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NOMINATIONS OF GARY GENSLER AND ROHIT CHOPRA

HEARING

BEFORE THE

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS UNITED STATES SENATE

ONE HUNDRED SEVENTEENTH CONGRESS

FIRST SESSION

ON

NOMINATIONS OF:

GARY GENSLER, OF MARYLAND, TO BE A MEMBER OF THE SECURITIES AND EXCHANGE COMMISSION

ROHIT CHOPRA, OF THE DISTRICT OF COLUMBIA, TO BE DIRECTOR, BUREAU OF CONSUMER FINANCIAL PROTECTION

MARCH 2, 2021

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NOMINATIONS OF GARY GENSLER AND ROHIT CHOPRA

TUESDAY, MARCH 2, 2021

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.

The Committee met at 10 a.m., remotely, via WebEx, Hon. Sherrod Brown, Chairman of the Committee, presiding.

OPENING STATEMENT OF CHAIRMAN SHERROD BROWN

Chairman BROWN. The hearing will come to order. This hearing is in a virtual format. A few reminders as we begin. Once you start speaking there will be a slight delay before you are displayed on the screen. To minimize background noise, please click the Mute button until it is your turn to speak or ask questions. You should all have one box on your screens labeled Clock, that will show you how much time is remaining. For witnesses, you will have 5 minutes for opening statements. For all Senators, the 5-minute clock still applies for your questions. At 30 seconds remaining for statements and questions you will hear a bell ring to remind you that your time is almost expired. It will ring again when your time has expired. If there is a technology issue we will move to the next witness or Senator until it is resolved.

To simplify the speaking order process, Ranking Member Toomey and I have agreed to go by seniority for this hearing.

Today we consider the nominations of two distinguished public servants: Rohit Chopra to serve as Director of the Consumer Financial Protection Bureau, and Gary Gensler to serve as a Chairman of the Securities and Exchange Commission.

Most of us have met with them. Most of us have been impressed with their knowledge, their commitment, and their passion to serve, especially during the current public health crisis. Thank you, Commissioner Chopra, thank you, Mr. Gensler, for your willingness to serve.

You are both nominated to lead parts of our Government whose job is to stand up for the millions of Americans who do not have a corporate lobbyist, who do not have a Super PAC, who never get bailouts or golden parachutes. And you will take on these roles at a time when so many people do not feel like they have a voice in our economy, or anyone on their side in our government.

Your job will be to prove them wrong, to fight for all the workers and families and communities that have been left out and looked down on by the Washington elite, and have been preyed on by Wall Street. Even before the pandemic, workers; wages were not keeping

up with the cost of living and raising a family. The cost of housing, childcare, prescription drugs all have gone up. We know 40 percent of Americans are not able to come up with $400 in an emergency.

The racial wealth gap has increased. The average white family now has ten times the wealth of the average Black family. And most stunningly, we have the widest racial home ownership gap in 50 years. In fact, the gap is as big today as it was when it was legal to refuse to sell someone a home because of the color of their skin.

Then the coronavirus pandemic hit, and millions of workers who were one emergency away from draining their savings or turning to a payday lender or being evicted were all facing emergencies at once. Millions of homeowners are behind on their mortgage and at risk of foreclosure, including nearly one in six Latino homeowners and one in five Black homeowners.

Today's nominees understand the challenges we face. And after years of allies of the largest corporations and the biggest banks running these agencies, and setting government up to fail, Mr. Chopra and Mr. Gensler are here to fight for everyone else.

Congress created the Consumer Protection Bureau to be a voice for all the Americans who too often do not have one in Washington. During its first 10 years, the Bureau delivered results, made new, strong rules that protect consumers from abusive practices, and returned more than $12 billion to more than 29 million Americans who were cheated and preyed on by shady lenders and sometimes by big banks.

Mr. Chopra has the expertise and the track record to lead the Bureau at a time when workers and their families are desperate for someone to look out for them. He has a deep understanding of financial markets and a strong record of protecting consumers and small businesses, promoting competitive markets, and holding bad actors accountable.

In 2018, the Senate voted unanimously to confirm Mr. Chopra as an FTC Commissioner, and since then, he has worked with members of both parties on a wide array of issues important to American consumers.

As Commissioner, he worked with Democratic and Republican state attorneys general, something Mr. Bloomberg used to be before coming to the Senate, to protect American small businesses and consumers from foreign goods that were flooding the market with fake "Made in the USA" labels. He has pushed the FTC to crack down on Big Tech, including authorizing the agency's current lawsuit against Facebook. He has also earned the endorsement of veterans and military organizations because of his long record of standing up for servicemembers, veterans, and military families that have been preyed on by Wall Street banks and predatory lenders.

At the CFPB, Mr. Chopra served as the agency's first student loan ombudsman, directing the agency's work in the $1.7 trillion student loan market, and working with state attorneys general of both parties to bring enforcement actions. With Mr. Chopra leading the CFPB, Americans can be confident they will have someone looking out for them.

Turning to Mr. Gensler, we consider his nomination at a time when it has become more and more obvious to most people that the stock market is detached from the reality of their lives. People have watched stock prices go up and up during this pandemic, even though only half of U.S. households have stock investments. They have seen corporations pay dividends to shareholders, while rolling back hazard pay for workers and laying people off.

As Chair of the CFTC, and prior to that as a senior official in the Treasury Department, Mr. Gensler delivered results and ensured accountability. That is why he has been nominated for this job. He led the charge in 2012 to crack down on the big banks that had manipulated interest rates and gotten away with it. He will bring that same focus to the SEC.

Markets should be a way for families to save and invest for their kids' education or a down payment on a home or a secure retirement, not a game for hedge fund managers that workers seem to always lose. Mr. Gensler will bring the focus back to the people who make this country work, and take on anyone on Wall Street looking to game the system. That means upgrading climate risk disclosure requirements that are out of date. It means punishing misconduct. It means enforcing the protections on the books. And it means working with other agencies to head off growing problems before they become emergencies that hurt the economy.

We have seen what happens when markets do not have real safeguards. People are left to fend for themselves. Just look at the electricity market in Texas.

Ultimately, both of these roles are about one question: Whose side are you on?

I am confident both nominees will stand up for all the workers and their families who have not had that voice. I look forward to hearing how each of you will help chart the course out of this pandemic and build a brighter future for our country in the years ahead.

Senator Toomey.

OPENING STATEMENT OF SENATOR PATRICK J. TOOMEY

Senator TOOMEY. Thank you, Mr. Chairman, Mr. Gensler, and Commissioner Chopra. Welcome to both of you. Thank you for your willingness to serve. You have been nominated to lead two agencies that can have a very substantial impact on the U.S. economy. After taking a devastating hit last spring, the U.S. economy has thankfully, now, in recovery mode. But there are any number of actions the Federal Government could take that would stifle this ongoing recovery. If Federal agencies like the CFPB and the SEC were to impose burdensome and restrictive regulations, including, for instance, back-door regulations by enforcement, well, that could limit consumers' access to credit, hamper job growth by limiting access to capital markets, and restrict the ability of publicly traded companies to act in the best interest of their owners, the shareholders. Any or all of these would impede economic growth.

Today I hope we are going to learn whether Mr. Gensler and Commissioner Chopra would take such actions as the heads of the SEC and the CFPB.

Commissioner Chopra has been nominated to serve as Director of the CFPB, and as we consider his nomination I think it is important to remember the CFPB's history. It was created by our Democratic colleagues through the Dodd–Frank Act as arguably the most unaccountable agency the history of the Federal Government. It is an agency with a single director, who, until recently, even the President of the United States could not remove. That, of course, was deemed unconstitutional, and rightly so. But it is still not accountable to Congress through the appropriations process.

Under President Obama, the CFPB pursued an activist, antibusiness agenda that limited consumer choice, drove up the cost of credit, and hamstrung job creators through overregulation. The CFPB repeatedly engaged in overreach and abuse of its authorities. For example, it took a regulation-by-enforcement approach that the D.C. Circuit Court held violated the bedrock principles of due process. It routinely overstepped its jurisdiction, like investigating for-profit college accreditation, which the courts shut down. And it used public pressure tactics like to name and shame businesses like publishing unverified consumer complaints.

Now based on Commissioner Chopra's record, I am concerned about whether or not he would return the CFPB to the hyperactive, often lawbreaking, antibusiness agency that is was under the Obama administration, and I say this because Commissioner Chopra helped set up the CFPB, and then served as the agency's student loan ombudsman during the Obama administration. In that role, he was known to have a hostile relationship with many lenders and used name-and- shame tactics to pressure them.

At the FTC, Commissioner Chopra has continued to take an aggressive antibusiness stance. The Wall Street Journal editorial board has noted Commissioner Chopra, and I quote, "has a record at the FTC and CFPB that suggests deep hostility to for-profits schools and other parts of the private economy," end quote.

In one FTC case, three of his fellow commissioners publicly rebuked his dissent, in a case for its, quote, "disregard of facts and law," and for making misleading claims and relying on fake assertions.

Finally, we know that Commissioner Chopra favors unaccountable regulators with vast powers. He proposed creating one, a superagency that would regulate politicians and think tanks and nonprofits. So this raises concerns about how he would wield power at the CFPB, and I will remind my colleagues the CFPB remains led by a sole director, not accountable to Congress through the appropriation process, and as a sole director there would be no other commissioners to potentially restrain that sole director. I hope today we will hear some information that will provide further insight into Commissioner Chopra's plans for the CFPB, if he is confirmed.

As for Mr. Gensler, Mr. Gensler has been nominated to serve as Chairman of the SEC. There is no question he has a great deal of knowledge about securities markets. The capital markets that the SEC regulates are the envy of the world and an important engine for economic growth and job creation. Facilitating capital formation will be particularly crucial to our current economic recovery.

The SEC has historically administered the Federal securities laws on a bipartisan basis. But there are some who want the SEC to stray from its tradition of bipartisanship by using its regulatory powers to advance a liberal, social, and cultural agenda on issues ranging from climate change to racial inequality. Based on Mr. Gensler's record, I am concerned that he may be inclined to use the SEC in this inappropriate manner. But security laws are not the appropriate vehicle to regulate the climate nor to correct racial injustice, nor to intimidate companies regarding political spending. We have environmental civil rights and political spending laws to do that.

At the CFTC, Mr. Gensler had a history of pushing the legal bounds of the agency's authority. One FTC rule on position limits was overturned in court. Another rule on cross-border swaps was viewed by critics, including international regulators, as exceeding the FTC's authority. So this raises questions about whether he will also push the legal bounds of the SEC's authorities, in particular, in an attempt to advance a liberal social agenda.

I hope that today's hearing will provide further insight into Mr. Gensler's plans for the SEC, if he is confirmed, and I look forward to hearing from both Commissioner Chopra and Mr. Gensler.

Chairman BROWN. Thank you, Ranking Member Toomey. I am pleased to welcome three of my colleagues, two of them visitors to the Committee, Senators Cardin and Van Hollen, who will provide an introduction of Mr. Gensler, and Senator Blumenthal from Connecticut, who will provide an introduction to Mr. Chopra. Senator Cardin is the senior Senator from Maryland, a guest of this Committee. You are recognized for your introduction of Mr. Gensler.

STATEMENT OF BEN CARDIN, A U.S. SENATOR FROM THE STATE OF MARYLAND

Senator CARDIN. Well, Chairman Brown, Ranking Member Toomey, thank you for giving me the opportunity to introduce a fellow Marylander, Gary Gensler, to this Committee for his nomination hearing to be Chair of the SEC.

On a personal note, I have known the Gensler family all my life. The Gensler family represents the best values of serving our community. Gary's commitment to public service is for all the right reasons. Government should work for everyone fairly. I am proud to endorse his nomination to be the next Chair of the SEC.

He has broad experience for this critical position of oversight of a key part of our financial system. He has the experience in the Executive branch, Legislative branch, and private sector. It takes an aggressive, fair, and consumer- focused Chair of the SEC at the helm to truly protect the interests of all Americans.

It is with this important mission and responsibility in mind that brings me to Mr. Gensler. Mr. Gensler is uniquely equipped to serve in this role, by his experience in the financial sector and academic and his commitment to public service. After serving in several roles at the Treasury Department, crafting policies on domestic finance in the 1990s and 2000s, Mr. Gensler was awarded Treasury's highest honor, the Alexander Hamilton Award in recognition of his service.

He is also no stranger to this Committee, having served as senior advisor to former Chair and Marylander, Paul Sarbanes, and working to reform corporate responsibility, accounting, and securities laws as part of the Sarbanes- Oxley Act. Mr. Gensler went on to become one of the leading financial reformers in the wake of the Great Recession, serving as Chair of the Commodity Futures Trading Commission under President Obama.

During his time at the CFTC, he brought much-needed oversight and transparency to future markets, playing a central role in implementing the Dodd–Frank law's swaps markets reform. He was a tough regulator but a fair one, tasked with challenging responsibility after the passage of Dodd–Frank. I know that Mr. Gensler will work to ensure that the United States leads the world in fighting corruption and ensuring transparency in its markets to protect U.S. investors.

Now Professor of the Practice of Global Economics and Management at MIT Sloan School of Management, Mr. Gensler conducts research and teaches on blockchain technology, digital currencies, financial technologies, and public policies.

So, Mr. Chairman, I am pleased to be joined by my colleague, Senator Chris Van Hollen, in recommending to this Committee for confirmation, Gary Gensler, to be the next Chair of the SEC.

Chairman BROWN. Thank you, Senator Cardin. We now call on a respected member of our Committee, Banking, Housing, and Urban Affairs, Senator Van Hollen, also from Maryland. Chris, thank you for joining us again.

STATEMENT OF CHRIS VAN HOLLEN, A U.S. SENATOR FROM THE STATE OF MARYLAND

Senator VAN HOLLEN. Thank you, Mr. Chairman, Ranking Member Toomey, members of the Committee. Congratulations to both of these nominees, Mr. Chopra and Mr. Gensler, for being nominated, and I am thrilled to join my partner and senior Senator from Maryland, Ben Cardin in recommending strongly to the Committee Gary Gensler to chair the Securities and Exchange Commission.

Senator Cardin has covered his Maryland roots. Gary is a good, dear friend. But for the purposes of today's hearing the most important thing are his stellar qualifications and great judgment. Gary Gensler is somebody who combines a brilliant mind with a good heart and excellent judgment. He does have the expertise to take on this important responsibility at this time, and I am absolutely confident that, if confirmed, he will serve our country admirably and well in this position.

In the State of Maryland, Mr. Gensler was the Chairman of the Maryland Financial Consumer Protection Commission, where he earned a reputation for championing the consumers' interests with respect to students, veterans, and servicemembers, and I must say, he had a great bipartisan track record. He forged unanimous agreement by members of the commission and legislation that they recommended passed the General Assembly on a bipartisan basis.

Senator Cardin has mentioned his important work with the former Chairman of this Committee, Senator Sarbanes. And, of course, Mr. Gensler is known as one of the quiet heroes of the response to the Great Recession. As head of the CFTC, he was one

of the people that did impose financial accountability on big banks and other financial institutions. He cracked down on the manipulation of the London Interbank Offered Rate, or LIBOR, which sets interest rates on many bank loans, and his work on that front resulted in charges being brought against five financial institutions who paid $1.7 billion in penalties.

So in addition to his current cutting-edge efforts in cryptocurrencies and blockchain technology, Gary Gensler is the right person for this job. I want to just say to his three wonderful daughters, Isabel, Anna, and Lee, we are proud of your dad and it is good to see, I think, Isabel joining Gary there at home.

So thank you, Mr. Chairman, and Members of the Committee. I strongly recommend this nomination to the Senate.

Chairman BROWN. Thank you, Senator Van Hollen. Senator Blumenthal I would like to recognize. Thank you for joining us as a guest of this Committee. As Attorney General of Connecticut and now as a Senator he has got lots of expertise in these issues. Senator Blumenthal.

STATEMENT OF RICHARD BLUMENTHAL, A U.S. SENATOR FROM THE STATE OF CONNECTICUT

Senator BLUMENTHAL. Thank you so much, Chairman Brown and Ranking Member Toomey. I am honored, very honored, to visit with the Committee on this occasion with such eminently qualified, distinguished nominees for their respective posts, and really, I could not be prouder to introduce to the Committee Rohit Chopra, because I could not imagine a better person to head the Consumer Financial Protection Board at this critical time. It is, indeed, an economic crisis that has burdened particularly communities of color, and Rohit Chopra is sensitive to the challenges that those communities of color encounter in this perfect storm of economic crisis. Consumers can be sure you will be in their corner and have their back.

He has a great mind and a deeply good heart, and I have seen him fight for consumers, but fairly so, heeding the need for bipartisanship and listening to stakeholders on both sides of issues. He is, indeed, tough but fair, insightful, and perceptive, but he also has reverence to the American values that have motivated him throughout his extraordinary career, at the highest academic institutions and then in public service.

As the current Chair of the Consumer Protection Committee, and formerly Ranking Member, and as you observed, Chairman Brown, Attorney General of the State of Committee for 20 years, I have been involved in observing the importance of fair, tough enforcement of consumer protection laws, and he fits that need right now.

But I have also seen his work, his fight to protect the "Made in America" label, which means more jobs for Americans. That "Made in the USA" label deserves enforcement. His vigilance to the harms of Big Tech, collaborating with state attorneys general and with his Republican colleagues, benefiting consumers and competition. His expertise and experience in protecting household and students from unfair and burdensome practice. And, of course, he has been saluted by veteran organizations. As a member of the Veterans' Affairs Committee, as is the Chairman, I am very, very proud to rec-

ognize the strong endorsements that he has received from military and veterans organizations for his work in protecting them against the kinds of predatory threats that exist now more than ever.

I believe that tough and fair enforcement of consumer protection laws is actually pro-business, because it protects the good guys from an unlevel playing field when those kinds of competitive or consumer laws are violated by members of the business community who may be trying to cut corners, and putting the good guys at a disadvantage. I think Rohit Chopra will be an extraordinarily distinguished head of the CFPB, and I look forward to his serving with distinction.

Thank you, Mr. Chairman.

Chairman BROWN. Thank you, Senator Blumenthal, and thank you, Senator Cardin, both of you, for being guests of this Committee.

Let's move on to the nominees. Mr. Gensler and Mr. Chopra, if you would please. You can adjust your cameras or not. It is up to you. Stand and raise your right hand.

Do you swear or affirm that the testimony that you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GENSLER. I do.

Mr. CHOPRA. I do.

Chairman BROWN. And do you agree to appear and testify before any duly constituted committee of the Senate?

Mr. GENSLER. I do.

Mr. CHOPRA. I do.

Chairman BROWN. Thank you. You may be seated.

Mr. Gensler, you are now recognized for 5 minutes to provide your opening statement. Both of you, I know Isabel has been introduced four times now, but both of you feel free to introduce family members that are watching or nearby or sitting over your shoulder in your Maryland apartment or in your Maryland home.

So, Mr. Gensler, if you would begin first, for five minutes. Thank you.

STATEMENT OF GARY GENSLER, OF MARYLAND, TO BE A MEMBER OF THE SECURITIES AND EXCHANGE COMMISSION

Mr. GENSLER. Chairman Brown, Ranking Member Toomey, members of the Committee, it is an honor to appear before you. Two decades ago, I served on this Committee's staff under Chairman Paul Sarbanes, who we sadly lost late last year. And today, I am proud to be here as President Biden's nominee to chair the Securities and Exchange Commission.

I have spent my entire professional career in and around financial markets, in the private sector, in state and Federal Government, and now in academia, and I believe our markets are the finest in the world.

But they did not become that way through happenstance. In the shadow of the Great Depression, Congress created the SEC to protect investors, to maintain fair, orderly, and efficient markets, and to facilitate capital formation. In the decades since, we have seen that when the SEC does its job, when there are clear rules of the

road and a cop on the beat to enforce them, our economy grows and our nation prospers.

But when we take our eyes off the ball, when we fail to root out wrongdoing, or to adapt to new technologies, or to really understand novel financial instruments, things can go very wrong. And when that happens, people get hurt.

Twelve years ago, when I became Chair of the Commodity Futures Trading Commission, our economy was reeling from the financial crisis. My fellow commissioners and I took decisive action, on a bipartisan basis, to increase transparency and reduce risk in the $400 trillion swaps market. And I am proud that 85 percent of our actions were passed with bipartisan support.

If confirmed as SEC Chair, I will work with my fellow commissioners, the SEC's exceptional staff, and the Members of Congress to ensure our markets remain the world's best. That means strengthening transparency and accountability in our markets so people can invest with confidence, and be protected from fraud and manipulation. It means promoting efficiency and competition, so our markets operate with lower costs to companies and higher returns to investors. It means making sure companies, incumbents and entrepreneurial startups alike, can raise needed capital to innovate, expand their operations, and contribute to economic growth. And above all, it means making sure our markets serve the needs of working families.

I am a product of a working family. Senator Cardin was kind enough to say he knew my folks. Neither of my parents went to college, but my father was able to take his mustering-out pay from World War II and start a small business that would eventually send my four siblings and me to college. That is the kind of economic opportunity that should be available to each and every American, no matter who they are. I believe our markets are essential to providing that opportunity.

That is because capital markets touch every part of our economy. They enable businesses to develop new products, build new facilities, and grow their payrolls. They help working families save for retirement and invest in their children's futures. And although it may not seem intuitive, when someone goes to take out a mortgage or open a credit card, our capital markets are on the other side of those transactions as well.

We cannot take any of this for granted. Markets, and technology, are always changing. Our rules have to change along with them. In my current role as a professor at MIT, I research and teach on the intersection of technology and finance. I believe financial technology can be a powerful force for good, but only if we continue to harness the core values of the SEC in service of investors, issuers, and the public.

Before I close, I do want to introduce and thank my three daughters: Isabel, who is here with me in Maryland, over there, and her older sisters Anna and Lee, who are watching remotely. They are the lights of my life, and I would not be here today without their love and support.

I thank you, and I look forward to your questions.

Chairman BROWN. Mr. Gensler, thank you. Commissioner Chopra, and feel free to introduce your family, if people are watching, and thank you.

STATEMENT OF ROHIT CHOPRA, OF THE DISTRICT OF COLUMBIA, TO BE DIRECTOR, BUREAU OF CONSUMER PROTECTION

Mr. CHOPRA. Mr. Chairman, Ranking Member Toomey, and members of the Committee, my name is Rohit Chopra, and thank you for the opportunity to appear before you today, and thank you to Senator Blumenthal for that kind introduction.

