention to this important matter.

Sincerely,




Jack Reed
United States Senator




Jeanne Shaheen
United States Senator



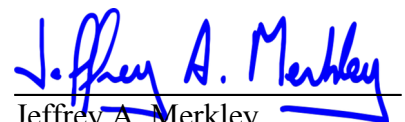
Ben Ray Lujan
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United States Senator




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United States Senator




Jeffrey A. Merkley
United States Senator



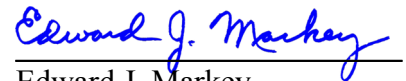
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