It is an honor to sit before you as President Biden's nominee to lead the Consumer Financial Protection Bureau. I am so grateful for the support of my family, friends, and colleagues, so many of whom are joining us virtually, and I wish we could be in the same room. I am especially thankful to my parents. I last saw them exactly 1 year ago to celebrate my mother's birthday, the longest stretch of time in our lives without being physically together, an experience that is all too common today.

America, in March of 2021, is far different than of a year ago. Every week we have seen hundreds of thousands lost their jobs, local businesses have shuttered, and more than 500,000 have died. And while there are some hopeful signs that the tide is turning, we must not forget that the financial lives of millions of Americans lay in ruin. Experts expect distress across a number of consumer credit markets, including an avalanche of loan defaults and auto repossessions.

And there are other persistent pain points for consumers that are felt particularly acutely today, making it harder for those families to get back on their feet, even as this pandemic ends. Consumers continue to discover serious errors on their credit reports or feel forced to make payments to debt collectors on bills they already paid or never owed to begin with, including for medical treatment related to COVID–19. Many of these longstanding problems will make it more difficult for our country to sustain a full recovery.

This is especially true when it comes to our housing market. For most of us, much of this last year has been spent at home. Our homes are more than physical structures. They have served as offices, schools, and so much more, providing safety and refuge during a deadly pandemic.

But due to the economic devastation due to COVID–19, millions face the prospect of losing their home, with communities of color particularly at risk. Many have seen their jobs disappear and will not be able to easily resume their payments.

In the last economic crisis a decade ago, we saw how unlawful and unavoidable foreclosures proved to be catastrophic in cities, small towns, suburbs, and rural areas alike, contributing to deeper social divisions and inequities. We once again face an important test to ensure that troubles in the housing and mortgage market do not sabotage the recovery of our local communities.

And in the mortgage market especially, fair and effective oversight can promote a resilient and competitive financial sector, address the systemic inequities faced by families of color and more. But perhaps most importantly, administration of our laws can help families navigate their options to save their homes.

Congress has entrusted the CFPB with carefully monitoring markets to spot risks, ensure compliance with existing law, educate consumers, and promote competition. This not only helps to protect Americans from fraud and other unlawful conduct, it helps ensure that businesses that follow the law, regardless of their size our clout, can compete.

Three years ago, I sought the Senate's confirmation to serve as an FTC Commissioner, and I was honored to be unanimously confirmed, and to work with members of both parties to turn the page on some of the failed and outdated policies of the past.

If confirmed to lead the CFPB, I pledge to be a good partner to each of you and approach the agency's mission with humility, an open mind, and attuned to market realities. I look forward to working with all of you to tackle the pressing problems that families face in their financial lives during this critical moment for our country.

Thank you again, and I look forward to your questions.

Chairman BROWN. Thank you very much Commissioner Chopra.

This question is directed to both of you. As you both know, many of us have advocated for that government and businesses should actually reflect the country that we are supposed to serve. It means diverse financial regulators as well as diversity at financial institutions in the Committee's jurisdiction. Commissioner Chopra, Mr. Gensler, will you each commit to considering and hiring diverse candidates for the most senior positions as well as throughout the agencies you will lead?

Commissioner Chopra, begin, please.

Mr. CHOPRA. Yes, sir.

Chairman BROWN. Mr. Gensler.

Mr. GENSLER. Yes, Mr. Chairman.

Chairman BROWN. Thank you. Mr. Chopra, I have seen the devastation that foreclosures can cause for families and communities. In the first half of 2007, my ZIP code in Cleveland, 44105, had more foreclosures than any other ZIP code in the country. The reason I tell that story over and over, and all of you on the Committee have heard it many times, is because 14 years later we are still trying to recover. During the current crisis forbearances and the foreclosure moratorium for federally backed loans have helped many homeowners remain in their homes, but more than 11 million families are behind on their rent or their mortgage payments. Millions of workers face layoffs and reduced hours as a result of the pandemic.

Commissioner, what role can the CFPB play in helping to prevent another foreclosure crisis among these homeowners who, as you know, are disproportionately people of color?

Mr. CHOPRA. Senator, we saw a decade ago the foreclosure crisis not only devastated economies, it widened wealth gaps, and it caused so much devastation to children and communities.

You know, we learned from the last crisis that regulators missed some of the linkages between the mortgage market and broader economy. We saw too many unlawful foreclosures. It is going to be critical for the CFPB to monitor those markets, using the best available data and insights, enforce homeowner protections when it

comes to foreclosure litigation, and work across the government so we do not see a deja-vu of that crisis again.

Chairman BROWN. Thank you, Commissioner.

Mr. Gensler, in the last few months we have seen unprecedented volatility in trading in many stocks, most notably, GameStop. While trading drove the stock price from $18 at the beginning of January to $325 at the end of the month, people are using the term "gamification," but we know Wall Street has treated markets as a game for years. We cannot forget how this affects real people. Real people's hard-earned pension funds, their 401(k)s, their small business investment, their college savings, their down payments for homes, all at stake.

Mr. Gensler, what does this volatility mean for them and the goal of a market that is fair for everyone, and what steps do you think SEC needs to take?

Mr. GENSLER. Mr. Chairman, in some ways it is a story of the markets themselves, the clash between buyers and sellers of opposing views. But in other ways this story is about this new technology and technology changing constantly financed.

A few things, I think, or questions or, at least, in my mind if was honored to be confirmed. How to ensure the customers still get best execution in the face of payment order flow? How to protect the investors using trading applications with behavioral prompts designed to incentivize customers to trade more? How to ensure customers access to markets when those apps may, at times, fall short of needed margin funds? How to promote competition in markets when a few firms may come to dominate those markets? And how to update back-office infrastructure to lower risks and costs.

Chairman BROWN. Thank you, Mr. Gensler. Commissioner Chopra, my last question. One year into the pandemic, millions of Americans we know struggle to pay their bills. A recent Bureau report makes clear that financial institutions are essentially making things worse. Lenders have inaccurately reported consumers as delinquent to the credit bureaus, debt collectors illegally garnish consumers' wages or bank accounts, Federal student loans servicers provided borrowers with inaccurate information about payment relief options, including the servicer that handles the public service loans forgiveness programs.

Outside of housing, which is obviously a very, very, very important category, what do you see as the biggest risk people face to their finances during the pandemic, and what role does the CFPB play?

Mr. CHOPRA. Well, there are so many, whether it comes to credit reporting or debt collection, and if there are unlawful, egregious practices it is important for enforcement to make sure that they stop. That is what is best for consumers, that is what is best for the honest market participants, and that is the role Congress has asked the CFPB to play. It will also be critical for the CFPB to take a hard look at how big tech companies and others are entering financial services, the impact on our privacy and our personal data.

So we must look at today's problems but also anticipate tomorrow's risks.

Chairman BROWN. Thank you, Commissioner. Ranking Member Toomey.

Senator TOOMEY. Thank you, Mr. Chairman. My understanding is you had agreed, Mr. Chairman, that we would do two rounds of questions, so I would like to address my first rounds of questions to Mr. Gensler, and then I will use the second round for Mr. Chopra.

Chairman BROWN. Yes, there will be two rounds. We discussed that, yes.

Senator TOOMEY. Yeah, great. Thank you. So, Mr. Gensler, I have got a couple of very simple questions, I think really basically yes-or-no questions. I recently wrote a letter to the Acting Chairman encouraging the SEC to undertake several non-controversial, good government initiatives. I think you looked at that letter and described it to my staff as very thoughtful. Can you commit to us this morning to have the SEC evaluate whether or not to undertake the initiatives in my letter and report back to this Committee, in writing, if you decide not to pursue any of that?

Mr. GENSLER. Senator Toomey, as we also discussed in the private meeting I thought it was very helpful, a number of these initiatives, whether to shorten some of the settlement cycle and look at transfer agents. So I do look forward to, once confirmed, if confirmed, working the staff of the SEC and working with your staff and you on these matters.

Senator TOOMEY. OK, thanks. And I do hope that that will include considering a faster settlement cycle on equities, because I think that is a big opportunity for us.

Let me move on. The SEC, as you know, is currently reviewing a board diversity rule that NASDAQ is trying to impose on NASDAQ-listed companies. The rule would require their boards to have at least one woman and one person who identifies as a member of an underrepresented racial or ethic group or LGBTQ, or to explain why they have failed to meet that requirement. As you may know, every Republican on this Committee recently sent a letter to the SEC urging the SEC to disapprove of this proposed rule.

While America's corporations certainly benefit from boards that have a diversity of perspectives and experiences, race, gender, and sexual orientation do not ensure any such diversity, furthermore, that NASDAQ should not use its quasi-regulatory authority to impose social policies. And boards really should be acting in the shareholders' best interests to nominate simply the best, most qualified people as directors.

Now I understand, I do not expect you to tell us this morning how you will vote, how you will rule on NASDAQ's specific board diversity rule, so let me just ask a more general question. Do you think that it is a good idea for company boards to be forced or pressured to comply with some kind of quota with respect to race, gender, and sexual orientation?

Mr. GENSLER. Senator, thank you, and I have taken a look at your letter, which is in a file, I think, of nearly 200 comments, so I, if confirmed, will take that up, amongst all of that. But on your more general question, I do think that diversity in boards and diversity in senior leadership, as I had answered the Chairman earlier, benefits decision- making and it is something that I am committed to at the SEC and the leadership there. And I think that

it is a positive step forward in the leadership at the SEC that, if confirmed, I am going to take on.

Senator TOOMEY. So when we spoke by phone recently, I think you committed to basing disclosure requirements on materiality, that they had to be grounded in materiality. Is that a fair characterization?

Mr. GENSLER. Yes, Senator Toomey, that is.

Senator TOOMEY. I am almost out of time here, so let me just say, so if a company, a business, a publicly traded company, spends a financially insignificant amount of money on, let's say, electricity, is it material whether that electricity came from renewable sources or not?

Mr. GENSLER. Senator, I think materiality, as the Supreme Court has said, it has got to be significant to the mix of information to a reasonable investor, and I think that test will always ground our economic analysis and how we move forward on this. In your hypothetical, it may not be material or it may be material, depending upon the total mix of information.

Senator TOOMEY. So even though it is financially insignificant in my hypothetical, you think it could still be material.

Mr. GENSLER. I think that materiality is the total mix of information, and often a small piece of information is not material. You are right about that. But I would have to take it into context of the entire mix of information.

Senator TOOMEY. I would just suggest that if it is financially insignificant I do not see how it could be material.

Let me ask a different question. Apple's revenue last year was, I think, about $274 billion. If Apple spent $1 million on political spending on issue ads, would that be material, something that ought to have to be disclosed?

Mr. GENSLER. What we have found is materiality is defined as what reasonable investors are seeking to have to make their decisions either to invest or not to invest or to vote yes or vote no. And last year's proxy season, I think shares with us that many investors, well over 40 percent of investors in those proxy votes, actually think that that would be material to get such information.

Senator TOOMEY. So even though it is completely insignificant, could not possibly affect any financial results whatsoever, you think it might be OK to mandate that disclosure.

Mr. GENSLER. I will be grounded in economic analysis, and the court's view of materiality is what investors, reasonable investors, want in the significant mix of information.

Senator TOOMEY. But if this is financially insignificant information, and some investors would like to have it, why not leave it up to the companies to decide whether to disclose it, and thereby ingratiate themselves with investors who care about it?

Mr. GENSLER. Well, Senator, I think that it is about investors making a choice as to what is significant or what is material, to be more accurate, what is material for those investors. And I will always be grounded in the court's and the law and the economic analysis about materiality, what reasonable investors are seeking when they make decisions to invest or not to invest, or vote yes or vote no.

Senator TOOMEY. Last question. There are two recent rulemakings by the SEC. One requires proxy voting advisory firms to provide investors with more transparent, accurate, and complete information about their business. The other, modernize the thresholds to limit the ability of shareholders to just oppress companies with repeated, failed special interest proposals.

Do you have plans to revisit these rules, or do you intend to leave them as they are?

Mr. GENSLER. Senator, if confirmed I would want to work with the staff and the economists and fellow commissioners to understand those rules better and to see whether, for instance, in the proxy advisory area has it addressed the potential conflicts of interest, at the least amount of cost, and see if it positive and achieving the mission of the agency.

Senator TOOMEY. Thank you, Mr. Chairman.

Chairman BROWN. Thank you, Senator Toomey. Senator Reed of Rhode Island.

Senator REED. Well, thank you very much, Mr. Chairman, and I want to thank the nominees.

Mr. Gensler, in light of the volatile trading we have seen in securities traded by individual investors, some have pointed to payment for order flow, the practice in which market-making traded firms pay brokerages for the right to execute orders submitted by individual investors, as an area that deserves greater scrutiny and perhaps reform.

Critics claim that payments for order flow warp the incentives of brokers and encourage them to maximize their revenue at the expense of retail investors by encouraging excessive trading. Supporters say it is misunderstood and helps ensure liquidity of investors.

Now, if confirmed, Mr. Gensler, could I have your commitment that you will evaluate payment for order flow and regulated practices to determine whether retail investors truly benefit?

Mr. GENSLER. Senator Reed, yes, I think that technologies change and markets change, but we should always evaluate new approaches to markets, and if order flow is something that I think the recent events, as you rightly pointed out, raises, it is important to look at economically and look at whether retail investors are getting best execution in the context that you mentioned.

Senator REED. Thank you. And, of course, if they are not then I would presume you would take appropriate action to see that retail investors are protected.

Mr. GENSLER. At the core it is about protecting investors. That is the core of the mission of the agency.

Senator REED. Thank you very much, Mr. Gensler.

Chairman Chopra, as you recall I was very active in the Dodd–Frank debate about the military, and from personal experience. We created, in your agency, the Office of Servicemember Affairs in the CFPB. Could you explain or elucidate how you can make better use of this office if you are confirmed?

Mr. CHOPRA. Senator, there is no question that health of military families is also about health of our country. The Department of Defense has stated that the financial status of servicemembers di-

rectly relates their ability to keep a security clearance, to be able to do their jobs.

So it will be important that our Office of Servicemember Affairs, if I am confirmed, is looking at risks to military families, veteran survivors, and others. There are some concerns that we have seen over the past few years, everything from issues in VA home loans to credit reporting issues, and ongoing issues with the Servicemember Civil Relief Act.

I would hope to work closely with the Department of Justice, with adjutants general, with attorneys general, to make sure that the CFPB's Office of Servicemember Affairs continues to play a leading role in analysis, working with the DoD, and also making sure that we are taking the appropriate steps to protect servicemembers, veterans, and their families from abuses. There are so many firms that want to serve the military. Well, they should not have to compete with those who break the law.

Senator REED. Thank you very much, Commissioner. Another area of concern is student debt, and many ramifications. But my observation is that the previous operations of the CFPB stopped many of the appropriate actions that were being taken, for example, in the CARD Act report describing information about debit cards that are issued by colleges and universities.

So will you consider returning to the prior practice of including information on campus financial products such as campus debt, card products, in the CARD report, and what do you see as the most consumer protections for students?

Mr. CHOPRA. Senator, Congress has made it clear that there are concerns when it comes to financial products being offered to college students. We saw this issue in the CARD Act. But, of course, there are new products and services being offered to college students. We want to make sure that all students—high school students, those right out of college—are starting their financial lives with a good future ahead. We should educate them. We should work with the Department of Education and the Treasury on issues of common concern. And I am absolutely committed to making sure we are monitoring those markets and reporting to Congress on those trends.

Senator REED. Thank you very much, Commissioner. Thank you, Mr. Gensler. Thank you, Mr. Chairman.

Chairman BROWN. Thank you, Senator Reed. Senator Shelby from Alabama.

Senator SHELBY. Good morning, Mr. Gensler. We are glad to have you before the Committee again, although in a remote kind of way because of COVID.

Senator Toomey, a few minutes ago, got into economic materiality, and, of course, I do not recall the word "political materiality" but there is a difference there. Could you talk about the difference between political materiality in dealing with a regulation as opposed to economic materiality, because I think there is a difference, Mr. Chairman.

Mr. GENSLER. Yeah. Senator Shelby, or as I used to call you, Chairman, it is so good to see you again, and if confirmed I look forward to working with you again.

I am going to be grounded, if confirmed, in the economic side, economic analysis as well as what the courts have defined as material to a reasonable investor, in essence that it would have a significant effect on their decisions, given the whole mix of information they have. That is where I am going to be grounded.

I am, of course, aware of the difference between that and the political ebb and flow of the day.

Senator SHELBY. Are you aware, and I am sure you would be, under the Obama administration, the SEC adopted what we call cost benefit analysis at some point. Do you believe in cost benefit analysis in dealing with any future regulation, or doing away with a regulation?

Mr. GENSLER. Senator, yes, for lots of reason. I am a professor of global economics and management so it is at the heart of what we do there, but I also think it at the heart of good decisionmaking for any rulemaking.

Senator SHELBY. How important would it be to the SEC to adhere to what was accomplished in, I believe, 2012, by the SEC? They are going through that today, and I assume if you were confirmed that you would follow that same trend.

Mr. GENSLER. If you are referencing cost benefit analysis——

Senator SHELBY. That is right.

Mr. GENSLER. —and the SEC's guidance, I do believe that, sir, that it is a good format, and the excellent staff at the SEC, I would turn to them and the economists and the teams there.

Senator SHELBY. I think if we look back in the history of the SEC, and we have seen a lot of working together, bipartisanships there, and so forth, putting the consumer first there, in other words, the investor, and so forth, would you be able to work with the Republicans on the committee there? You probably know them. And how important will that be to have a functioning SEC?

Mr. GENSLER. I think there is a real benefit to the American public five eyes, five minds, five different opinions. You are right, I have known both Hester Peirce and Elad Roisman for a number of years. One, Hester, who worked with you, I know. And we will have some differences from time to time. I just hope that when we differ we disagree agreeably. But I am going to look to see where we can work together.

Senator SHELBY. Let me ask you a question I have asked on the Banking Committee for the last 34 years, I guess, to every proposed Chairman and nominee for the SEC board. Who owns the corporation? Do the managers own it? Who owns it?

Mr. GENSLER. The shareholders.

Senator SHELBY. Shareholders. And management should work for the shareholders first, should they not?

Mr. GENSLER. Yes, Senator, that is correct.

Senator SHELBY. And you believe that and you know that is true in corporate America, do you not.

Mr. GENSLER. It is the law in I think all 50 states.

Senator SHELBY. Thank you. Thank you, Mr. Chairman.

Chairman BROWN. Thank you, Senator Shelby. Senator Menendez of New Jersey.

Senator MENENDEZ. Thank you, Mr. Chairman. Congratulations to both of you on your nominations.

Mr. Gensler, to date more than 1.2 million securities experts, institutional and individual investors, and members of the public have pressed the SEC for a political spending disclosure rule. That is a pretty significant amount of public input for any potential rule. Since there are no political spending disclosure standards, corporate executives can spend shareholder money that benefits them and not the business. It can be a lucrative setup. Insiders can use someone else's money to support political causes that they favor.

The fact that so many companies have reevaluated their political contribution plans after the January 6th attack on the Capitol shows just how quickly companies have realized the potential contributions have on a material impact on their reputation and the viability of their businesses, which is why I am reintroducing my Shareholder Protection Act, which would require companies to disclose the details of political expenditure, and ask their shareholders for approval.

Do you agree that political contributions by publicly listed corporations represent material information, information that could affect a company's financial performance and therefore should be disclosed to investors?

Mr. GENSLER. Senator, as we discussed in our private meeting, disclosures are critical to investors in promoting capital formation. Without prejudging a specific issue, I can assure you that I will be grounded, if confirmed, in the materiality standard that drives all those decisions on disclosure. And as you said, 1.2 million public comments to the SEC, but I would also say I would consider last year's proxy season, which I think was close to 80 shareholder proposals, if I am not mistaken, and over 40 percent of those investors voting supported it, even including Netflix adopted it, that they want to see what the companies they own are doing in the political arena.

So, if confirmed, it is something that I think the commission should consider in light of the strong investor interest.

Senator MENENDEZ. Well, thank you for that answers. I believe that shareholder should know if their corporate executives are using their money as a piggy bank for their causes. To me, as an investor, that would be important.

I know that the Ranking Member asked you questions about diversity, and he was talking about a mandated proposal. I would like to talk to you about just the question of disclosure again. I think disclosure to the American investing public is incredibly important. Disclosures investment to us, as a government, when very often we are called upon to solve the problems of these corporations when they face financial challenges, as we saw in the Great Recession, as we have seen, to some extent, in some of these companies as a result of the pandemic.

So the problem is that corporate America has a diversity problem. Boards and executive officers across the United States do not look like the people of this country. I have conducted four diversity surveys of Fortune 100 companies since 2010. My latest survey revealed that over the past 10 years women and people of color have only made marginal gains in representations on corporate boards, senior executive management.

I was originally hopeful that the SEC would help address this problem through its 2009 diversity disclosure rule, but unfortunately the 2009 rule failed to even define- -even define—diversity. And studies have shown that greater diversity on executive teams has led to greater profitability, and therefore better outcomes for shareholders.

Do you agree that greater diversity tends to lead to better corporate performance, as found by McKinsey and others?

Mr. GENSLER. Senator, I am familiar with those studies, and they are well-crafted studies. My own experience is diversity is a very positive part of decision- making and it enhances that decisionmaking.

Senator MENENDEZ. And again, this is not forcing a corporation to make these decisions but simply disclosing. Given the relationship between diversity and performance, do you agree that investors should be informed about the policies companies have in place to promote diversity in their corporate leadership?

Mr. GENSLER. So if I can broaden it out, I think human capital is a very important part of the value proposition in so many companies, and Chair Clayton and the SEC took up some approaches to human capital, but I think it is always evolving and that we will look at what information investors want in this broad arena about the human capital, including diversity, at their companies they are investing in.

Senator MENENDEZ. Well, I will just close, Mr. Chairman, by saying a lot can be done to improve upon the 2009 diversity disclosure rule. It does not even define diversity. But I just think in one dimension, the Hispanic community, the largest minority in the country, trillion- dollar domestic marketplace spending, younger by a decade than the rest of the population, more brand loyal than any other group. You know, from a corporate perspective, I would like be on them like white on rice, but as a community I want us to know who is diversifying and who is representing the opportunities for us to have a say on corporate boards and senior executive management and procurement. So I hope you will look at that seriously.

Thank you, Mr. Chairman.

Chairman BROWN. Thank you, Senator Menendez. Senator Scott from South Carolina.

Senator SCOTT. Thank you, Mr. Chairman, and thank you, Mr. Gensler, for being here with us today. I look forward to having a few minutes conversing about some of the more important issues that I find are the priorities that will look at. I will add to the conversation you were just having with Senator Menendez about diversity in the boardroom as well as in the C-suite. I think they are important issues. I do think that how we determine the government's impact on that issue is really important.

Mandates are something that I would adamantly oppose. Gathering more information can be helpful and instructive as long as we are not pursuing an outcome based on what we would see as implicit bias in some form or fashion. I think we have to be very careful how we step into this minefield, from my perspective, but it is important for us to make progress, and I look forward to having a longer, broader conversation with members of this Com-

mittee, as well as with you, sir, on ways that we might work together on achieving goals without having mandates.

That being said, last year the Federal Reserve 13(3) emergency facilities discriminated against smaller NRSROs by requiring a rating from incumbent rating agencies to access relief. I worked with Senator Sinema to introduce bipartisan legislation to address this issue. The companion bill passed the House unanimously. Mr. Gensler, you have been around long enough to know that darn near nothing passes the House unanimously, no matter who is in control of the House. So having something that moves forward unanimously, I think, is a good sign that we all, left and right, right and left, all want to see introducing more agencies within the NRSROs.

So my question for you, sir, is, do you believe that supporting open competition among NRSROs is important to protect investors and promote vibrant capital markets, and will you commit to opposing Federal Government action to further entrench the incumbent NRSROs? In other words, I think competition is absolutely essential, and even in the credit agencies if we can have more competition there, I believe that the newer agencies are oftentimes using more information to assess credit worthiness, and if that credit worthiness is accurate and consistent, introducing more competition there is going to be in the best interest of the consumer.

Mr. GENSLER. Senator Scott, I agree with you that competition is really important in the credit rating space and also, more broadly, in the capital markets, so I look forward to working with you and your staff and the excellent staff at the SEC to see how we can support and promote competition in the credit rating space, and even more broadly as well, by the way.

Senator SCOTT. Yes, sir. Well, thank you for that. I do think it is really important for us to find a way to help those who are credit worthy to be scored as credit worthy. This is something that I have tried to be a champion of for the last few years, and the importance of that cannot be underscored in any other market than in the ability to engage in the financial markets. And I do believe that having diversity and/or competition, I should say, in the credit rating agencies themselves is one of the ways that we promote and encourage better and more accurate information so that those who view the information have a wealth of knowledge to pull from, and without that competition, whether it is a monopoly or duopoly, or the three that we have today, that it is probably not in the best interest long term of the consumer.

Thank you, Mr. Gensler. I will return the rest of my time. I yield back the rest of my time.

Chairman BROWN. Thank you, Senator Scott. Senator Tester of Montana.

Senator TESTER. Thank you, Chairman Brown and Ranking Member Toomey, and I want to express my appreciation to Gary Gensler for meeting with me earlier today. I appreciate that conversation. Gary, I am going to give you a little break from questioning. Most of my questions, in fact, all my questions will at Mr. Chopra. And, Mr. Chopra, I appreciated our meeting too, even though it was a while back. I have got to think about what we talked about. And so that is why I want to ask these questions.

The first one kind of goes down the same line that Senator Reed had talked to you about with servicemember and veteran protection. You have talked about, in the questions to Senator Reed you talked about being able to work with the Department of Justice and DoD, from a prosecution standpoint, I would assume.

My question is, what would you do to address those who were harmed in the previous administration when the CFPB was not as functional as I would have liked, and did not take the action that they should have? How are you going to make a determination on who and what cases you are going to take a look at?

Mr. CHOPRA. So, Senator, when it comes to servicemembers and veterans, I think we have so many sources of data and information, whether it is consumer complaints, whether it is our judge advocates general. We need to hear what is happening. I will tell you that I really want to make sure that we are listening carefully when it comes to mortgage and housing issues. We saw, a decade ago, illegal foreclosures of active-duty servicemembers. You even had families flying back from overseas to take care of some of these issues. Those violations were egregious and we need to look at where we see consumer complaints to conduct trend analysis, what we are seeing in any supervision, to determine how to correct that.

And again, I think most financial institutions want to stay on top of it, but there are some who, you know, we have seen have flouted the law when it comes to the servicemembers, when it comes to the Military Lending Act and other laws.

So it will be a team effort. It will be a data-driven effort and also listening carefully to what the issues are. We cannot afford to have disruption again in our mortgage market, or, frankly, any of our other markets, when it comes to servicemembers and veterans.

Senator TESTER. Well, and I appreciate that, and I agree with you. I think the vast majority of folks who deal with our veterans appreciate what they have given to this country and treat them fairly. But for those outliers, we will call them. Hopefully you will prosecute to the fullest extent of the law, because I cannot think of a worse, quite frankly, inappropriate transaction to take place, when you are taking advantage of the people who have sacrificed and served this country. So thank you for that.

I want to talk a little bit about QM. Look, the CFPB, making sure that folks have the ability to own their own home, is critically important. So my question to you is a bit general, but you can get in specific. What do you view as the most important considerations as the CFPB looks to revise the QM rules?

Mr. CHOPRA. Senator, I have a completely open mind about this, and I look to what the statute says and what really Congress' goals are. The CFPB is not here to dictate housing finance policy. It is to make sure that the prohibitions, when it comes to our mortgage laws, are adhered to, and when it comes to QM, it is important that we balance the consumer protections that Congress has put into place with access, including for rural and other areas, as Congress has put forth. We do not want to go back to what we saw in the years leading up to the financial crisis, of liar loans and other fraud in the mortgage marketplace. Ultimately, we are stronger as an economy, stronger as a country, if mortgage lending is safe, broadly accessible, in a way that people can build wealth.

So I am looking forward to getting input from everyone and determining on how that rule needs to evolve over time, and I look forward to working with you and others on the Committee.

Senator TESTER. Thank you, and I need to be very quick with this one, because my time is about out.

Look, I do not think there is an area of the country that affordable housing is not an issue. What are your housing priorities once you are confirmed to CFPB?

Mr. CHOPRA. I think I would want to work with the staff and others, but my intuition is we have to be ready for potentially looming problems when it comes to forbearances that might flip to foreclosures. I do not want to see another foreclosure crisis in this country, and we need to do everything we can to make sure the law is being followed and homeowners can navigate their options.

Senator TESTER. Thank you both. I appreciate your time. Thank you, Mr. Chairman.

Chairman BROWN. Thank you, Senator Tester. Senator Rounds from South Dakota.

Senator ROUNDS. Thank you, Mr. Chairman. Let me just begin with Commissioner Chopra. Thank you for speaking with me recently about your interest in the CFPB. One of the topics we discussed was the CFPB Civil Penalty Fund and a number of concerns I have about the fund's transparency and how the money is used. Fines levied by the CFPB could range from $5,000 per day up to $1 million a day, which is a significant range with broad discretion given to the CFPB as to what level of fine is appropriate.

Mr. Chopra, as you and I spoke the other day, I am not a fan of the CFPB, but I need to get into this a little bit with you.

In addition to this broad range of fines that the CFPB has, the GAO has identified a number of opportunities in the past for the fund's transparency to be improved. Can you please share your thoughts on what you believe to be the appropriate uses for the Civil Penalty Fund and how you will work to promote transparency of the fines that are paid into the fund?

Mr. CHOPRA. So, Senator, thank you again for sharing your concerns about this. I had chance to review the audits, review the statute again. You expressed a concern that those funds should not be used to subsidize Bureau operations. I completely agree. It would be inappropriate if the funds were not used for the statutory reason, that is primarily for victim redress. The law is clear that it is a victim's relief fund, and it can also be used for certain financial literacy efforts. You have my absolute commitment that it will not be used for any other purpose, and it would be inappropriate if it were.

I will also look at ways to make sure that there is understanding about when there is an award to go to victims it needs to be clear about how those victims—the success rate of that, what amount of funds were returned. And anything we can do to make sure that that fund is for victim relief and its expressed statutory purposes, I am completely committed to. And inasmuch as there are any concerns about it, I am committed to correcting that.

Senator ROUNDS. Thank you, and I think the point that you make that it is also for literacy would suggest that it is also available in terms of contracting with nonprofit organizations. Is it fair

to say that that should also be fully disclosed with regard to any contracts made with other nonprofit organizations in the name of literacy?

Mr. CHOPRA. Well, it better be. It is required to be disclosed. It is subject, as my understanding, according to the audits, to procurement law, and if it has not been then that needs to be fixed.

So again, though, I do want to be clear. I do think the most important part of that fund is for victim relief. There are many consumers who are subject to fraud and the company is judgment-proof. Those penalties can be used to redress them. But again, if there are contracts, they better be disclosed.

Senator ROUNDS. Thank you, Mr. Chopra.

Mr. Gensler, once again thanks for taking the time to visit with me as well. Two of my colleagues that introduced you today touted your expertise in digital currencies. I am proud that crypto companies like Anchorage Trust have found a home in South Dakota. At the same time, I know that our outdated crypto regulatory regime is leading other organizations like the Diem Association to set up shop overseas.

What can Congress and the SEC do to create a more forward-thinking regulatory environment for innovators in this particular space?

Mr. GENSLER. Senator, thank you for having met with me and for that question. I think, as I teach at MIT on these subjects, that these innovations have been a catalyst for change. Bitcoin and other cryptocurrencies have brought new thinking to payments and financial inclusion, but they have also raised new issues of investment protection that we still need to attend to.

And so I think, if confirmed at the SEC, I would work with fellow commissioners to both promote the new innovation but also, at the core, ensure core investor protection. It is something where security, for instance, it comes under the securities laws, it comes under the SEC. If there are exchanges, to trade those, to ensure that there is the appropriate investor protection on those exchanges. So provide technology but still stay true to our core values and investor protection and capital formation.

Senator ROUNDS. Thank you. Thank you, Mr. Chairman. My time has expired.

Chairman BROWN. Thank you, Senator Rounds. Senator Warner from Virginia.

Senator WARNER. Thank you, Mr. Chairman. Let me start by saying I think we have got two great nominees here today, and I look forward to supporting both of them. Mr. Chopra, I think I am going to be hitting Mr. Gensler more, but I do appreciate our meeting, and I think you are going to do a great job.

Mr. Gensler, I have long been fighting in a pretty obscure area around market structure, or trying to eliminate some of the conflicts of interest in our market structure that disadvantage retail investors. You may recall, back in 2017, I urged the SEC to do a maker-taker pilot. That pilot started, but the courts came in and shut it down, although it still said that the SEC could still do a rulemaking in that area. I think this whole question of market structure and payment for order flow, interest has been reignited around GameStop, and I look at the Robin Hood platform, where

oftentimes it is being paid for its market flow by a number of prominent hedge funds.

I sometimes think that the Robin Hood structure is somewhat similar to the Facebook structure. I am not sure if you are a customer of Robin Hood whether you are really a customer or a product, somewhat similar to the fact that users of Facebook, I think, are often used as products rather than as actual customers.

We have seen, in the last year, close to $6 billion paid to brokers to route transactions through specific venues as opposed to really getting the best execution price for customers. I think that dramatically disadvantages retail investors. When you get confirmed, what will you be able to do to look at this issue?

Mr. GENSLER. Senator Warner, I think you are right that the technologies have raised very important policy issues on how we continue to promote efficient, fair, and orderly markets. And what we have found—you have named a collection of things, but I think that we will, with the excellent staff, look at market structure in the equity markets around payment for order flow, when, frankly, just a couple of handfuls of financial firms are buying most of the retail flow in America.

I think it raises a question, a new challenge about, just as you mentioned, Facebook. What if a company, through the natural economics of network economics, collect and concentrates and dominates a field. We heard, in congressional testimony a week or so ago that one firm now has 40 to 50 percent of the retail flow, and so what does that do to the pricing of capital in this country. I think those are important economic questions. And also best execution, as you say. What is it mean to be best execution in this context?

Senator WARNER. And I think what we have seen is someone may get a fractional, marginal price better, but because the spread is so large, and if you are controlling both ends of the trade, these firms can make a huge amount of money. Mr. Chairman, I think this is an area the Committee ought to be looking into. I think when the numbers come out even you would be shocked at some of the abuse I think that is going on.

I want to drill down on my last question. We often hear that we need to do these kinds of rebates and payments to increase liquidity, but the remarkable thing is there are 9,000 securities that trade in the equities markets. The top 10 percent get about 77 percent of the volume, yet you have large firms like Fidelity that do not pay any broker payment fees, and oftentimes the other firms say, well, we need to permit these payment fees to bring about low-price commissions and to increase liquidity. You know, if we simply said we are not going to allow rebates and these oftentimes dark payments to those top 10 percent of the equities, because they have got enough liquidity, and still allow payments for the bottom 90 percent, we could at least test out those products, because I think, as we have seen from entities like Fidelity, that do not do these brokerage payments, you can still have plenty of liquidity, and in these smart equities that do trade with a lot of liquidity, these payments just end up with some of the abuses taking place.

In these last 15 seconds, would you commit to a full review of this market structure?

Mr. GENSLER. If confirmed, I look forward to working with the career staff, working with you, and doing a review of each of these issues of market structure that you have raised.

Senator WARNER. Thank you, Mr. Chairman. I will get to you, Mr. Chopra, on my written questions. Thank you so much, Chairman.

Chairman BROWN. Thank you, Senator Warner. And there will be a second round, for those that want to stay. The Ranking Member asked for that.

Senator Tillis from North Carolina is recognized.

Senator TILLIS. Thank you, Mr. Chairman, and, Mr. Gensler, thank you for being here. Mr. Chopra, as well.

Mr. Gensler, I would like to start with you, and I want to talk about the financial transaction tax and some of the proposals that we are hearing in Congress. I am sure you are aware, in 1984, Sweden imposed an FTT of 1 percent. Share prices rose. It had a negative impact, and I think probably 7 years later they repealed that tax. The EU considered it and decided not to do it, for similar reasons.

But now we are hearing proposals for a financial transaction tax here in Congress. Do you have any reason to doubt that a financial transaction tax in the United States would have the same kind of negative impact? I know that I think the U.S. Chamber estimated an 8.5 percent drop, or over $20,000, on average, IRA accumulation.

So do you think that pursuing a financial transaction tax is a good idea, or do you think that it could have the same negative effects as it has demonstrated in other jurisdictions, not to mention movement of transactions offshore?

Mr. GENSLER. Senator Tillis, it is not something I have studied closely in preparation for this hearing, but I would note, we currently, in the U.S., have a very modest—it is modest—transaction fee to support the agency of the SEC, about, collectively about $1.8 billion.

And so we do know that in that modest—it is still $1.8 billion, but in that modest level that it survived. We have the deepest, most liquid markets, and there has not been a negative outcome in that range. But I have not studied it in the way that you are talking about.

Senator TILLIS. As a follow-up to this, could you possibly take a look at some of the proposal and give me some sense as to whether or not they could have the same kinds of negative impacts we have seen in other jurisdictions?

Mr. GENSLER. If confirmed, I look forward to meeting with you and your staff and having a dialog on this.

Senator TILLIS. I would like to move over to FSOC. In late 2019, FSOC made several important changes to prioritize on activities-based approach, add transparency, procedural protections, and impose the cost benefit analysis to the systematic risk regulation designation process. Secretary Yellen, before the Committee, confirmed that she supported an activities-based approach. Do you support these types of important reforms?

Mr. GENSLER. I, if confirmed, look forward to working Secretary Yellen, working with all the members of the FSOC, on designa-

tions, if they are appropriate. There are activities that could be systemic. So, as I understand your question, yes.

Senator TILLIS. And also, I do not know if you can answer this or maybe give me an answer for the record, but I would also be curious as to whether or not you think the SEC has the necessary mandate and the tools necessary, if you were to pursue that approach. If you have got an opinion now you can state it. I have got about a minute and a half left, or you can just submit the answer for the record.

Mr. GENSLER. I will do it for the record then, sir.

Senator TILLIS. OK. In my remaining minute, one thing that I am still confounded by is how antiquated we are in the submission of information, the lack of electronic delivery. This is something I do not understand. I started my career in eliminating paper back in the 1980s, when it was not particularly easy to do. Now we get these reams of paper sent out that are never read. People go to the electronic version.

So can I get a commitment from you to really make this a priority, to really help us figure out digital delivery alternatives and the elimination of paper when the recipient would prefer that approach?

Mr. GENSLER. Senator, yes. Two of the things I worked on in the Clinton administration, if I can go to back to there, was electronic delivery of Federal payments to individuals, and also working with, I think it was then Chairman McCain, working with him on something called the Digital Signature Act, or E–Signature. So it is something I have worked on a long time, and I think technologies we should always embrace and move forward.

Senator TILLIS. Well, if confirmed, I hope that that is something that I can get your commitment to meet specifically on, because I would like for us to make significant progress there. We really have not, and I would appreciate your help and support and work with you on it, should you be confirmed.

Mr. GENSLER. I look forward to that, sir.

Senator TILLIS. Thank you. Thank you, Mr. Chair.

Chairman BROWN. Thank you, Senator Tillis. Senator Warren from Massachusetts.

Senator WARREN. Thank you, Mr. Chairman, and welcome, Mr. Gensler. I remember your work at the CFTC, and I anticipate that you will show the same independence and courage as head of the SEC.

So as you know, the SEC's job is to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. But it is falling down on the job. And so since we are limited for time, I am just going to pick three examples. The SEC is not requiring companies to make public disclosure about climate-related risks, the SEC is letting companies leave their investors in the dark about predatory private equity practices, and as GameStop recently demonstrated, the SEC stands by while the stock market too often functions like a casino, where the roulette tables are not on the level.

So let me go back through these. Let me start with climate risk. Mr. Gensler, is there any reason why companies should be able to hide their climate risks from their investors?

Mr. GENSLER. Senator, no. I think that particularly materiality is a point here, but no, they should not be able to hide their climate risks.

Senator WARREN. OK, good. Now, let me go to private equity. Mr. Gensler, is there any reason why a company that rakes in millions and millions of dollars from buying up small businesses and closing them down should not have to disclose their general practices to their investors?

Mr. GENSLER. I think it is at the heart of the Investment Advisor's Act, that they would share their fees and any conflicts with their investors.

Senator WARREN. Well, their fees, and I presume the overall business model, the approach they are using. Is that right?

Mr. GENSLER. Yes. A description of their business model to their investors, their limited partners, usually, in that case.

Senator WARREN. OK. And then finally, let me ask about the tilted roulette tables on Wall Street. If someone has been cheated by a broker-dealer, hypothetically, for example, if Robin Hood cheated individual investors—hypothetically—should that company be able to use forced arbitration clauses to avoid getting sued and held accountable?

Mr. GENSLER. I think, Senator, that while arbitration has its place, I think it also important that investors, or in that case, customers, have an avenue to redress their claims in the courts.

Senator WARREN. Good. You know, as you know, the SEC has the power to require disclosures that will be helpful to the investing public, like climate risk disclosures and private equity practices, and Section 921 of the Dodd–Frank Act gives the SEC the authority to prohibit the use of forced arbitration by broker-dealers when it is, quote, "in the public interest and for the protection of investors." In other words, the SEC has the tools to make the markets function better.

So if you are confirmed, Mr. Gensler, will you commit to picking up those tools and using them to make the markets more honest and more transparent?

Mr. GENSLER. Senator, if confirmed, I look forward to looking at all the authorities, not just this one but all the authorities, to help protect investors, promote the capital formation and the efficient markets that we talked about. And this is an important authority that was vested in the agency, and looking at the economic analysis, working with fellow commissioners. I think we should look at all the authorities.

Senator WARREN. Well, I appreciate that. You know, Congress has given the tools to the SEC. We just need SEC to pick up these tools and use them. The SEC has been asleep on the job for long enough. It is time for the commission to get up off its behind and protect investors and consumers. And I expect to see progress on all of these areas under your leadership.

So thank you for being here and thank you for your willingness to serve.

Thank you, Mr. Chairman.

Chairman BROWN. Thank you, Senator Warren. Senator Kennedy from Louisiana is here? I see his name.

Senator KENNEDY. Mr. Chairman, can you hear me?

Chairman BROWN. Senator Kennedy, yes, you are recognized.

Senator KENNEDY. Thank you. You caught me off-guard, Mr. Chairman.

Chairman BROWN. That is all right. It is hard to do to you.

Senator KENNEDY. Well, thank you.

Mr. Chopra—am I saying your name right, sir?

Mr. CHOPRA. It is Chopra, sir.

Senator KENNEDY. Chopra. I apologize. I want to ask you about our credit bureaus. Do you know what I mean by our credit bureaus?

Mr. CHOPRA. I do, sir.

Senator KENNEDY. These companies collect data about whether we pay our bills or not, and they sell it to businesses, so businesses can decide whether to lend us money or extend us credit. Is that a pretty good description?

Mr. CHOPRA. Yes, and increasingly they are using that data for much more, as well.

Senator KENNEDY. But the credit bureaus make their money from the businesses. They do not make their money from the consumer.

Mr. CHOPRA. That is correct. The consumers are the product, usually, not the customer.

Senator KENNEDY. So if, as a consumer, a business reports a debt that I did not pay, to the credit bureau, the credit bureau is going to be less concerned about the accuracy of that information than they would be if the credit bureau was depending upon me, as the consumer, to pay their bills. Is that a fair assessment?

Mr. CHOPRA. Yes, that is correct, and that is some of the big issues we are facing, not only when it comes to credit bureaus but also the mass data bases by big tech companies that are increasingly part of financial services.

Senator KENNEDY. Well, here is what I am driving at, Mr. Chopra. Why would we not want to pass a bill that would direct the credit bureaus to establish a formal, easily accessible, efficient, and effective appeals process for a consumer? Let's suppose a business says, "You did not pay a bill, in the right amount, and on time," and you disagree with that. It can really hurt your access to credit if that is reported to a credit bureau. Why wouldn't we want to tell the credit bureaus, "Look, you are going to set up a formal process to hear consumers out who think they have been wronged"?

Mr. CHOPRA. So, Senator, accuracy is critical for the credit reporting system to work, and there are too many consumers who have problems.

Senator KENNEDY. Yeah, but would you support a bill like that, Mr. Chopra?

Mr. CHOPRA. Well, I would love to look at it, but I think the idea of making sure that consumers can dispute and get answers, that is part of the Fair Credit Reporting Act, but I would definitely like to make sure that consumers have more say——

Senator KENNEDY. I know—excuse me for interrupting—I know it is the law, but I do not think it is going to be properly effectuated until we put in a formal process and pass a bill, and insist to the credit bureaus, look, even though you do not get money from

consumers you are going to have to pay attention and listen seriously and attentively when they tell you you have got bad information.

Let me move to Mr. Gensler. Mr. Gensler, good morning. You were there in '08 and '09. You played a very critical role in our response to the meltdown. Why didn't anybody on Wall Street go to jail?

Mr. GENSLER. Senator Kennedy, I share your concern about that. We, at the CFTC, held folks accountable for rigging the interest rate market, for manipulating the currency markets——

Senator KENNEDY. Yes, sir, but why didn't anybody go to jail?

Mr. GENSLER. Those are questions I share with you, sir. I mean, I was responsible for running a civil law enforcement agency and we, every day, brought the evidence, the law, and the facts together in front of courts and held people accountable.

Senator KENNEDY. I know, but who made the call? Somebody at Justice had to have said, "We are not going to put these thieves in jail." Who did that?

Mr. GENSLER. Well, I think you are right that it is largely the Department of Justice, and these are hard cases to try, hard cases to piece together and show intent, or what—I remember the term was called scienter, the Latin form. But that is the Department of Justice, sir.

Senator KENNEDY. Yeah. OK. Am I out of time, Mr. Chairman?

Chairman BROWN. Thank you, Senator Kennedy. Senator Cortez Masto from Nevada is recognized.

Senator CORTEZ MASTO. Thank you. Thank you for this hearing. Congratulations, gentlemen, both of you, for your nominations.

Mr. Gensler, let me just start with you in a follow-up to my colleague's questions to you. During the foreclosure crisis, you were not working at Justice at that time. Is that correct?

Mr. GENSLER. No, Senator, I was not.

Senator CORTEZ MASTO. And the agency that you were working at did not have really criminal enforcement actions. Is that correct?

Mr. GENSLER. That is correct. As an attorney general of a state you appreciate these distinctions, so I thank you.

Senator CORTEZ MASTO. Thank you.

So let me ask you an area that I know is a concern for all of my colleagues. As more individuals begin to engage with the financial markets through no-fee, online trading platforms I am concerned that investors may get in over their heads with large and complicated trades on apps that gamify the stock market, and we have seen the horrific results of that.

So if confirmed, can I ask you, what steps would you take as Chair of the SEC to protect investors who want to be involved in the stock market but may be less knowledgeable about trading risks?

Mr. GENSLER. Senator, I thank you. I think that every day on the job I am going to be animated by working families and protecting investors as a key mandate of the agency. I think technology has provided greater access, but it also raises interesting questions, and the one that you mentioned about "gamification" also raises interesting questions about what does it mean when balloons and confetti are dropping and you have behavioral prompts to get inves-

tors to do more transactions on what appears to be a free trading app but then there is this payment behind the scenes, sort of this payment for order flow?

I think we are going to need to sort of study that and think about it, and what does this mean for our marketplace.

Senator CORTEZ MASTO. Well, I know many of my colleagues on both sides of the aisle are concerned about this, so we look forward to working with you, moving forward.

And let me just touch on one issue that was brought up, this idea that diversity and inclusion and equity in corporate America is somehow a quota. It is not a quota, and that is the problem we have here. And I think my goal, and many of my colleagues—and this is why we support NASDAQ's proposal to increase transparency into the composition of the boards of exchange-listed companies, is because we need a paradigm shift. We need a cultural change. It is not a checkbox. It is not a quota.

And I think we have heard, from my colleagues, the importance of why this is of benefit to our companies. Because of the McKinsey-published studies, we know that this really is a benefit to the companies long term, including when it comes to their profits, when they are actually really engaging in diversity, inclusion, and equity.

So I want to make sure you know that. Many of my colleagues supported what NASDAQ is doing in this space, so please be aware of that.

Mr. Chopra, I know I do not have much time, but thank you also for your willingness to serve. So we have talked about this. I am a strong advocate for restitution for harmed consumers. Not only should we provide relief to people who are overcharged or misled, but we should discourage the bad actors from continuing that deceptive practice in the future. And I have made it very clear. I was concerned by CFPB's enforcement actions under the previous administration which failed to provide restitution for consumers.

So could you elaborate on your view on providing restitution for people who really were dealt with unfair, deceptive, and abusive practices?

Mr. CHOPRA. Yeah. So, Senator, when victims of fraud and misconduct are not made whole that does not just hurt them. It also hurts every other business who is trying to follow the law and treat them the right way. I have pushed hard against the FTC's approach of these no-money, no-fault settlements in egregious fraud. It is something that economically just does not make sense. When you rip someone off and do not have to pay them back, how is that really much of a sanction?

So restitution is a critical part of the CFPB's law enforcement work in order to make victims whole, as Congress intended.

Senator CORTEZ MASTO. Thank you, and I appreciate that position.

I have only got a few minutes left. The other area that I would love to work with you on, and we have talked to many, but for small businesses, what, in general, do you see the role for supporting our small businesses through the CFPB?

Mr. CHOPRA. Well, I think a lot of our regulators and agencies need to make sure that there is not unlawful practices in small

business lending at the FTC. We take action against companies that have even threatened to break small business owners' jaws if they did not pay it back. We, at the CFPB, Congress has asked the agency to implement a small business data collection. I do think enforcing the law to protect small businesses is absolutely critical right now. Small businesses are facing extinction. I have worked with you a lot, Senator, about issues facing franchisees. We have to make sure that the bedrock of our community of small business does not go away after this pandemic, and it is absolutely critical.

Senator CORTEZ MASTO. Thank you. Thank you, Mr. Chairman. I know my time is up.

Chairman BROWN. Thank you, Senator Cortez Masto. Senator Hagerty, I believe, is here.

Senator HAGERTY. I am.

Chairman BROWN. Senator Hagerty, you are recognized.

Senator HAGERTY. Chairman Brown, thank you. Ranking Member Toomey, thank you as well, for holding this hearing for two very important regulators in our financial regulatory landscape.

You know, in America our financial markets, as Senator Toomey rightly noted in his opening remarks, are the envy of the world. I was just on a call with our bankers in Tennessee who were expressing their concerns that we maintain that strength and that we be certain that we not allow regulators to use the regulatory construct in the financial markets to backdoor social policies that could have an adverse impact on our economy, and frankly, much better addressed in other arenas. We have a very rapidly evolving technology landscape, we have new market entrants coming aboard, and we certainly should not take America's market leadership for granted.

I think all of us want to maximize our economic recovery, and it is certainly important not to use ideologically driven regulatory practices at a time when we need to see our economy open up.

My first question is for Mr. Gensler, and, Mr. Gensler, we have discussed this before, and you know I am concerned very much about arbitrary and capricious, potentially overly reaching regulatory rulemaking. You and I talked about the importance of cost benefit analysis. I know that you talked about this with others on the Committee, but I want to just highlight again our discussion about taking an economic approach, as you have described, and the great importance of utilizing cost benefit analysis moving forward.

But moving into another arena, I want to compliment you on the undertaking that you have had in digital assets, the role that you have played at the MIT media lab. I think it is going to be very instructive here. And if we think about the area of financial regulations in such rapidly innovating markets, I think it is very challenging, from a regulatory standpoint, to manage that type of environment. To put it another way, using a Tennessee terminology, you don't want to be shooting where the rabbit was.

My question to you, Mr. Gensler, and it is an open- ended one, if you could share your perspective on the SEC's role, under your leadership, if you are confirmed, in how you will approach digital assets.

Mr. GENSLER. Senator, I thank you for that opening. I share your thoughts. It is always important to update our market oversight to

new technologies, but I believe foremost to be technology neutral. And I say that because this new technology of cryptocurrency and potentially central bank digital currencies comes along, it is important to stay true to our principles of investor protection and capital formation, but at the same time be technology neutral.

So I think that at the SEC it is really to the extent that somebody is offering an investment contractor security that is under the SEC's remit, and they have exchanges that operate there, then we have to make sure there is investor protection. If it is not that, and it is a commodity, as bitcoin has deemed to be, it is either a question for Congress, how Congress would want to that to be overseen, or it is possibly a question for the Commodity Futures Trading Commission.

But I would work with the staff, I would work with fellow commissioners and see how we can move forward, and to the extent investors can be protected and invest in these markets, that they are allowed to do so, but to do so in, again, the core function of investor protection and capital formation.

Senator HAGERTY. I appreciate your cognizance of your jurisdiction, and also, and importantly, the role of the Congress in overseeing this and dealing with it. This is an area where I think we have great potential for leadership, if handled right, and I think we should be very careful not to have too heavy a hand. But bringing your experience and your expertise to bear, I think you can make a significant mark in this rapidly evolving market, and I want to make certain that we take the right touch and the right coordinated approach between our legislative oversight and the role that you will play, if you are confirmed, running this important independent agency. Thank you.

Mr. GENSLER. Well, I thank you, and if I can appropriate your line about not shooting where the rabbit was, I thank you for that too.

Senator HAGERTY. Tennesseans all understand that, Mr. Gensler. Thank you.

Mr. GENSLER. Thank you.

Chairman BROWN. Thank you, Mr. Gensler. I have already appropriated it. Sorry.

Senator HAGERTY. Senator Van Hollen from Maryland.

Senator VAN HOLLEN. Thank you, Mr. Chairman, and Ranking Member, and congratulations again to Mr. Chopra and Mr. Gensler on your nominations. And if I am not able to get to the second round, Mr. Chopra, I will submit some questions for the record.

Mr. Gensler, you and I had a chance to speak before this hearing, and I raised some concerns and some specific legislation I have introduced that I consider sort of SEC good housekeeping principles. One is a bill that I have introduced with Senator Fischer around 10b-5 plans. The other one deals with the 8–K trading gap. Both bills are intended to provide investors and the public with confidence that CEOs and other insiders are not taking advantage of insider information.

My question for you today is, will you commit to working with me and providing technical assistance as we work to pass these bills?

Mr. GENSLER. Senator, I wanted to start by just thanking you for that warm introduction about an hour and a half ago to the Committee, as you and I have known each other about 20 years, and that was very kind of you.

But yes, I look forward, if confirmed, to work with you and your staff providing technical assistance, and having the staff of the SEC help as well.

Senator VAN HOLLEN. Right. I think we have seen many stories, and there may even be ongoing investigations in the summer reports about insiders gaming the system. Right now the rules allow too much gaming, and so I intend to work with you to close those loopholes.

Let me go back a little bit to the questions that Senator Toomey and some others have referenced regarding corporate disclosure rules and materiality, what kind of information they provide to shareholders. You cited the Supreme Court standard regarding a reasonable investor and what a reasonable investor would want to know. And, of course, that information changes over time, right? I mean, 20 years ago we would not necessarily see climate change risks as something that is essential to the success of a particular company.

Would you say it is important for the SEC to keep an open eye to the evolving interests of the reasonable investor to ensure that the disclosure rules match their demands for information?

Mr. GENSLER. Yes, Senator, and I think that the importance here is that—and the courts have helped define this—that it is the investor community that gets to decide what is material to that. It is not a government person like myself. It is all about that reasonable investor, do they think it is significant in the mix of information. And so I am going to be guided by that, and I concur with you, in 2021, there are tens of trillions of dollars of invested assets that are looking for more information about climate risk, and I think then the SEC has a role to play to help bring some consistency and comparability to those guidelines.

Senator VAN HOLLEN. And with respect to corporate political spending, I mean, Senator Toomey, I think, gave the example of how, you know, that spending may represent a small fraction of a company's assets. But wouldn't a reasonable investor, or is it something we should look into, whether a reasonable investor believes that there is a reputational risk to a company if they are spending secret money in politics and that becomes known and revealed? Isn't reputational risk something that a reasonable investor might consider?

Mr. GENSLER. I think, Senator, you are correct that what does a reasonable investor think is in that mix of information with a buy a stock, sell a stock or a bond, or vote yes or no. And it is up to those investors, and then to work to help provide some guidance to issuers to provide that information in that context.

Senator VAN HOLLEN. Thank you. Now, in addition to serving on the Banking and Housing and Urban Affairs Committee I now chair a subcommittee on the Appropriations Committee that oversees financial services in general government, the FSGG subcommittee. And in 2016, the GSA submitted, with approval from the SEC, a prospectus to Congress to authorize a lease for a new

headquarters facility for the SEC in the District of Columbia. That prospectus was formally approved by the House and the Senate Committees of Jurisdiction in 2018. Congress has also appropriated $263 million to the SEC for the headquarters move.

If confirmed, will you transfer the appropriated dollars to GSA so the headquarters project can advance?

Mr. GENSLER. Senator, as we discussed in some private meetings, if confirmed, I would work with the SEC staff and the GSA to better get up to speed on this. I know it is an important matter that you have raised. I have not been yet briefed on the matter because it is confidential negotiations between GSA and various potential real estate options, as I understand it.

Senator VAN HOLLEN. But you would agree that it is important for the SEC to follow the direction that Congress has provided her.

Mr. GENSLER. I would agree that it is always important, not just on real estate but also on other mandates from Congress, to follow congressional will.

Senator VAN HOLLEN. I appreciate that answer, and this is a case where I think, you know, Congress has spoken

Thank you to both our nominees. Mr. Chairman, thank you.

Chairman BROWN. Thank you, Senator Van Hollen. Senator Lummis from Wyoming.

Senator LUMMIS. Thank you, Mr. Brown. I have questions in this round for Mr. Gensler, and it is nice to see you again, Mr. Gensler.

In some quarters the SEC has a reputation for being a black hole for innovators. Do you agree that we need to provide more legal clarity through rulemaking and no-action letters to innovators in the digital asset space and in the blockchain industry, specifically?

Mr. GENSLER. Senator, I thank you. I thank you for our conversation in the last week on these matters and others.

I do think that technology in markets constantly change and evolve and that it is important for the SEC to provide guidance and clarity. Sometimes that is a clarity that will be thumbs-up, but even if it is thumbs-down it is important to provide that, whether it is through guidance or no-action letters, as you mentioned.

Senator LUMMIS. I do not know if you are aware of this, but Wyoming was the first in the U.S. to enact consumer protection laws for digital assets, including virtual currency. That happened in 2019. What are some of the ways we can work together to ensure consumer protection for digital assets that does not also hamper innovators?

Mr. GENSLER. Senator, I was aware. I think that your legislature and Governor enacted 13 separate acts in the digital space in Wyoming.

I think it is important to protect consumers and investors. One of area consumer protection is around the custody of their funds. Digital assets, the actual ownership relies on something called a private key in cryptography, and ensuring that that is really that custody works, and I know Wyoming has looked at that, New York, and some other states. I believe, actually, South Dakota may have as well. I hope I did not leave out any of the members' states.

But I think also investor protection, which goes beyond just the custody of assets, but to ensure that these markets are free of fraud and manipulation. And I think that is the greater challenge,

frankly, because the markets for some markets usually operating overseas but some markets have been really rife with fraud and scams. So trying to protect the investors against that fraud and manipulation.

Senator LUMMIS. You know, in 2018, you said, in front of the House Agriculture Committee, that blockchain technology has real potential to transform the world of finance. Could you talk more about how this technology can promote financial inclusion and reduce risk and create new markets?

Mr. GENSLER. Well, I think it is already doing some of that right now, that it has been a catalyst for change. Central banks around the globe are really looking at how to provide more inclusive payment structure, more inclusive payment tokens, and so that is in one area as a catalyst for change. But it is also other payment system providers are looking say how do we provide payment systems that operate 24 hours a day, 7 days a week, and at lower cost, both cross-border and domestically?

Blockchain technology itself is a shared accounting system, if I might say, and I think that has also led to some new thoughts about how to do trade finance, and even medical records technology and the like.

So I teach it. I am neither a maximalist nor a minimalist but I think that is has really been a catalyst for change in numerous areas.

Senator LUMMIS. Well, I have a lot to learn about blockchain itself. My only understanding of it is the application of bitcoin, but it will be interesting to see how it is useful in other areas and can be done in a way that actually saves money.

I am going to switch subjects, quickly, to energy. You have proposed a greater focus on environmental issues as part of your regulatory portfolio. My state of Wyoming's economy is heavily dependent on the energy sector, and our state government revenues, especially. Because of that, our state government revenues are declining right now, dramatically declining, because of the change in focus in our energy economy.

Have you considered the practical impacts on Wyoming's economy by making it more difficult for energy companies to raise capital?

Mr. GENSLER. Well, Senator, I think that the disclosure regimes, or climate risks that we were discussing earlier actually can be pro-issue or pro-corporation and pro-investors. Investors, from time to time, change the information they would want, and what they are just asking for more is about material climate risk, climate risk that the investors see as material. I think that can be also pro-issuer, pro-energy company, to get some consistency, comparability, some clear rules as to how to do this. Right now we have a little bit more of investors are asking for it and issuers are not entirely sure how to address all those. So I think it is pro-energy company to do such disclosures.

Senator LUMMIS. Thank you, Mr. Gensler. Mr. Chairman, I yield back.

Chairman BROWN. Thank you, Senator Lummis. Senator Smith from Minnesota.

Senator SMITH. Thank you, Chair Brown and Ranking Member Toomey, and I want to just welcome Mr. Gensler and Mr. Chopra to the Committee. It was really wonderful to have a chance to visit with you a little bit over the last few weeks. I think you both bring outstanding credentials and experience to these roles, and I look forward to supporting your confirmations, so thank you so much for being with us.

I want to just start with Mr. Chopra, and I want to talk with you a little bit about the issue of student loans and Federal student loan servicing, if we could. So prior to the pandemic, I heard from a lot of Minnesotans—this is an issue around the country—struggling to pay their student loans and struggling, especially, to get into and then stay enrolled in income-driven repayment plans and the Public Service Loan Forgiveness Program. And these are teachers and firefighters, people that are interested in public service.

I am really grateful that the Biden/Harris administration has put Federal student loans on pause until September, and I am very concerned about the ongoing challenges that we have related to getting good quality student loan servicing.

So, Mr. Chopra, we know that it is essential for student loan servicing to be done well, so that borrowers are able to access critical programs like the Student Loan Forgiveness Program, and I would like to hear your thoughts about this. What can we do to ensure high-quality Federal student loan servicing, and how will you approach oversight to this, and what can the Consumer Finance Protection Bureau do to protect student loan borrowers and ensure access to important programs like these loan forgiveness programs?

Mr. CHOPRA. So thank you, Senator. You know, one of the things that I have always kept front and center is it is critical for regulators not to make the same mistakes that were made in the lead-up to the financial crisis. The costs of inaction were too high. And some of the same issues that we saw in the mortgage servicing market I think were creeping into the student loan servicing market years ago.

There are many benefits, many programs, many contractual entitlements in a borrower's loan note that they are eligible to enroll in, and if servicers or debt collectors are misrepresenting those options, that is a big problem. With respect to the Public Service Loan Forgiveness Program, many members of the military and teachers depending upon that when making their own career decisions.

So it is critical that loan servicers live up to their obligations. I understand there has been some improvement when it comes to how the servicers are performing. We are at a critical moment, when so many borrowers are going to have to restart their payments and servicers communicating and making sure that borrowers can navigate their options, and it is all done lawfully—that is very critical—and the CFPB has a big role to play in working with the Department of Education and state attorneys general, state licensers, to make sure that all of that is happening lawfully so we can avoid an avalanche of defaults when any moratorium might end.

Senator SMITH. I really appreciate that. I could not agree with you more. I think that we face some major long- term fallout from

this pandemic, including student loan issues, including housing issues, and I think particularly my heart is people who feel like they were trying to do everything right, they were following the rules as they understood them, and then it feels like these student loan services are just pulling the rug right out from under them. And this is a classic moment where we need more energy and more oomph behind those that are protecting consumers, especially folks that are looking for ways to make a contribution through public service and then have that ripped right out from under them. So thank you.

Mr. CHOPRA. Yes, and just to add one thing. So many people are entering a very tough job market, and they are also leaving school with an enormous amount of debt. And we have seen when you enter a tough job market it can be hard to stay afloat, and people fall financially behind. We need to make sure they do not default and start off their financial lives, you know, with more trouble, foreclosing the ability to maybe getting a home or start a small business. We need to make sure that law is being followed.

Senator SMITH. Exactly. Thank you. Thank you very much.

Mr. Gensler, I am about out of time, but I just wanted to thank you for your responses to questions of several of my colleagues about the importance of providing some sort of standardized and mandatory system for laying out systemic climate risks. I think that this contributes to transparency for investors, as you suggested just a moment ago in your response to Senator Lummis, and I think that it also helps us to really understand what the systemic risk is to asset valuation as well as to financial markets. So thank you very much for that.

And I have one thing that I am going to follow up with you on, having to do with an issue that is important to a group of people who care about new registration forms for indexed linked annuities, and I will follow up with you on that. You and I had a chance to talk about that a little bit.

Thank you, Mr. Chair.

Chairman BROWN. Thank you, Senator Smith. Senator Moran, I believe, is not here. Has Senator Cramer arrived yet? And has Senator Daines arrived yet? And Senator Sinema is——

Senator DAINES. Mr. Chairman, this is Senator Daines.

Chairman BROWN. OK. Go for it, Steve. Senator Daines from Montana is recognized.

Senator DAINES. Great. Thanks, Mr. Chairman. I appreciate it much.

So I want to talk about the issue of these proxy advisor duopolies. As you know, proxy firms provide a variety of services to shareholders. Most notably, they provide advice at their shareholder meetings, typically public traded companies. There are two dominant proxy firms. There is International Shareholder Services, ISS, and Glass Lewis. They control about 95 percent of the proxy advisor industry, which really constitutes a duopoly. It has become the de facto standard set of corporate governance in the U.S., without any meaningful input from shareholders or issuers.

This is an area that is attracted by partisan attention in the past, most notably through the House passage of the Corporate Governance Reform and Transparency Act. A similar version was

sponsored by Senator Reed and other current members of the Committee, including Senators Tillis and Kennedy.

So this is the question, Mr. Gensler. Are you concerned about this lack of competition in the market for proxy advisor services and concerned that some proxy advisory firms may have significant conflicts of interest, which may impact the objectivity of the voting recommendations?

Mr. GENSLER. Senator, thank you, and thank you for taking some time last week for our discussion. I do think that in all parts of the capital market, whether it is proxy advisors, whether it was the earlier question about credit rating agencies and so forth, competition is a good thing to bring about transparency and lower cost and more efficiency. So I would share that even in this space as well.

I think that it does bring efficiency to many pension funds to have proxy advisors. It is a service that helps pension funds and investors through the proxy season. And you also raised conflict. I think it is the role of an agency like the SEC to try to, through transparency and other rules, to address potential conflicts of interest, and we saw some of these before the '08 crisis in the credit rating area, and I know that the commission has attempted to do that through some rule-writing last year in the proxy advisor space. I do think they bring some efficiency and help a lot of pension funds through what otherwise would be a hard slog to consider 3,000 votes or something in the course of just a few weeks.

Senator DAINES. Thank you. You know, you said earlier, in a response to a question, that you have some concerns about one firm having 40 or 50 percent of the payment for order flow. For example, ISS has both a research and a consulting arm. Do you think the SEC has responsibility to ensure that the proxy advisor systems function properly and that investors receive the most accurate as well as most up-to-date information prior to voting proxies?

Mr. GENSLER. I think that as the SEC did last year address proxy advisors it is within the authorities and it is something that, if confirmed, I would work with the staff and my fellow commissioners and with you to see if there were things that were yet to be addressed that needed to be addressed. But I also think they provide an important role in the markets during the proxy season.

Senator DAINES. Thank you. I shift to enforcement actions. I have been concerned, the SEC, under past commissioners, has based enforcement actions on previous settlements and staff guidance. In your opinion, how should the SEC's enforcement division decide whether to engage in enforcement action, and when would the issuance of guidance or rulemaking might be more appropriate?

Mr. GENSLER. Well, I was honored to chair another agency, a civil law enforcement agency, smaller but still very important to the markets, and I think of it is enforcement. It is following the facts and the law where the facts and the law take you, but it is to stamp out fraud and manipulation in the markets and it is to use limited resources to effectuate where there are the greatest problems in the market.

So that is my philosophy. I think that, as you say, if there is a rulemaking that is very different than enforcement. Enforcement is about following the facts in the law and using limited resources to

sort of change market behavior. If there are, unfortunately, a bunch of small fraud shops, you have got to go after them, but the first four or five or six you go after then maybe the others start to clean up their behavior.

Senator DAINES. Thank you. I know I am out of time, but these are two really quick questions, and that would be, would you commit to making offenses against senior citizens an enforcement priority? We have got a lot of problems with schemes in Montana that affect our seniors.

Mr. GENSLER. It is a very important—those less able to protect themselves need the SEC even more.

Senator DAINES. The Ponzi schemes as well, going after Ponzi schemes? Do you commit to enforcing there?

Mr. GENSLER. Yes. We did at the CFTC. I will, if confirmed, at the SEC.

Senator DAINES. OK. Thanks, Mr. Gensler. Thank you, Chairman.

Chairman BROWN. Thank you, Senator Daines. Senator Ossoff from Georgia.

Senator OSSOFF. Thank you, Mr. Chairman. Thank you to our nominees.

Mr. Chopra, the largest investment banks are very heavily subsidized, and many would argue these massive financial institutions are dominant not because they are efficient at capital allocation or risk management, or because they offer the best products to consumers, but instead because they receive trillions in government bailouts, low-interest loans, and quantitative easing.

Do you agree with this assessment, and is this, in your view, a form of regulatory capture?

Mr. CHOPRA. Well, Senator, too big to fail is a huge problem that Congress sought to fix in Dodd–Frank, and we should continue to make sure that that happens. We want competition on the merits. We want to make sure there is a market structure, where small banks, small financial institutions can compete fair and square. And it is not fair if they cannot, and our regulators need to be attuned to every single consumer and institution, not just the largest ones. I deeply agree with that.

Senator OSSOFF. I appreciate that, Mr. Chopra, and building on that theme, during this pandemic, much like during the crisis in '07-'08, the 12 or 13 largest banks have received trillions in emergency cash. It is provided on an overnight basis, and there are no such instantaneous emergency cash facilities for credit unions or regional banks, let alone ordinary people who have had to wait months for stimulus checks. And I would note that many Members of Congress who currently oppose sending cash to ordinary people in a pandemic, raise no concerns about the massive scale of cash and cheap loans provided to Wall Street banks.

Why is it so much easier for major banks to access emergency financial support in a crisis, and how could we level the playing field?

Mr. CHOPRA. Well, Senator, you are right. Small businesses, households did have a tougher time getting a lifeline of support, and I know that that was a struggle.

You know, one of the things that our Federal Reserve chairman has talked about, and others, is modernizing our payment system so that we can have a more real-time system. We cannot be falling behind other countries. We see that China is, in many ways, investing in faster payments in a stable coin. These are things that will help consumers and businesses get money faster, to their benefit. And, you know, I strongly support the Fed's efforts to modernize that payment system so that everyone can have equal access.

Senator OSSOFF. Thank you, Mr. Chopra, and I would note that the Retail Payments Office at the Fed is based at the Atlanta Fed.

I want to ask you now about financial technology. We saw, this week, a report that Walmart has hired two former Goldman Sachs executives, and Walmart's investments in fintech signal an interest in expanding the provision of financial services to its massive customer base. On the one hand, more competition could benefit consumers. On the other hand, there are looser regulations for industrial loan companies, which could threaten financial stability, and the entry into the banking sector of a retail giant like Walmart could raise antitrust concerns.

What are the implications for consumers and for regulators of these developments in digital banking, of the prospective entry of Walmart into the banking sector, and how can policymakers address them?

Mr. CHOPRA. So, Senator, while this is not a core issue of the CFPB, it is something I have thought about quite a bit in my current role at the FTC. We have seen how large technology platforms are increasingly entering financial service. Facebook's Libra proposal drew a lot of scrutiny from this Committee as well as regulators all over the world, with respect to how it might impact privacy, fair competition, and even compliance with our money-laundering laws.

So I do think we have to make sure we are looking at the issues that are facing our country today but also these other issues coming down the pike when it comes to market structure. I do not want to see a banking system or financial services system where new market entrants cannot get in and cannot get in and win the day. Dominant players should not be able to squelch out competition, and that is something we need to always be mindful of.

Senator OSSOFF. Thank you, Mr. Chopra. Mr. Chairman, I yield back.

Chairman BROWN. Thank you, Senator Ossoff. That concludes the first round. The second round, a number of members from both sides would like questions. I think that I will start, but I think that Ranking Member Toomey has asked that Senator Scott be the first Republican called on, so, Tim, I will call on you after my—I will not go the entire 5 minutes, and I will more strictly enforce the 5-minute rule too. We were fairly liberal—pardon the adjective there, Senator Scott—fairly liberal with enforcement, but we will not be this time.

Mr. Gensler, companies and investors have acknowledged the need for improved and consistent climate risk disclosures. The SEC last addressed this in 2010. Acting Chair Lee has recently under-

taken a review of the earlier guidance. Mr. Gensler, are you going to do more than that?

Mr. GENSLER. Chair Brown, as we have discussed in this hearing, I think that increasingly investors really want to see tens of trillions of dollars of assets behind it, want to see climate risk disclosures. I think issuers would benefit from such guidance, so I think through good economic analysis, working with the staff, putting out to the public to get public feedback on this, this is something that the commission, if I am confirmed, I would work on.

Chairman BROWN. Thank you. Commissioner Chopra, one question for you. In the past few years we have seen a lot of changes in consumer finance markets. Companies are increasingly offering consumer financial products through mobile apps or using new methods of underwriting, such as relying on alternative credit debt or algorithms that use artificial intelligence.

What are some of the most significant developments you have seen in consumer finance, and what do you see as new risk to consumers from these developments?

Mr. CHOPRA. Senator, technology will play such an important role in our lives in every sector of the economy, but we also need to understand more clearly how mass data collection on all of us is impacting our privacy, the security of our data, and ultimately the decisions made by these algorithms.

I think there are real questions about transparency. I have noted that there are many types of algorithmic decisionmaking where simply people are unable to ascertain why a certain decision was made. It has raised questions about discrimination, as evidenced by Secretary Carson's complaint against Facebook in the housing context, and so many others.

So looking at how big data, particularly by large platforms who have detailed behavioral data on all of us, is something we must carefully look at, because it will change financial services fundamentally, and we need to make sure that we have a vibrant and competitive market and not one that is simply dominated by a few.

Chairman BROWN. Thank you, Commissioner Chopra. Before turning to Senator Scott I want to enter into the record letters of endorsement from a bipartisan group of 26 state attorneys general, veterans, and military service organizations, as well as a broad coalition of civil rights consumer and housing organizations in support of Mr. Chopra's nomination, and letters from investor protection advocates, state regulators, and investment professionals in support of Mr. Gensler's nomination. Without objection they are entered into the record.

Senator Scott from South Carolina for the second round.

Senator SCOTT. Thank you, Senator Brown, and, Senator Brown, I noted your comments about liberalism and conservatism. I will just note that even if it is just the amount of time that we each get for asking questions, any time you move toward the conservative aisle I am happy to see that kind of movement from you, sir. So thank you very much for sharing those enlightening comments with me.

Mr. Chopra, to you, sir. This is an easy question, I hope. Do you agree that Congress did not provide the CFPB regulatory oversight authority over insurance products and the insurance industry?

Mr. CHOPRA. Yes, sir. That is an explicit exclusion from Title X of Dodd–Frank. The CFPB does not have authority over, I believe it is firms regulated by state insurance industry.

Senator SCOTT. Yes, sir, and as an old insurance guy myself, I am really impressed with the level of integrity and success that we have had in the state regulated insurance industry, and I hope that we are able to maintain that equilibrium as we move forward.

Another question for you, sir. I am confident every Senator here today supports responsible consumer protections and a robust, transparent marketplace of consumer products and services. I am also certain that every Senator present would agree that regulated entities should have the right to know what the rules of the road are before being charged with breaking them.

Unfortunately, when the CFPB was first established, its leadership quickly established that enforcement, rather than clearly articulated rules for regulated entities, would be the primary mechanism for protecting consumers. The CFPB's frequent use of enforcement and supervisory authority as an extension of rulemaking had a chilling effect on the marketplace, as firms began to exit certain business lines rather than risk running afoul of the Bureau's vaguely defined and constantly shift standards.

So my question, sir, is, if confirmed, will you strongly commit to the continued improvement of overall transparency, efficiency, and effectiveness of the CFPB's supervision and enforcement programs?

Mr. CHOPRA. Yes, and I also will commit that the CFPB, and every Federal agency, should be focused on fixing harms, making it clear to market participants what is expected of them. Ultimately, that is what creates a vibrant market, and that is something that the CFPB must do, adhering to all of the procedures Congress has laid out. I am absolutely committed.

Senator SCOTT. Thank you, sir. My last question, understanding the conservative nature of the time remaining is important, Chairman Brown, there is no doubt that the availability of responsible small-dollar credit is essential to millions of Americans and plays a key role in helping consumers whether temporary cash-flow imbalances, unexpected expenses, or income shortfalls during really challenging times like the pandemic that we are coming out of.

In acknowledgment of that, the CFPB, FDIC, FRB, NCUA, as well as the OCC issued a joint policy statement at the outside of the COVID–19 emergency that encouraged financial institutions to offer responsible small-dollar loans to both consumers and small businesses. In the year since that statement was released, CFPB and other financial regulators have taken a number of positive actions to facilitate the ability of financial institutions to more effectively meet the small-dollar credit needs of their communities and their customers.

As director, what actions would you take, both independently and in coordination with other financial regulators, to encourage the availability of, and access to, a wide variety of credit choices for consumers?

Mr. CHOPRA. So, Senator, I want to work closely with all of those agencies you have mentioned, including the National Credit Union Administration, which has its own small-dollar rubric. I also want to make sure that it is more than just access to credit. It also about

access to one's money. The fast consumers can control their money, and sometimes they have to wait days and days for it, that makes it harder for them to make ends meet. I referenced, to one of your colleagues, the importance of us having a modernized payment system. All of these actions will make it easier for consumers to have control of their own destiny and ultimately lead a strong financial life.

Senator SCOTT. Thank you, sir. With 7 seconds left, let me just to Ranking Member Toomey, thank you for the time. Chairman Brown, have a good day.

Chairman BROWN. Thank you, Senator Scott. Senator Warren is next. I see her screen is open but I do not see her. If she is not here—she is here. Senator Warren, you are next, for 5 minutes, and we are enforcing the 5 minutes more strictly this round, so thank you.

Senator WARREN. I am still here. I am sorry, Mr. Chairman. I could not hear you, so thank you.

Mr. Chopra, congratulations on your nomination. You have been a long-time advocate for consumers, and I have no doubt you are the right person to lead the Bureau at this moment. But you have a big task ahead of you. The last administration's appointees acted like they worked for the giant banks that they were supposed to regulate. So it is clear that the Bureau needs to return to its core mission of protecting consumers.

So I want to ask you about your plans for one of the areas where the past leadership of the Bureau failed the most, and that is enforcing the fair lending laws that are designed to protect consumers from discrimination. In 2017, one of the very things that Mick Mulvaney did when he took over as acting director was to gut the Bureau's Fair Lending Office and strip the attorneys of enforcement power, and, no surprise, enforcement actions plummeted.

So can you talk about your own plans for holding banks and financial companies accountable for discrimination?

Mr. CHOPRA. So, Senator, thank you. I do not think this is just a problem at the CFPB. FTC, where I work, did not file a single enforcement action on the Equal Credit Opportunity Act for years and years. I do not believe agencies should nullify Congress. We should enforce the laws that have been delegated to us. And it is particularly important when it comes to antidiscrimination. There are new ways in which financial institutions are using behavioral advertising, new forms of data collection, and we need to make sure that we are offering a robust way to understand how they can comply and hold them accountable when they are not. Our Fair Lending and Equal Opportunity Office at the CFPB, I had a chance to work with them the last time I worked there, is established by Congress, and it should play a critical role in making sure the law is being followed and meeting the objectives set out in the act.

Senator WARREN. Good. I am very glad to hear you say that, Commissioner Chopra. You know, the whole problem of discrimination in financial services exacerbates racial wealth inequalities, and I am glad that you are going to make this a priority.

It is long past time to send a signal to Wall Street that the Bureau is not going to turn the other way and look away when big

financial institutions discriminate against Black, Latino, Asian, and Native customers. So thank you for that commitment.

I also want to talk about the upcoming housing cliff that is facing millions of Americans. During the 2008 financial crash, financial regulators focused on helping banks and turned their backs, largely, on American families. The results was that about 10 million families lost their homes, with that burden falling heaviest on families of color. In response, the Obama administration established the CFPB to make sure that never happens again.

Now, fast forward to the COVID–19 pandemic. Forbearance measures have staved off a similar wave of foreclosures, but those protections are not going to last forever. The good news is that unlike 2008, we now have an agency that is dedicated to putting consumers first.

So let me ask you, Commissioner Chopra, can you explain the urgency of the current crisis and how you plan to use the Bureau's tools to prevent the mistakes that were made during the Great Recession from just happening all over again?

Mr. CHOPRA. I would be remiss if I did not acknowledge the role you played in the establishment of the Bureau, and I know something I have spoken with you and many other members on this Committee, is that what happened in the mortgage market in the years leading up to Lehman, and the foreclosures that took place after, we have seen report after report after report about how devastating that was to families, to their future, to our economy, and it impacted our entire financial system. So the CFPB has been entrusted to monitor those mortgage markets, work side by side with each other regulator, work with states, and use the tools in the toolbox to spot those risks.

And while Congress has hit pause on many of the troubles in the mortgage market, we are not out of this. Based on the data that I look at, many families are going to struggle. They have lost income. They may not be able to resume, and we should make sure that they can stay in their homes when they have that ability to do so, and not be deceived about what their options are. No one should be kicked out during a quarantine, particularly if they have been lied to. I really believe that strongly.

Senator WARREN. Thank you, Mr. Chairman.

Chairman BROWN. Thank you, Senator Warren and Commissioner Chopra.

Ranking Member Toomey in the second round.

Senator TOOMEY. Thank you, Mr. Chairman. Mr. Chopra, while the CFPB director is now finally removable by the President, the CFPB remains unaccountable to Congress in the sense that it is not subject to the appropriations process. In a 2016 interview at the University of Pennsylvania, you were asked about proposals for making the CFPB subject to appropriations or making it a five-person commission.

At the time, you said that Congressmen who vote for these policies must be perceived as, quote, "shilling for predatory lenders," end quote, and that, quote, "supporting gutting the CFPB like that by starving it of resources or creating structures that don't allow it to do its job, there is no real good argument for it other than representing those who are essentially breaking the law," end quote.

Well, in fact, Mr. Chopra, I, and many of my colleagues, have long and continued to support the policies of the ability to remove a CFPB director by the President, making it accountable to Congress by making it subject to appropriations, and for me, it is about accountability.

So let me ask you, is it still your view that my colleagues and I just want to shill for, quote, "predatory lenders and represent lawbreakers"?

Mr. CHOPRA. No, Senator, but when it comes to the banking regulators, the Comptroller of the Currency——

Senator TOOMEY. I just want to be clear, so you are retracting what you said back in 2016?

Mr. CHOPRA. I am happy to look at that. If I said that I think many people's concerns about accountability are principal, and it is certainly not the case that everyone is just doing the bidding. I regret that if I said that, but ultimately I do believe that independent agencies are able to stay more clear of political influence, are able to exercise judgment carefully, and the Comptroller of the Currency and others, I do believe——

Senator TOOMEY. I understand. I understand that you could disagree with the opinion and the conclusion about the best mechanism for accountability, but I am glad to hear that you are retracting the impugning of the motives of those of us who feel as we do. And I would be happy to provide the video for you, if you have a question about whether that is accurate.

Let me ask you this. Last year, the CFPB affirmed that supervisory guidance does not have the force or effect of law, and this year it issued a rule to codify that principle. So I certainly welcome this commitment to the rule of law, especially in light of the CFPB's troubling past practice of taking enforcement action based on supervisory guidance.

I think in our previous conversation you agreed with this step taken by the CFPB. I just want to be clear. Are you committing to complying with this law, with this rule, or do you intend to revisit and attempt to change this rule that was passed this year, and codify that principle?

Mr. CHOPRA. Yeah, so, Senator, I appreciate the question. Guidance cannot impose obligations. That is not the appropriate way in which new laws are created or is outside of the regulatory process. I understand your concerns but I have not read that rule very specifically. But supervisory guidance is really supposed to be there to help institutions be able to understand how to best comply. It can cover, sometimes, emerging issues that provide guidance, but I agree with——

Senator TOOMEY. Yeah, this is about sticking with the rule that codifies the principle that guidance cannot act as a rule.

My last question here has to do with the indirect auto lending. This was an egregious example of the CFPB's enforcement crusade, and it specifically relied on a very controversial, disparate impact theory, and it was issued by a supervisory bulletin rather than a proper rule. The GAO confirmed that the CFPB's bulletin functioned as a rule and was, therefore, subject to the Congressional Review Act, and Congress, as you know, overturned this misguided policy.

Now when you and I spoke last week I asked you if you intended to reopen the issue that Commerce had closed through the CRA and create some new version of an auto lending rule premised on the disparate impact area, and I think you committed to me that you would not do that. Did I have that right, and will you confirm that commitment today?

Mr. CHOPRA. The Congressional Review Act resolution has nullified that guidance document, and the CFPB will continue to adhere to that, if I am confirmed, and I will continue to monitor any of these concerns you have, to work with you further. But that has been nullified, and that is now the law.

Chairman BROWN. Time has expired. Thank you, Senator Toomey. Senator Warnock of Georgia, you are recognized for 5 minutes.

Senator WARNOCK. Thank you so very much, Chairman Brown. It is great to be here with you, and let me say how excited I am to be named chairman of this Committee's Subcommittee on Financial Institutions and Consumer Protection.

Chairman BROWN. We are too. Thank you.

Senator WARNOCK. Thank you. I look forward to working with you and Ranking Member Toomey and the subcommittee's ranking member, Senator Tillis, to ensure stability in our financial markets and to protect consumers.

Commissioner Chopra, thank you so much for appearing before this Committee today. As I travel across Georgia, I am hearing a lot, and I heard a lot during my campaign, from student loan borrowers. And that is a story that I know personally. I am the first college graduate in my family, and I would not be here were it not for Pell grants and low- interest student loans.

But students who are borrowing money now are just getting crushed under the debt, and the student loan burden has real implications, not only for the borrowers but for our economy. People are not able to buy homes, start small businesses, the kinds of things that move our economy forward, and, of course, this is disproportionately impacting Black and brown borrowers, particularly Black women.

I know that you previously served as the student loan ombudsman at the Bureau, and what I would like to know is, as director, what would you do to protect loan borrowers from predatory student loan companies, servicers, and debt collectors, and where are the places and opportunities for real reform?

Mr. CHOPRA. So, Senator, I am glad you mentioned this because I really think about the problem you raised as a double whammy. For many people of color, families of color, they are more likely to need to borrow to go to college, and then in many cases, after graduating, continue to face a wage gap. In many cases, the data has shown that African American females with college degrees have not really seen their wages go up, even after all of that studying, and that means that the debt that they bear is even more difficult to service.

So there are a lot of problems in our student loan system, when it comes to schools and government policies, but also the CFPB has to make sure it is doing its job to make sure the law is being followed when it comes to lending, when it comes to servicing, when

it comes to debt collection. I want to re-engage with the states, with the Department of Education, if confirmed, to make sure that those borrowers are not set more behind.

This has implications for an entire generation, but also the issue you raised about the racial wealth gap. It is very, very critical that we get this right.

Senator WARNOCK. Well, thank you. I look forward to working with you on this issue. It is my view that our young people should not have to mortgage their future just to have a shot at a future, and it pressing not only for them but for our entire economy.

In the remaining minutes that I have, in 2013, you testified before this Committee and talked about how servicemembers, veterans, and military families were too often the canary in the coal mine, as you put it then, when it came to breakdowns in consumer finance markets. We have seen members of our military and active duty deployed literally forced to fly back home from combat zones to save their homes from illegal foreclosures, its own kind of combat.

Can you talk about your experience enforcing and expanding consumer protections, especially for our military families, and how you would use the tools and resources at the Bureau to protect military borrowers?

Mr. CHOPRA. So, Senator, thank you. I have had the honor of testifying before this Committee several times before, and I do believe that how institutions treat members of the military can be a canary in the coal mine for others. It is true that military families, they move more, they have more complex situations. It can be tricky. And if institutions are improperly foreclosing on them, throwing them into default, overcharging them, misreporting information on their credit bureaus, it can raise questions about whether they have the processes and the agility to deal with complex situations.

I was very proud to work with other agencies on a massive SCRA-related investigation and enforcement action involving a nationwide student loan overcharging scam. We have to make sure we are continuing to work with the Justice Department, with other regulators, to crack down on that, especially as we anticipate risks in the mortgage market.

Senator WARNOCK. Well, thank you so much, Commissioner Chopra. Our military men and women in uniform are obviously putting it all on the line for us, to protect us, and the least we can do is protect them from abusive practices in our financial systems, and I look forward to working with you to do that.

Chairman BROWN. Thank you, Senator Warnock. Senator Tillis for the second round.

Senator TILLIS. Thank you, Mr. Chair. Mr. Chopra, thank you, and congratulations on your nomination. I want to go back on, you know, the CFPB is authorized to prevent unfair and deceptive practices, and I think you know that Congress has used these terms deliberately, with the backdrop of the FTC president establishing limits on these authorities. I think even former Director Cordray was careful to adhere to the President.

But I understand, in a Department of Transportation rule to define unfair and deceptive practices, you urged that agency to treat

those authorities as significantly broader than the same authorities under the FTC and the CFPB.

Should I infer from that that you are willing to go further than even Director Cordray did on expanding the CFPB authorities?

Mr. CHOPRA. So, no, Senator. I think if I understand your question, the Department of Transportation has a different fairness jurisdiction. The CFPB's unfairness authority I believe word for word is harmonized with the FTC Act. I believe in staying within the four corners of the law. I am happy to answer additional questions about that Department of Transportation comment letter, but it is a different unfairness standard than what exists in the FTC Act or in the Dodd–Frank Act.

Senator TILLIS. Can I infer from that that you would at least use rulemaking if you were to go in to clearly define what an abusive practice would be, subject to rulemaking?

Mr. CHOPRA. So ultimately we would have to enforce the law as written. There have been a number of cases where courts and others have found that the fact patterns meet the prongs of, in this case, the prohibition on abusive acts and practices. The last director has actually promulgated a rule on short-term lending that specifies certain abusive practices, particularly the repeated debiting of accounts that may lead to overdraft fees.

Ultimately, we need to enforce the law, and at times rulemaking can be a tool that has been used. But I take from your question that it is important that it is clear, and we do what we can to make sure that what the law requires is understandable, and ultimately we have to follow what Congress has written in that statute and be subjected to judicial scrutiny.

Senator TILLIS. Thank you. I just have one other question. Knowing this is the second round I will try and be brief. This relates to a broader issue that I see. I have seen comments from high-ranking officials. I have seen guidance that has effectively become de facto rules, where the industry sees a nod in a certain direction, they feel like they have to really conform to something that is not a rule, which adds a lot of costs, a lot of complexity, a lot of uncertainty.

Do you think that it is appropriate that a guidance effectively becomes a rule, or that even a speech or a comment that you could make in an interview could actually drive an entirely new regulatory regimen for the industry?

Mr. CHOPRA. Well, Senator, I particularly worry about this type of uncertainty for small players, new players. They do not have a bunch of people working in Washington for them to track all of this. Being as transparent as possible has to be always a priority. I understand what you are saying and it is important that that be communicated through all the appropriate channels.

That being said, there is a place, in my view, for the agencies to speak at industry conferences, talk about data and trends, talk about new developments, be able to explain how they might want to think about that. But I understand what you are saying and I am very committed to that transparent communication, particularly as it relates to making sure that small players can compete with larger incumbents.

Senator TILLIS. Thank you, Mr. Chopra. Thank you, Mr. Chair.

Chairman BROWN. Thanks, Senator Tillis. Senator Menendez for a second round.

Senator MENENDEZ. Thank you, Mr. Chairman. Mr. Chopra, we are in the midst of a full-blown student debt crisis, with 43 million of our fellow citizens owing $1.5 trillion in student loan debt. And instead of helping provide relief to those borrowers by regulating a student loan market plagued by harmful practices, our country's consumer watchdog was asleep at the wheel, in my perspective, for the last 4 years.

So I think that student loan debt shakes the very foundations of the American middle class. You know, I can refinance anything in my life except student loan debt. If I was able to do so, for example, there would be great opportunities to buy my first home, be an entrepreneur, start a business. It would have an enormous economic ripple effect for the individual as well as for society as a whole.

So as the lead consumer watchdog, does the CFPB have authority to oversee and supervise that $1.5 trillion worth of consumer debt, including debt owed to the Federal Government?

Mr. CHOPRA. Yes. My understanding, the existing law and implementing regulations, those entities, servicers, debt collectors, they are covered as consumer financial products and services.

Senator MENENDEZ. And do you believe the extent of the current student debt crisis calls for the use of the Bureau's full slate of authorities to ensure that Federal and private student loan servicers are complying with consumer financial protection laws?

Mr. CHOPRA. Yes, so, Senator, student loans used to actually be more of the exception, and now they are the norm. While I was at the Bureau the last time, the agency reported that student loans had crossed the trillion-dollar market. It is now $1.7 trillion. There were years when more than 1 million Americans were defaulting, even when they had a legal entitlement to loan modifications and income-driven repayment.

This has to be something—it is one of the biggest consumer credit markets in our country, after mortgages, and we have to make sure that the law is being followed. And I do. I have seen some real improvements over the last decade in the activities of some of these firms, and I hope that that continues, and I hope that there are high levels of compliance with the laws that Congress has passed.

Senator MENENDEZ. Well, thank you for that. During your tenure as the student loan ombudsman, the CFPB returned over $750 million to wronged student borrowers. That is the type of work I would like to see the CFPB return to.

And then, finally, I want to follow up on Senator Warnock's questions to you about the disproportionate impact students loans have on minority communities. I, like him, who grew up poor, in a tenement in Union City, the first in my family to go to college, would have never done so without the Pells, Perkins, and work-study. So I am very familiar, first-hand knowledge of the consequences. But should the Bureau examine whether student loan servicers are violating civil rights laws or engaging in other unlawful conduct that disproportionately hurts minority student loan borrower?

Mr. CHOPRA. So many of those firms are subject, and I believe all of them, to the Equal Credit Opportunity Act. We have seen that it is critical to ensure that there is appropriate enforcement

of that law, not just on the origination side but also as established guidance as it applies to the other parts of the consumer credit lifecycle.

We cannot really make a mistake when it comes to this. You know, ensuring that our antidiscrimination laws are adhered to is important for the goals that the Congress has set out in those laws.

Senator MENENDEZ. Well, thank you. I look forward to supporting your nomination and to your leadership of the agency upon confirmation.

Thank you, Mr. Chairman.

Chairman BROWN. Thank you, Senator Menendez. Either Senator Lummis, if she is coming back, or Senator Hagerty, if he is coming back, or Senator Lummis, if she is coming back, or Senator Daines, who has come back.

Senator Daines, your second round, and try to stick to 5 minutes. Thank you.

Senator DAINES. Chairman Brown, your ability to handle the juggling here is quite impressive, I will say.

Chairman BROWN. It is not complicated.

Senator DAINES. Well, it is not an easy task here with our Senators who are going in and out. I do not envy you. But thank you, Mr. Chairman.

These questions here are for Mr. Chopra. As you know, following the Supreme Court's decision in the Seila Law LLC v. CFPB case, the director of the CFPB is removable for any reason and serves at the pleasure of the President. We are now only considering your nomination because the prior director resigned at the request of the President with 3 years left in her term. And regardless of where one stands in the political spectrum, I hope everyone can agree that this instability at the top of an agency with such vast power is frightening.

So my question is, do you agree that the CFPB should be led by a multi-member commission versus one person?

Mr. CHOPRA. So, Senator, it is the job of Congress to determine the appropriate agency structure. Some of our financial regulators are led by a single director, removable an Executive official, the Federal Housing Finance Agency, I believe, the Comptroller of the Currency. Others are set up as boards or commissions.

I currently sit on a commission, a multi-member body. Ultimately, Congress is vested with the authority to establish these structures——

Senator DAINES. No, no, it is—you are exactly right. It is our responsibility, not yours. I was just curious, as somebody who, as you say, sits on a commission today, and also you are very knowledgeable of the CFPB, just what are your thoughts about—would it better serve the American people if it was a multi-member commission versus led by one person? I am curious of your opinion, your thoughts.

Mr. CHOPRA. Well, in my view, regardless of it is a single director or a multi-member commission, there needs to be accountability. There needs to be responsiveness. Some commissions work well, some single directors work well, and the opposite can be true too.

Where I sit, at the FTC, this agency has missed some of the worst abuses when it comes to invasions of privacy by Big Tech,

has failed to enforce some of its core orders. I do look at the CFTC, under Gary Gensler's leadership, that did actually take appropriate actions, was responsive, was transparent. Ultimately, again this is Congress' decision. But what I am committed to is no matter what the structure is, we have to follow the law, adhere to the law, be responsive to Congress and the public.

Senator DAINES. Yeah, no, I think the concern I am hearing from many out there that we serve, the American people, is just the fact it can swing wildly between political parties, regarding different regulatory philosophies, you know, at the whim of the person at the helm and President who appoints them. So it is a concern. Obviously, I wanted to raise it, and I have heard that from many of my constituents back home in Montana.

Mr. CHOPRA. I appreciate that.

Senator DAINES. Anyway, thank you. I will keep going on the time. So here is a question. I came from the private sector, spent most of my career there. Is business a harmful force?

Mr. CHOPRA. Senator, there is no one more who thinks, than me, that business is one of the best forces for our lives in America. I am not a lawyer, nor is Mr. Gensler. I studied business. I worked in the private sector. I believe that business is, frankly, what Thomas Jefferson wanted for a free country.

What I do have a problem with is when particularly large actors can bully small businesses or break the law and not be held accountable. At the FTC, we laid the hammer on small businesses. We go after the individuals, we take everything, but sometimes do not treat a larger firm using the same set of scrutiny, even though the law is exactly the same.

Senator DAINES. Right. So would you prejudge, in any way, a business' actions, based on whether you had an unfavorable view of the industry that it is part of?

Mr. CHOPRA. Absolutely not. That is not the job of an agency. The job is to administer the law that the Congress has set, and that would be inappropriate to have whims or views about particular types of businesses.

Senator DAINES. So the concern I have is you dissented regularly, with astonishing regularity, from FTC actions because you complained the penalties were not punishing enough. So your record at the FTC I know raised some concern for many on this Committee.

Mr. CHOPRA. Well, Senator——

Chairman BROWN. Please wrap up.

Mr. CHOPRA. ——Senator, I do not believe—I do not know if the Senator has frozen—Senator, I do not believe that—I am happy to share any of the opinions I have written. I believe that over 93 percent of decisions were unanimous. But I do have a problem when fraudsters get off with not having to redress their victims. We are sometimes not doing enough to hold businesses accountable when it comes to the harm that they cause, even when it is an outright violation of the law. I certainly objected to the FTC's Facebook settlement, which was subject to, in my view, not even fixing the core problem that led to the massive violations.

And, Senator, I am happy to discuss that more with you, but ultimately we want honest business to be able to thrive and to compete and for bad actors to be held accountable if they commit fraud.

Senator DAINES. Thank you, Mr. Chairman.

Chairman BROWN. The time has expired. Thank you.

Senator DAINES. Yeah, thanks.

Chairman BROWN. Senator Lummis for 5 minutes. I think you are last. Go for it.

Senator LUMMIS. Thank you, Mr. Chairman. Hello, Mr. Chopra. It is nice to see you again.

My first question is about usury laws. They have historically been the provenance of state legislatures. My state of Wyoming even has a usury cap. I, in fact, remember the debate because I was a state legislator at the time.

Dodd–Frank prohibits the CFPB from imposing maximum interest charges on consumer credit. Do you agree that the CFPB lacks the authority to impose a usury cap?

Mr. CHOPRA. So, Senator, my understanding is that you are right, that usury caps, interest rate caps, that is primarily the provenance of states, and I believe there is some explicit language in Title X of Dodd–Frank that prohibits the CFPB from establishing something like that. I am happy to look at it more closely if there are more specific questions, but that is my understanding of the law.

Senator LUMMIS. Nope, great answer. That is fabulous. Thank you.

Now, if confirmed, you will have the honor of being a member of the FDIC board, and Congress has specified that industrial lending companies are entitled to deposit insurance if they have a safe and sound plan of operation. This is the easiest question you will be asked today. Will you consider the individual merits of each and every application and grant deposit insurance to an ILC with a safe and sound plan of operation?

Mr. CHOPRA. Yes. I will follow the law when it comes to applications. I will, of course, rely heavily on the FDIC staff. That is their real expertise. But inasmuch as applications are subject to these laws and regulations, of course, that should be the standard by which they are evaluated by.

Senator LUMMIS. Thank you. And my last question, Chairwoman McWilliams was confirmed by the Senate to set the direction of the FDIC. Section 6b of the FDIC bylaws allows two members of the FDIC board to call a special meeting of the board. Since you will not be the chairperson of the FDIC board, will you commit not to force votes on matters the FDIC chairwoman has not included on the board's agenda?

Mr. CHOPRA. So, Senator, I am actually not familiar with these rules of procedure, but I am happy to take questions for the record. Is the question that the chairwoman has a statutory right to call meetings—and I apologize if I am not fully understanding all of it, but I am happy to take a close look.

Senator LUMMIS. OK. It is a bylaws thing, and you bet, I will submit questions for the record. And thank you very much for your time.

Mr. CHOPRA. Absolutely, Senator, and thank you for——

Senator LUMMIS. That is all I have. I get to yield back almost 2 minutes. Thank you.

Chairman BROWN. Thank you, Senator Lummis. Is Senator Hagerty here? I assume not, so we are drawing to a close. I think he is not.

Well, thank you to Mr. Gensler and Commissioner Chopra for being here today and providing testimony, at the longest Committee meeting I remember in the Senate Banking, Housing, and Urban Affairs Committee, with the interest from so many members in the second round.

For Senators who wish to submit questions for the record, these questions are due by the close of business this coming Friday, March 5. For our witnesses, please submit your responses to questions for the record by noon on Monday, March 8. We obviously want to move on nominations quickly is the reason for the squeeze time period. Thank you gain.

With that, the hearing is adjourned. Thank you all.

[Whereupon, at 1:04 p.m., the hearing was adjourned.]

[Prepared statements, biographical sketches of nominees, responses to written questions, and additional material supplied for the record follow:]

PREPARED STATEMENT OF CHAIRMAN SHERROD BROWN

Today we consider the nominations of two distinguished public servants: Rohit Chopra to serve as Director of the Consumer Financial Protection Bureau, and Gary Gensler to serve as a Chairman of the Securities and Exchange Commission.

Most of us have met with them. I am impressed with their knowledge, their commitment, and their passion to serve, especially during the current public health and economic crisis. Thank you, Commissioner Chopra and Mr. Gensler.

You are both nominated to lead parts of our government whose job is to stand up for the millions of Americans who don't have a corporate lobbyist, who don't have a Super PAC, who never get bailouts or golden parachutes.

And you will take on these roles at a time when so many people don't feel like they have a voice in our economy, or anyone on their side in government.

Your job will be to prove them wrong; to fight for all the workers and families and communities that have been left out and looked down on by the Washington elite, and preyed on by Wall Street.

Even before the pandemic, workers' wages were not keeping up with the cost of living and raising a family—the cost of housing, childcare, prescription drugs had all gone up. We know 40 percent of Americans aren't able to come up with $400 in an emergency.

The racial wealth gap has increased: the average white family now has 10 times the wealth of the average Black family.

We have the widest racial home ownership gap in 50 years—in fact, the gap is as big today as it was when it was legal to refuse to sell someone a home because of the color of their skin.

Then the coronavirus pandemic hit—and millions of workers who were one emergency away from draining their savings, or turning to a payday lender, or being evicted, were all facing emergencies at once.

Millions of homeowners are behind on their mortgage and at risk of foreclosure—including nearly one-in-six Latino homeowners and one-in-five Black homeowners.

Today's nominees understand the challenges we face. And after years of allies of the largest corporations and the biggest banks running these agencies, and setting government up to fail, Mr. Chopra and Mr. Gensler are here to fight for everyone else.

Congress created the Consumer Protection Bureau to be a voice for all the Americans who too often don't have one in Washington.

During its first ten years, the Bureau delivered results: the CFPB made new, strong rules that protect consumers from abusive practices, and returned more than $12 billion to more than 29 million Americans who were cheated and preyed on by shady lenders and big banks.

Mr. Chopra has the expertise and the track record to lead the Bureau at a time when workers and their families are desperate for someone to look out for them.

He has a deep understanding of financial markets and a strong record of protecting consumers and small businesses, promoting competitive markets, and holding bad actors accountable.

In 2018, the Senate voted unanimously to confirm Mr. Chopra as an FTC Commissioner, and since then, he has worked with members of both parties on a wide array of issues important to American consumers.

As Commissioner, Mr. Chopra worked with Democratic and Republican state attorneys general to protect American small businesses and consumers from foreign goods that were flooding the market with fake "Made in the USA" labels.

He has pushed the FTC to crack down on Big Tech, including authorizing the agency's current lawsuit against Facebook.

He has also earned the endorsement of veterans and military organizations because of his long record of standing up for servicemembers, veterans, and military families that have been preyed on by Wall Street banks and predatory lenders.

At the CFPB, Mr. Chopra served as the agency's first student loan ombudsman, directing the agency's work in the $1.7 trillion student loan market, and working with state attorneys general of both parties to bring enforcement actions against student loan debt relief scams.

With Mr. Chopra leading the CFPB, Americans can be confident they'll have someone looking out for them.

Turning to Mr. Gensler, we consider his nomination at a time when it's become more and more obvious to most people that the stock market is detached from the reality of their lives.

People have watched stock prices go up and up during this pandemic, even though only half of U.S. households have stock investments. They've seen corporations pay

dividends to shareholders, while rolling back hazard pay for workers and laying people off.

As Chair of the Commodity Futures Trading Commission, and prior to that as a senior official in the Treasury Department, Mr. Gensler delivered results and ensured accountability.

He led the charge in 2012 to crack down on the big banks that had manipulated interest rates for years, and gotten away with it. He will bring that same focus to the SEC to ensure our markets are fair and transparent.

Markets should be a way for families to save and invest for their kids' education or a down payment on a home or a secure retirement—not a game for hedge fund managers that workers always lose. Mr. Gensler will bring the focus back to the people who make this country work—and take on anyone on Wall Street looking to game the system.

That means upgrading climate risk disclosure requirements that are out of date, punishing misconduct, and enforcing the protections on the books. And it means working with other agencies-like the banking regulators-to head off growing problems before they become emergencies that hurt the economy.

We've seen what happens when markets don't have real safeguards, and most people are left to fend for themselves—just look at the electricity market in Texas.

Ultimately, both of these roles are about one question: whose side are you on?

I am confident both nominees will stand up for all the workers and their families who haven't had that voice. They will help us create a better economy, with a growing middle class that everyone has the opportunity to join.

I look forward to hearing how each of you will help chart the course out of this pandemic and build a brighter future in the years ahead.

PREPARED STATEMENT OF GARY GENSLER

TO BE A MEMBER OF THE SECURITIES AND EXCHANGE COMMISSION

MARCH 2, 2021

Chairman Brown, Ranking Member Toomey, Members of the Committee, it is an honor to appear before you. Two decades ago, I served on this committee's staff under Chairman Paul Sarbanes, who we sadly lost late last year. And today, I am proud to be here as President Biden's nominee to chair the Securities and Exchange Commission.

I have spent my entire professional career in and around the financial markets-in the private sector, in state and Federal Government, and now in academia. And I believe our markets are the finest in the world.

But they didn't become that way through happenstance. In the shadow of the Great Depression, Congress created the SEC to protect investors; to maintain fair, orderly, and efficient markets; and to facilitate capital formation.

In the decades since, we have seen that when the SEC does its job—when there are clear rules of the road and a cop on the beat to enforce them—our economy grows and our nation prospers.

But when we take our eyes off the ball—when we fail to root out wrongdoing, or to adapt to new technologies, or to really understand novel financial instruments—things can go very wrong. And when that happens, people get hurt.

Twelve years ago, when I became chair of the Commodity Futures Trading Commission, our economy was reeling from the financial crisis. My fellow commissioners and I took decisive action to increase transparency and reduce risk in the $400 trillion swaps market. I'm proud that 85 percent of our actions passed the commission with bipartisan support.

If confirmed as SEC chair, I will work with my fellow commissioners, the SEC's exceptional staff, and the members of Congress to ensure our markets remain the world's best.

That means strengthening transparency and accountability in our markets, so people can invest with confidence, and be protected from fraud and manipulation.

It means promoting efficiency and competition, so our markets operate with lower costs to companies and higher returns to investors.

It means making sure companies—incumbents and entrepreneurial startups alike—can raise needed capital to innovate, expand their operations, and contribute to economic growth.

And above all, it means making sure our markets serve the needs of working families.

I'm a product of a working family. Neither of my parents went to college. But my father was able to take his mustering-out pay from World War II and start a small business that would eventually send my four siblings and me to college.

That is the kind of economic opportunity that should be available to each and every American—no matter who they are. I believe our markets are essential to providing that opportunity.

That's because capital markets touch every part of our economy. They enable businesses to develop new products, build new facilities, and grow their payrolls. They help working families save for retirement and invest in their children's futures. And although it may not seem intuitive, when someone goes to take out a mortgage or open a credit card, our capital markets are on the other side of those transactions as well.

We cannot take any of this for granted. Markets—and technology—are always changing. Our rules have to change along with them. In my current role as a professor at MIT, I research and teach on the intersection of technology and finance. I believe financial technology can be a powerful force for good—but only if we continue to harness the core values of the SEC in service of investors, issuers, and the public.

Before I close, I want to introduce and thank my three daughters—Isabel, who is here with me in Maryland, and her older sisters Anna and Lee, who are watching remotely. They are the lights of my life, and I wouldn't be here today without their love and support.

Thank you. I look forward to your questions.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: **Gensler** (Last) **Gary** (First) (Other)

Position to which nominated: Chair, Securities & Exchange Commission

Date of nomination: February 3, 2021

City of Residence: Baltimore, Maryland

Education*:

Institution	Dates Attended	Degrees Received	Dates of Degree
University of Pennsylvania	1975-1978	BS	1978
University of Pennsylvania	1977-1979	MBA	1979

I graduated summa cum laude from the University of Pennsylvania's Wharton School in 1978, with a Bachelor of Science in Economics, having matriculated in September 1975. I received a Master of Business Administration from the Wharton School's graduate division in 1979, having matriculated in September 1977.

*Nominees should provide information for all institutions attended, whether or not the nominee was granted a degree by the institution

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or achievement.

Massachusetts Institute of Technology Sloan School of Management Outstanding Teacher Award, 2019

Frankel Fiduciary Prize, 2014

Pikesville High School Distinguished Alumni Award, 2010

U.S. Treasury Department Alexander Hamilton Award, 2000

University of Pennsylvania's Wharton Graduate Division Teaching Fellowship, Department of Accounting, 1978

Joseph W. Yardley Award for Outstanding Senior Thesis, 1978

Beta Gamma Sigma National Honor Society, 1978

Beta Alpha Psi National Accounting Honor Society, 1978

Sphinx Service Honor Society, 1978

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, social, charitable and other organizations.

Organization	Office Held (if any)	Dates of Membership

1) American Automobile Association, no office, 1999 to present
2) Annabel Lee, LLC, Managing Member, 2005 to present
3) Beth El Congregation, no office, 2001 to present
4) Democratic Party, 1975 to present
5) Tilles Foundation, Trustee, 1989 to present

Previously, I have had the following associations with for-profit enterprises:

1) Enterprise Community Investments, Director 2001 to 2008
2) Goldman Sachs and various affiliated partnerships, Partner, 1988 to 1997
3) New Mountain Capital, Advisory Board member and investor, 2001 to 2009
4) Strayer Education, Director, 2001 to 2009
5) WageWorks, Director, 2006 to 2009

Previously, I have had the following associations with non-profit enterprises:

1) The Baltimore Museum of Art, Trustee and Treasurer, 2001 to 2007
2) The Bryn Mawr School, Trustee and Treasurer, 2002 to 2008
3) East Baltimore Development, Inc., Director, 2003 to 2007
4) Enterprise Community Partners, Trustee, 2001 to 2009
5) Johns Hopkins Center for Talented Youth, Advisory Board Member, 2003 to 2009
6) Maryland Democratic Party, Treasurer, 2003 & 2004
7) The Park School, Trustee, 2007 to 2009
8) Randolph L. Cowen & Phyllis Green Foundation, Trustee, 1997
9) Robert F Kennedy Center for Justice and Human Rights, Trustee, 2008 to 2009
10) University of Maryland, Baltimore County, Advisory Board Member, 2002 to 2007
11) Washington Hospital Center, Trustee, 2006 to 2009

I currently serve as trustee for Marital Trust #1 (2014 to present) and Family Trust #2 (2015 to present). Previously, I served as trustee of the following family trusts: a) five separate trusts set up for my three daughters (1991, 1993, & 1996 – 2005); b) a family trust set up by my parents (2006 - 2009); and c) a revocable trust set up by my late wife (2005 – 2014).

In addition to those organizations listed above, I also have been a member of the following organizations:

1) Adas Israel Congregation, 1997 to 2001
2) The American Museum of Natural History, 1992
3) Baltimore Road Runners Club, 2007
4) Baltimore Symphony Orchestra, 1996 to 1997
5) Chevy Chase Club, 1999 to 2007
6) Congregation B'Nai Jeshurun, 1987 to 1992, 1995 to 1997
7) Corcoran Gallery of Art, 2000
8) Gold's Gym, 2007 to 2008, 2017 to 2018

9) The Jewish Community Center, Tokyo, 1993 to 1995
10) Johns Hopkins Associates, 1996 to 1998
11) The Kennedy Center, 1999 – 2001
12) Maryland Athletic Club, 2006 to 2009, 2017 to 2018
13) Montgomery County Road Runners Club, 1999 to 2001
14) The Museum of Modern Art, Associates Committee for the Department of Prints and Illustrated Books, 1991 to 1992, 1995 to 1997
15) The National Zoo, 1999 – 2001
16) The New York Road Runners Club, 1990 to 1992, 1996 to 1997
17) The NYU Medical Center, 1841 Society, 1995 to 1996
18) Reebok Sports Club/NY, 1995 to 1997
19) Tokyo American Club, 1993 to 1995

Employment record: List below all positions held since graduation from college including the title or description of job, name of employer, location of work, and inclusive dates of employment.

Massachusetts Institute of Technology: Professor of the Practice of Global Economics and Management, MIT Sloan School of Management, (2019 – present), Senior Lecturer (2018 – 2019), Co-Director of MIT's Fintech@CSAIL (2019 – present) & Senior Advisor to the MIT Digital Currency Initiative (2018 – present), Cambridge, MA

- Conduct research and teach on artificial intelligence, blockchain technology, digital currencies, financial technology, and public policy.

Hillary for America: Chief Financial Officer (2015 – 2017), Brooklyn, NY

Commodity Futures Trading Commission: Chairman (2009 – 2014), Washington, DC

Hillary Clinton for President: Senior Advisor (2007 – 2008), Arlington, VA

Senate Banking Committee: Senior Advisor to Chairman Paul Sarbanes during the Sarbanes-Oxley Act (2002), Washington, DC

Department of Treasury: Under Secretary for Domestic Finance (1999 – 2001), Assistant Secretary for Financial Markets (1997 – 1999), Washington, DC

Goldman Sachs: Partner (1988 – 1997), Vice President (1983 – 1988), Associate (1979 – 1983), New York, NY

- Worked across the firm's major divisions, primarily working in New York, having become a partner in the Mergers & Acquisition department, headed the firm's Media Group, led Fixed Income & Currency trading in Asia (from Tokyo, Japan 1993 - 1995) and lastly was Co-head of Finance, responsible for worldwide Controllers and Treasury efforts.

University of Pennsylvania's Wharton School: Teaching Fellowship, Introduction to Accounting (1978 - 1979), Philaddelphia, PA

Ernst & Ernst: Staff accountant (summer of 1978), Baltimore, MD

Government Experience: List any experience in or direct association with Federal, State, or local governments including any advisory, consultative, honorary or other (including part-time) service or positions.

Name of Government Entity	Position	Dates of Service

Biden-Harris Transition; Team Lead, Federal Reserve, Banking, & Securities Regulatory Agency Review Team; 2020 - 2021

Federal Reserve Bank of New York; Member, Fintech Advisory Group; 2019 – present

Maryland Financial Consumer Protection Commission; Chairman; 2017-2019

Commodity Futures Trading Commission; Chairman; 2009 – 2014

Obama-Biden Transition; Team Lead, SEC Agency Review Team; 2008 - 2009

U.S. Electoral College; Elector for the State of Maryland; 2004

Senate Committee on Banking, Housing and Urban Affairs; Senior Advisor to Chairman Paul Sarbanes; 2002

U.S. Department of the Treasury; Under Secretary for Domestic Finance; 1999 – 2001

U.S. Department of the Treasury; Assistant Secretary for Financial Markets; 1997 – 1999

Published writings: List the titles, publishers and dates of books, articles, reports and other published materials you have written. The list should include any publicly accessible publications on the internet in the past ten years, including appropriate URLs for any posts on blogs you maintained or contributed to, and URLs for any other significant internet-based postings during that same period. If available, provide the Committee with **one digital copy** of each of the writings you list.

To the best of my ability, I have sought to identify any materials responsive to this request. If additional materials are identified, they will be provided to the Committee promptly.

'Deep Learning and Financial Stability', Gensler & Bailey, SSRN, 2020

'Even if a Thousand Projects Don't Make It, Blockchain Is Still a Change Catalyst', CoinDesk, 2019

'Testimony, Examining Facebook's Proposed Cryptocurrency and Its Impact on Consumers, Investors, and the American Financial System', U.S. House of Representatives Committee on Financial Services, 2019

'*Testimony on Senate Bill 786 and House Bill 1127'*, Maryland Senate Finance Committee and House Economic Matters Committee, 2019

'When the Tide Goes Out: Big Questions for Crypto in 2019', CoinDesk, 2018

'How blockchain can solve the payments riddle', The Banker, 2018

'Testimony, Cryptocurrencies: Oversight of New Assets in the Digital Age', U.S. House of Representatives Committee on Agriculture, 2018

'21st Geneva Report on the World Economy - The Impact of Blockchain Technology on Finance: Catalyst for Change' Casey, Crane, Gensler, Johnson, and Narula, 2018

'Testimony on Senate Bill 1068', Maryland Senate Finance Committee, 2018

'Testimony on House Bill 1634', Maryland House Economic Matters Committee, 2018

'*Testimony on Senate Bill 884 and House Bill 1134'*, Maryland Senate Finance Committee and House Economic Matters Committee, 2017

While Chair of the CFTC, I participated in over 70 published commission actions and wrote over 330 articles, remarks, statements, or testimonies (over 50 times before Congressional Committees and 3 times before European Parliament Committees). These all are available here on the CFTC website, including this sampling of published articles:

- *'International swaps market reform'*, Banque de France's Financial Stability Review, 2013
- *'Libor, Naked and Exposed'*, New York Times Op-ed, 2012
- *'We're Weighing Safeguards'*, USA Today Op-ed; Gensler & Schapiro, 2010
- *'Clearing Houses are the Answer'*, Wall Street Journal Op-ed, 2010

'*Testimony on Mutual Fund Reform'*, Senate Banking Committee, 2004

'*Testimony on Mutual Fund Reform'*, House Financial Services Subcommittee on Capital Markets, Insurance & Government Sponsored Enterprises, 2003

'*The Great Mutual Fund Trap'*, Baer & Gensler, Random House, 2002

'State Gambles Pensions on Stock Market Games', Baltimore Sun Op-ed, 2002

'*Postal Service in for a licking'*, Baltimore Sun Op-ed, 2001

'*Testimony on Debt Management'*, Senate Finance Committee, 2001

'*Testimony on Debt Management'*, Senate Budget Committee, 2001

While Under Secretary (1999 - 2001) and Assistant Secretary of Treasury (1997 – 1999), I testified 18 times before Congressional Committees or task forces and a Presidential Commission. Such testimonies are available at the Treasury Department website.

Speeches and presentations: List all of the formal speeches and presentations (e.g., PowerPoint) you have delivered during the past ten years which are on topics relevant to the position for which you have been nominated, including dates. If available, provide the Committee with **one digital copy** of each formal speech and presentation. If text is no longer available, list the date, place, and organization or group to whom you made the speech or presentation.

To the best of my ability, I have sought to identify all formal speeches and presentations I have delivered during the past ten years which are on topics relevant to the position for which I have been nominated. If additional formal speeches are identified, they will be provided to the Committee promptly.

1. World Bank Group; Finance, Competitiveness and Innovation Global Practice's 'Knowledge Exchange Week'
   Keynote: 'Fintech: Luster or Bluster?
   November 20, 2019; Washington, DC

2. MIT CSAIL Alliances Meeting; BT Insights for UK security officials
   Speaker: 'Overview of the Current Fintech Landscape'
   November 18, 2019; Cambridge, MA

3. Federal Reserve Bank of Philadelphia; FinTech Conference
   Keynote: 'Digital Currencies and Libra'
   November 15, 2019; Philadelphia, PA

4. MIT; Fintech@CSAIL Annual Meeting
   Keynote: 'Overview of the Current Fintech Landscape and the First Year of Fintech@CSAIL'
   October 16, 2019; Cambridge, MA

5. International Monetary Fund; 'Rethinking Financial Stability' Conference
   Presentation and Panel: 'Risk prevention and mitigation'
   October 15, 2019; Washington DC

6. Federal Reserve Bank of New York; Fintech Advisory Group
   Talk: 'Fintech & Public Policy Engagement'
   October 8, 2019; New York, NY

7. MIT Media Lab; Cryptoeconomic Systems Summit
   Keynote: 'Libra From a Policy Perspective'
   October 5, 2019; Cambridge, MA

8. Harvard Belfer Center
   Talk: 'Finance, Technology & Geopolitics'
   September 24, 2019; Cambridge, MA

9. MIT Management Latin America Office; 'The Future of Work' Conference
   Keynote: 'AI, Fintech and Future of Work' (Video link at 3:16 - 3:52)
   August 29, 2019; Sao Paulo, Brazil

10. Central Bank Research Association; 2019 Annual Meeting
    Presentation & Panel: 'Technology and the Future of the Monetary and Financial System'
    July 19, 2019; New York, NY

11. MIT Computer Science Artificial Intelligence Lab; Alliances Annual Meeting 2019
    Presenter: 'FinTech and the State of FinTech@CSAIL'
    Panel: Fintech@CSAIL Initiative Update
    June 4, 2019; Cambridge, MA

12. Cary Library Series on Economics & Science
    Keynote: 'Cryptocurrency'
    May 22, 2019; Lexington, MA

13. MIT Sloan Club of NY; 19th Annual Investment Cocktail
    Keynote and Panel: 'Blockchain, Cryptocurrencies and the Future of Transactions'
    May 20, 2019; New York, NY

14. MIT Technology Review; Business of Blockchain 2019 Conference
    Keynote: 'Crypto Regulation: Where We've Been and Where We're Going'
    Roundtable: 'Regulation in the Blockchain Era' (Presentation Slides)
    May 2, 2019; Cambridge, MA

15. MIT Sloan; Idea Exchange Conference Finance Beyond Crisis
    Keynote: 'Adjusting to this Generation's Financial Technology' (Presentation slides)
    April 25, 2019; New York City, NY

16. Harvard Law School; Blockchain & Fintech Initiative
    Keynote: 'Blockchain, Fintech & the Law'
    (Harvard Law YouTube channel & presentation slides)
    April 16, 2019; Cambridge, MA

17. Bank of International Settlement; Cyber-Security Seminar 2019
    Keynote: 'Trends in Digital Currency and Blockchain Technology'
    April 5, 2019; Basel, Switzerland

18. Japan Financial Services Agency; Blockchain Roundtable
    Presenter: 'Recent Development of Token Economy'
    March 27 - 28, 2019; Tokyo, Japan

19. Epoch Foundation
    Keynote: 'Blockchain Technology and Fintech'
    March 25, 2019; Taipei, Taiwan

20. Evercore ISI Research; Payments & Fintech Innovators Forum
    Keynote: 'Is Blockchain Technology a Disruptive Force in Payments & Fintech'
    March 7, 2019; New York, NY

21. MIT Sloan; Investment Conference
    Keynote: 'Blockchain Technology and Crypto Finance'
    February 22, 2019; Cambridge, MA

22. Financial Stability Board; Standing Committee on Assessment of Vulnerabilities
    Presenter: 'Decentralized Financial Technologies'
    February 13, 2019; New York, NY

23. Higher Education Authority and MIT; Work of the Future Conference
    Keynote & Panel: 'The Future of Finance'
    January 9 – 10, 2019; Dublin, Ireland

24. Consumer Federation of America; Finance Services Conference
    Keynote: 'Fintech, the Future of Finance'
    November 30, 2018; Washington, DC

25. MIT; Research & Development Conference
    Keynote: 'Blockchain Technology: Ground Truths from Finance'
    November 14, 2018; Cambridge, MA

26. MIT Golub Center for Finance and Policy; Distinguished Speaker Series
    Keynote: 'Economics of Blockchain Technology and Crypto Finance'
    November 13, 2018; Cambridge, MA

27. Council of Institutional Investors; 'Fall Conference'
    Keynote: 'Crypto Finance and Blockchain Technology'
    October 23, 2018; New York, NY

28. Chain DD; 'Chainsights 2018 Blockchain Leadership Summit'
    Keynote: 'Blockchain Technology and Crypto Finance'
    October 22, 2018; New York, NY

29. Bloomberg, Fidelity & Galaxy; Institutional Crypto Conference
    Keynote: 'Crypto Finance' (minutes 12:30 - 50:50)
    October 15, 2018; New York, NY

30. MIT; Fintech@CSAIL
    Keynote: 'Finance, Technology and Blockchain'
    September 27, 2018; Cambridge, MA

31. Peterson Institute
    Presenter: 'The Impact of Blockchain Technology on Finance'
    September 26, 2018; Washington, DC

32. MIT Digital Currency Initiative; Bitcoin Weekend
    Presenter: 'Bitcoin, Finance, Public Policy & the Path Forward'
    July 27, 2018; Boston, MA

33. MIT Media Lab; Advisory Council Meeting
    Presenter: 'Blockchain Technology and Digital Currency'
    July 23, 2018; Cambridge, MA

34. Federal Reserve Bank of Cleveland; 2018 P2P Financial Systems Workshop
    Keynote: 'Central Bank Digital Currency'
    Panelist: 'Crypto Finance Public Policy Frameworks'
    July 26, 2018; Cleveland, OH

35. Blockchain Economic Summit
    Keynote: 'Crypto Finance'
    June 18, 2018; San Francisco, CA

36. Japan Financial Services Agency; Blockchain Roundtable
    Presenter: 'Crypto Finance'
    June 15, 2018; By video

37. Organization for Economic Co-operation and Development
    Workshop on Digital Financial Assets
    Keynote: 'Crypto Finance'
    May 16, 2018; Paris, France

38. The Geneva Conference
    Co-presenter: '21st Geneva Report on World Economy'
    May 15, 2018; Geneva, Switzerland

39. Pillar VC; (Off) the Chain Summit
    Keynote: 'Crypto-exchanges & ICOs – The Necessary Path to Compliance'
    April 26, 2018; Boston, MA

40. MIT Technology Review; Business of Blockchain 2018 Conference
    Keynote: 'A Global View: Regulations for the Crypto Economy'
    April 23, 2018; Cambridge, MA

41. MIT; Fintech Conference
    Keynote: 'Blockchain Technology and Fintech'
    March 10, 2018; Cambridge, MA

42. Japan Financial Services Agency; Blockchain Roundtable
    Presenter: 'Blockchain innovation and responsible user protection - Issues on cryptocurrency and ICOs'
    March 8, 2018; Tokyo, Japan

43. American Chamber of Commerce in China; 2016 APCAC Business Conference
    Keynote Interview: 'China and the Global Economy'
    April 14, 2016; Beijing, China

44. While Chair of the CFTC, I gave many formal speeches and presentations all of which are available here on the CFTC website.

Public statements: List all public statements you have made during the past ten years which are on topics relevant to the position for which you have been nominated, including dates. Whenever possible, provide the Committee with finding aids (such as citations, internet URLs, etc.) for each statement.

In addition to the published writings, testimonies, speeches and presentations outlined above, from time to time I made public statements in previous public roles which may be relevant to the position to which I have been nominated. Those additional statements made while serving as Chairman of the Commodities Futures Trading Commission are available here on the CFTC website. Statements made at the start of public meetings of the Maryland Financial Consumer Protection Commission (Maryland FCPC) are listed below as well as part of video recordings available here.

Maryland FCPC Remarks, June 5, 2018

Maryland FCPC Remarks, October 26, 2017

Social media usernames: Please provide a list of all of your currently active social media usernames (e.g., Facebook, Instagram, Twitter, etc.), and any usernames for any inactive accounts you have used within the previous ten years.

None

Political affiliations activities: List memberships and offices held in and services rendered to all political parties or election committees during the last ten years.

Democratic Party, 1975 - present

Hillary for America, CFO, 2015 - 2017

List all public offices, if any, for which you have been a candidate in the past ten years.

Name of Office	Elected/Appointed Candidate Only	Year(s) Election Held or Appointment Made	Terms of Service (if applicable)

None

Political contributions: Itemize all political contributions which exceed $200 or which aggregate to over $200 in a calendar year to any individual, campaign organization, political party, political action committee or similar entity during the last ten years and identify specific amounts, dates, and names of recipients.

Biden for President, $2800 (8/15/20); Haley Stevens for Congress, $1,000 (3/30/20); Mary Miller for Baltimore, $500 (3/14/20); Warren for President, $2800 (9/9/19); Citizens for Frosh, $2,500 (9/26/18); Haley Stevens for Congress, $1,000 (9/28/18); Committee to Elect Alessandra Biaggi, $1,000 (1/21/18); Citizens for Frosh, $1,000 (10/24/17); Ed Meier for Congress, $1,000 (6/5/17); Lon Johnson for Congress, $1,000 (3/9/16); Friends of John Sarbanes, $2,700 (9/28/15); Hillary Victory Fund, $33,400 (9/11/15); Van Hollen for Senate, $2,700 (5/15/15); Hillary for America, $2,700 (4/12/15)

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet)

Please see attachment below

Qualifications Attachment

I have spent my entire working life around the world of finance and markets, having had the privilege to do so in government, the private sector, for civic organizations, political campaigns and now in academia. I've been honored to serve in multiple roles in the executive branch, as staff to this Committee, and at the state level.

All of these experiences will inform me, subject to Senate confirmation, as Chair of the Securities and Exchange Commission. Possibly most relevant, though, I served as chairman of the Commodity Futures Trading Commission from 2009-2014, where we were responsible for leading the Obama Administration's reform of the $400 trillion swaps market in the aftermath of the financial crisis. During my time as CFTC chair, two-thirds of the rulemakings we finalized under the Dodd-Frank Wall Street Reform and Consumer Protection Act were enacted unanimously by the commission, and 85 percent of our Dodd-Frank actions passed with bipartisan support. Thanks to the work of the CFTC, the investing public gained access to real-time reporting and exchange trading of swap transactions, the largest swaps dealers were required to register and follow common-sense business practices, and consumer protection was strengthened for both the swaps and futures markets. We also brought charges against five financial institutions for manipulating LIBOR and other key benchmark interest rates, resulting in an historic $1.7 billion in penalties.

I'm also proud to have served as Chairman of the Maryland Financial Consumer Protection Commission from 2017-2019. Several of the commission's recommendations—all of which were made on a unanimous bipartisan basis—were later adopted by the state legislature, including proposals to create a student loan ombudsman and enact a student loan bill of rights, measures to increase financial protections for servicemembers and veterans, and revisions to strengthen the state's unfair and deceptive acts and practices (UDAP) laws.

Earlier in my career, I was the Senior Advisor to the late Senator Paul Sarbanes when he Chaired this Senate Committee on Banking, Housing, and Urban Affairs in writing the Sarbanes-Oxley Act. Previously, I served as Under Secretary of the Treasury for Domestic Finance and Assistant Secretary for Financial Markets of the Treasury during the Clinton Administration. I also have twice led agency review teams looking at the SEC, first for the Obama-Biden Transition in 2008 and most recently for the Biden-Harris Transition.

I am currently Professor of the Practice of Global Economics and Management at the Massachusetts Institute of Technology Sloan School of Management, where I also serve as co-director of the financial technology program at the Computer Science and Artificial Intelligence Lab (CSAIL) and as senior advisor to the MIT Digital Currency Initiative. At MIT, my research has focused on the intersection of finance and emerging technologies, including artificial intelligence, blockchain technology, and cryptocurrencies. I was honored to have been selected by students to receive the MIT Sloan Outstanding Teacher Award for the 2018-2019 academic year.

Before entering public service, I spent 18 years at Goldman Sachs, working my way up to become a partner in the Mergers & Acquisitions Department, heading the firm's Media Group, later leading fixed income & currency trading in Asia, and lastly co-heading Finance, responsible for the firm's worldwide Controllers and Treasury function. Additionally, over the years, I've also been a chief financial officer or treasurer of multiple non-profit organizations, chaired board audit committees of both private and public companies, co-authored a book on personal finance, and taught undergraduate accounting.

I was born and raised in Baltimore and graduated from the University of Pennsylvania Wharton School of Business, where I earned both a BS in economics, summa cum laude, and an MBA. I have three grown daughters and continue to live in Maryland.

Future Employment relationships: 1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

As described in my ethics agreement provided to the Committee, I will resign my employment with MIT. I will continue to participate in the MIT defined contribution plan, though MIT will not make further contributions after my separation. As a result of my employment with MIT, I have intellectual propery rights in the MIT Media Lab Cryptocurrency Online Course, which may result in royalty payments to me.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization

I have no such plans

3. Has anyone made a commitment to employ you after you leave government service?

No

4. Do you expect to serve the full term for which you have been appointed?

Yes

Potential conflicts of interest: 1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

As a participant in the Goldman Sachs defined benefit pension plan, which was frozen in 1986, I am to receive a single life annuity of $977 per month upon reaching the age of 71 in 2028. As described in my ethics agreement provided to the Committee, after I resign from MIT, I will continue to participate in the MIT defined contribution plan, though MIT will not make further contributions after my separation. As a result of my employment with MIT, I have intellectual propery rights in the MIT Media Lab Cryptocurrency Online Course, which may result in royalty payments to me.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

I have consulted with the Office of Government Ethics and the U.S. Securities and Exchange Commission's Designated Agency Ethics Official to identify potential conflicts of interest. Any potential conflicts of interest will be resolved in accordance with the terms of the Ethics Agreement that I have entered into with the SEC's Ethics Official and that has been provided to this Committee. I am not aware of any other potential conflicts of interest.

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last ten years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

I am not aware of any

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

None

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

Any potential conflicts of interest will be resolved in accordance with the terms of the Ethics Agreement that I have entered into with the SEC's Ethics Official and that has been provided to this Committee.

Tax compliance and bankruptcy:

1. In the past ten years, have you and your spouse (if applicable) filed and paid all taxes (federal, state, and local) as of the date of your nomination? Indicate if you filed as 'married filing separately.'

Yes

2. In the past ten years, have you been required to make any back tax payments? If so, indicate if you have made any back tax payments and provide full details.

I have filed and paid all taxes timely and when due. From time to time, over the years, I have received various notices from a tax jurisdiction, all of which have been satisfactorily resolved. In one instance, several years ago where Maryland claimed to not have received a tax payment, we had the certified mail receipt proving timely filing. Since they had apparently misplaced the check on their end, this issue was resolved by sending in a second payment.

3. Has a tax lien or other collection procedure(s) been instituted against you or your spouse (if applicable) by federal, state, or local authorities? If so, provide full details.

No

4. In the past ten years, have you or your spouse (if applicable) ever been the subject of any audit, investigation, or inquiry for federal, state, or local taxes? If so, provide full details.

The only audit or investigation that I am aware of was a Federal audit of my 2014 gift tax return, Form 709. The IRS was reviewing the valuation of gifts I made during 2014. This matter was satisfactorily closed by the IRS, with no additional taxes due, on March 23, 2017.

5. Were all your Federal, State, local, and other tax returns and tax liabilities of any kind current (filed and paid when due) as of the date of your nomination? If not, provide details.

Yes

6. Have you ever filed for bankruptcy? If so, provide details.

No

Civil, criminal and investigatory actions:

1. Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court, administrative agency (e.g. an Inspector General's office), professional association, disciplinary committee, or other ethics enforcement entity at any time? If so, provide details, regardless of outcome.

No

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, provide details.

No

3. Have you ever been involved as a party in interest in any administrative agency proceeding, or civil litigation other than a divorce proceeding? If so, provide details.

I was voluntarily dismissed in March of 2011 from a derivative complaint brought in a Florida court in December 2010 against Strayer Education and its then board of directors. I had inadvertently been named in the initial filing even though I had resigned from the Strayer board two years earlier. My wife and I brought a suit in 1988 against a general contractor regarding a dispute involving the renovation of our apartment. The related claims were settled in 1989. In addition, my wife and I commenced an action in 1989 relating to an assault of my wife. The claim was subsequently settled.

4. Have you ever been convicted (including pleas of guilty or nolo contendere) of any criminal violation other than a minor traffic offense? If so, provide details.

No

Other information: Please advise the Committee of any additional information, favorable or unfavorable, which you believe should be considered in connection with your nomination.

N/A

Public Records search: Do you consent to allow Committee staff to conduct a public records search on you using appropriate search tools, including Westlaw, Lexis, etc.?)

Yes

The undersigned certifies that the information contained in the public statement to the Committee is true and correct.

Signed: _____ Date: February 12, 2021

STATE OF MARYLAND, BALTIMORE COUNTY: to wit:

I HEREBY CERTIFY that on this 12th day of February 2021, before me, the subscriber, a Notary Public of the State of Maryland in and for Baltimore County, personally appeared **Gary Gensler**, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same for the purposes therein contained and that said instrument was his act.

IN TESTIMONY WHEREOF, I hereunto set my hand and affixed my Notarial seal.

BARBARA SKARZYNSKI NOTARY PUBLIC BALTIMORE COUNTY, MD

Barbara Skarzynski
Notary Public,
Commission Expires: March 18, 2024

PREPARED STATEMENT OF ROHIT CHOPRA

TO BE DIRECTOR, BUREAU OF CONSUMER FINANCIAL PROTECTION

MARCH 2, 2021

Mr. Chairman, Ranking Member Toomey, and Members of the Committee, thank you for the opportunity to appear before you today, and thank you to Senator Blumenthal for his kind introduction.

It is an honor to sit before you as the President's nominee to lead the Consumer Financial Protection Bureau. I am very grateful for the support of my family, friends, and colleagues who are joining us virtually. I am especially thankful to my parents. I last saw them exactly one year ago to celebrate my mother's birthday, the longest stretch of time in our lives without being in the same room—an experience that is all too common today.

America in March 2021 is far different than America of 1 year ago. Every week, hundreds of thousands lost their jobs. Local businesses shuttered. And more than 500,000 have died.

While there are some hopeful signs that the tide is turning, we must not forget that the financial lives of millions of Americans are in ruin. Experts expect distress across a number of consumer credit markets, including an avalanche of loan defaults and auto repossessions.

Other persistent pain points for consumers are particularly acute today, making it harder for families to get back on their feet. Consumers continue to discover serious errors on their credit reports or feel forced to make payments to debt collectors on bills they already paid or never owed to begin with, including for medical treatment related to COVID–19. Many of these longstanding, pervasive problems will make it more difficult for our country to sustain a full recovery.

This is especially true when it comes to the housing market. For most of us, much of this last year has been spent at home. Our homes are more than physical structures: they have served as offices, schools, and much more, providing safety and refuge during a deadly pandemic.

But due to the economic devastation stemming from COVID–19, millions face the prospect of losing their home, with communities of color particularly at risk. Many have seen their jobs disappear and will not be able to easily resume their rent and mortgage payments.

In the last economic crisis a decade ago, we saw how unlawful and avoidable foreclosures proved to be catastrophic in cities, small towns, and rural areas alike, contributing to deeper social divisions and inequities. We once again face an important test to ensure that troubles in the housing market do not sabotage the recovery of our local economies.

In the mortgage market, fair and effective oversight can promote a resilient and competitive financial sector, and address the systemic inequities faced by families of color. Perhaps most importantly, administration of consumer protection laws can help families navigate their options to save their homes.

Congress has entrusted the Consumer Financial Protection Bureau with carefully monitoring markets to spot risks, ensuring compliance with existing law, educating consumers, and promoting competition. This not only helps to protect Americans from fraud and other unlawful conduct, it also ensures that law-abiding businesses, regardless of size, can compete.

Three years ago, I sought the Senate's confirmation to serve as an FTC Commissioner. I was honored to be unanimously confirmed and to work with members to build a new bipartisan consensus to turn the page on some of the failed and outdated policies of the past.

If confirmed to lead the CFPB, I pledge to be a good partner to each of you and approach the agency's mission with an open mind and attuned to market realities. I look forward to working with you to tackle the pressing problems that families face in their financial lives during this critical moment for our country.

Thank you again, and I look forward to your questions.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Chopra (Last) Rohit (First) (Other)

Position to which nominated: Director, Consumer Financial Protection Bureau

Date of nomination: February 12, 2021

City of Residence: Washington, DC

Education*:

Institution	Dates attended	Degrees received	Dates of degrees
Harvard University	2000-2004	BA	2004
Wharton School, University of Pennsylvania	2007-2009	MBA	2009

*Nominees should provide information for all institutions attended, whether or not the nominee was granted a degree by the institution

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or achievement.

Concurrences Antitrust Writing Awards: Best Academic Article, 2020
Consumer Action Consumer Excellence Award, 2019
Fels Institute of Government Public Leadership Award, 2016
Woodstock Institute Community Investment Award, 2015
Henry Morgenthau Prize, 2009
U.S. Fulbright Fellowship, 2006

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, social, charitable and other organizations.

Harvard Alumni Association, Board Director, 2011-2014

Employment record: List below all positions held since graduation from college including the title or description of job, name of employer, location of work, and inclusive dates of employment.

Federal Trade Commission
Commissioner
Washington, DC
2018-Present

Consumer Federation of America
Senior Fellow
Washington, DC
2017

Self-Employed/Project-Based Work
Various Locations
2016-2017

Clinton-Kaine Transition Project
Policy Advisor
Washington, DC
2016

U.S. Department of Education
Special Advisor
Washington, DC, 2016

Center for American Progress
Senior Fellow (unpaid)
Washington, DC
2015

Consumer Financial Protection Bureau
Assistant Director & Student Loan Ombudsman
Washington, DC
2010-2015

McKinsey & Company
Associate
Various Locations
2008, 2009-2010

U.S. Fulbright Fellow
Republic of Korea
2006-2007

PSB Research
Consultant
Seattle, WA
2006

Booz, Allen & Hamilton
Consultant
Washington, DC
2004-2006

Kerry-Edwards 2004
Deputy Field Director
Phoenix, AZ
2004

Let's Go Publications
Researcher-Writer
Various Locations
2004

Government Experience: List any experience in or direct association with Federal, State, or local governments including any advisory, consultative, honorary or other (including part-time) service or positions.

Name of Government Entity	Position	Dates of Service
Federal Trade Commission	Commissioner	2018-Present
Colorado Attorney General	Testifying Expert	2017
U.S. Department of Education	Special Adviser	2016
Consumer Financial Protection Bureau	Assistant Director & Student Loan Ombudsman	2010-2015

Published writings: List the titles, publishers and dates of books, articles, reports and other published materials you have written. The list should include any publicly accessible publications on the internet in the past ten years, including appropriate URLs for any posts on blogs you maintained or contributed to, and URLs for any other significant internet-based postings during that same period. If available, provide the Committee with **one digital copy** of each of the writings you list.

To the best of my ability, I have sought to compile published writings requested by the Committee. If additional materials are identified, they will be provided to the Committee promptly.

Reports & Articles

The Case for Resurrecting the FTC Act's Penalty Offense Authority
Federal Trade Commission/University of Pennsylvania Law Review (forthcoming)
October 2020
https://www.ftc.gov/public-statements/2020/10/case-resurrecting-ftc-acts-penalty-offense-authority

The Case for "Unfair Methods of Competition" Rulemaking
Federal Trade Commission/University of Chicago Law Review
March 2020
https://chicagounbound.uchicago.edu/uclrev/vol87/iss2/4/

Unstacking the Deck
Roosevelt Institute
May 2018
https://rooseveltinstitute.org/publications/unstacking-the-deck-agenda-tame-corruption-washington/

Annual Report to Congress of the CFPB Student Loan Ombudsman
Consumer Financial Protection Bureau
October 2014
https://www.consumerfinance.gov/data-research/research-reports/annual-report-of-the-cfpb-student-loan-ombudsman-2014/

Annual Report to Congress of the CFPB Student Loan Ombudsman
Consumer Financial Protection Bureau
October 2013
https://www.consumerfinance.gov/data-research/research-reports/annual-report-of-the-cfpb-student-loan-ombudsman-2013/

Student Loan Affordability
Consumer Financial Protection Bureau
May 2013
https://www.consumerfinance.gov/data-research/research-reports/student-loan-affordability/

Annual Report to Congress of the CFPB Student Loan Ombudsman
Consumer Financial Protection Bureau
October 2012
https://www.consumerfinance.gov/data-research/research-reports/annual-report-of-the-cfpb-student-loan-ombudsman/

The Next Front? Student Loan Servicing and the Cost to Our Men and Women in Uniform Consumer Financial Protection Bureau
October 2012
https://www.consumerfinance.gov/data-research/research-reports/the-next-front-student-loan-servicing-and-the-cost-to-our-men-and-women-in-uniform-3/

Farewell to Cheap Capital? The Implications of Long-Term Shifts in Global Investment and Saving
McKinsey Global Institute
December 2010
https://www.mckinsey.com/industries/private-equity-and-principal-investors/our-insights/farewell-cheap-capital

Growth and Competitiveness in the United States: The Role of Its Multinational Companies
McKinsey Global Institute
June 2010
https://www.mckinsey.com/featured-insights/americas/growth-and-competitiveness-in-us

Consumer Education Blog Posts, Op-Eds, and Columns

Consumer Alert for Military Families on the Equifax Data Breach
Consumer Federation of America blog
September 11, 2017
https://consumerfed.org/consumer-alert-military-families-equifax-data-breach/

What Should I Do About the Massive Data Breach at Equifax?
Consumer Federation of America blog
September 8, 2017
https://consumerfed.org/massive-data-breach-equifax/

Sallie Mae's Stock Has Soared Since the Election
Washington Post
January 9, 2017
https://www.washingtonpost.com/news/grade-point/wp/2017/01/09/sallie-maes-stock-has-soared-since-the-election-but-will-donald-trump-really-deliver/

5 Steps to Keep Student Loans from Ruining Your Life Money
Money
October 30, 2015
https://money.com/student-loans-dont-ruin-life/

Stressed Out by Student Debt
Milwaukee Journal-Sentinel
May 14, 2015
https://archive.jsonline.com/news/opinion/stressed-out-by-student-debt-b99500472z1-303828451.html/

Reminder: What happens to your student loans if your school is shut down
Consumer Financial Protection Bureau
May 6, 2015
https://www.consumerfinance.gov/about-us/blog/reminder-what-happens-to-your-student-loans-if-your-school-is-shut-down/

Special announcement for Corinthian students
Consumer Financial Protection Bureau

February 3, 2015
https://www.consumerfinance.gov/about-us/blog/special-announcement-for-corinthian-students/

Seeking answers for struggling student loan borrowers
Consumer Financial Protection Bureau
January 29, 2015
https://www.consumerfinance.gov/about-us/blog/seeking-answers-for-struggling-student-loan-borrowers/

A New Year's resolution to conquer your student debt
Consumer Financial Protection Bureau
December 29, 2014
https://www.consumerfinance.gov/about-us/blog/a-new-years-resolution-to-conquer-your-student-debt/

Consumer Advisory: Student loan debt relief companies may cost you thousands of dollars and drive you further into debt
Consumer Financial Protection Bureau
December 11, 2014
https://www.consumerfinance.gov/about-us/blog/consumer-advisory-student-loan-debt-relief-companies-may-cost-you-thousands-of-dollars-and-drive-you-further-into-debt/

Veterans: Take advantage of student loan forgiveness, but don't let it damage your credit
Consumer Financial Protection Bureau
November 17, 2014
https://www.consumerfinance.gov/about-us/blog/veterans-dont-let-student-loan-forgiveness-damage-your-credit/

Struggling private student loan borrowers are still searching for help
Consumer Financial Protection Bureau
October 16, 2014
https://www.consumerfinance.gov/about-us/blog/struggling-private-student-loan-borrowers-still-searching-for-help/

Don't let your student debt stop you from serving your country
Consumer Financial Protection Bureau
September 23, 2014
https://www.consumerfinance.gov/about-us/blog/dont-let-your-student-debt-stop-you-from-serving-your-country/

Alerting colleges about secret banking contracts
Consumer Financial Protection Bureau
August 6, 2014
https://www.consumerfinance.gov/about-us/blog/alerting-colleges-about-secret-banking-contracts/

What happens to your student loans if your school is shut down
Consumer Financial Protection Bureau
July 2, 2014

https://www.consumerfinance.gov/about-us/blog/what-happens-to-your-student-loans-if-your-school-is-shut-down/

Consumer advisory: Co-signers can cause surprise defaults on your private student loans
Consumer Financial Protection Bureau
April 22, 2014
https://www.consumerfinance.gov/about-us/blog/consumer-advisory-co-signers-can-cause-surprise-defaults-on-your-private-student-loans/

Explainer: Federal student loan interest rates to jump
Consumer Financial Protection Bureau
April 14, 2014
https://www.consumerfinance.gov/about-us/blog/explainer-federal-student-loan-interest-rates-to-jump/

What sunshine for student financial products can show us
Consumer Financial Protection Bureau
February 12, 2014
https://www.consumerfinance.gov/about-us/blog/what-sunshine-for-student-financial-products-can-show-us/

We asked about your student loans and you answered
Consumer Financial Protection Bureau
February 3, 2014
https://www.consumerfinance.gov/about-us/blog/we-asked-about-your-student-loans-and-you-answered/

Helping student loan borrowers stay afloat
Consumer Financial Protection Bureau
January 9, 2014
https://www.consumerfinance.gov/about-us/blog/helping-student-loan-borrowers-stay-afloat/

Sunshine for student financial products
Consumer Financial Protection Bureau
December 17, 2013
https://www.consumerfinance.gov/about-us/blog/sunshine-for-student-financial-products/

Tell us how you tackle your student debt
Consumer Financial Protection Bureau
November 26, 2013
https://www.consumerfinance.gov/about-us/blog/tell-us-how-you-tackle-your-student-debt/

Consumer advisory: Stop getting sidetracked by your student loan servicer
Consumer Financial Protection Bureau
October 16, 2013
https://www.consumerfinance.gov/about-us/blog/consumer-advisory-stop-getting-sidetracked-by-your-student-loan-servicer/

Explainer: scoring student loan servicers
Consumer Financial Protection Bureau
September 23, 2013
https://www.consumerfinance.gov/about-us/blog/scoring-student-loan-servicers/

Reminder: Accessing your scholarships and student loan funds
Consumer Financial Protection Bureau
September 5, 2013
https://www.consumerfinance.gov/about-us/blog/reminder-accessing-your-scholarships-and-student-loan-funds/

A closer look at the trillion
Consumer Financial Protection Bureau
August 5, 2013
https://www.consumerfinance.gov/about-us/blog/a-closer-look-at-the-trillion/

What we're hearing from private student loan borrowers
Consumer Financial Protection Bureau
August 1, 2013
https://www.consumerfinance.gov/about-us/blog/what-were-hearing-from-private-student-loan-borrowers/

Consumer advisory: You don't have to pay someone to help with your student loan
Consumer Financial Protection Bureau
July 3, 2013
https://www.consumerfinance.gov/about-us/blog/consumer-advisory-you-dont-have-to-pay-someone-to-help-with-your-student-loan/

Explainer: Changes to federal student loan interest rates
Consumer Financial Protection Bureau
June 21, 2013
https://www.consumerfinance.gov/about-us/blog/changes-to-federal-student-loan-interest-rates/

Starting a small business when you have student debt
Consumer Financial Protection Bureau
June 19, 2013
https://www.consumerfinance.gov/about-us/blog/starting-a-small-business-when-you-have-student-debt/

Should I use a home equity loan to refinance my student loans?
Consumer Financial Protection Bureau
June 7, 2013
https://www.consumerfinance.gov/about-us/blog/should-i-use-a-home-equity-loan-to-refinance-my-student-loans/

Should I refinance my student loan?
Consumer Financial Protection Bureau
May 15, 2013
https://www.consumerfinance.gov/about-us/blog/should-i-refinance-my-student-loan/

Student debt drains economy
Politico
May 8, 2013
https://www.politico.com/story/2013/05/excessive-student-loan-debt-drains-economic-engine-091083

Reminder: Sound off on our student loan affordability initiative
Consumer Financial Protection Bureau
March 22, 2013
https://www.consumerfinance.gov/about-us/blog/reminder-sound-off-on-our-student-loan-affordability-initiative/

Help stop the student debt domino effect
Consumer Financial Protection Bureau
February 21, 2013
https://www.consumerfinance.gov/about-us/blog/help-stop-the-student-debt-domino-effect/

Your two cents on student cards and bank accounts
Consumer Financial Protection Bureau
January 31, 2013
https://www.consumerfinance.gov/about-us/blog/your-two-cents-on-student-cards-and-bank-accounts/

VA trademarks 'GI Bill' to shield vets from deceptive marketing
Consumer Financial Protection Bureau
December 5, 2012
https://www.consumerfinance.gov/about-us/blog/va-trademarks-gi-bill-to-shield-vets-from-deceptive-marketing/

Debt Deja Vu for Students
Philadelphia Inquirer
October 24, 2012
https://www.inquirer.com/philly/opinion/inquirer/20121024_Debt_dj_vu_for_students.html

Consumer advisory: Accessing your scholarships and student loan funds
Consumer Financial Protection Bureau
August 9, 2012
https://www.consumerfinance.gov/about-us/blog/consumer-advisory-accessing-your-scholarships-and-student-loan-funds/

Thousands of voices on private student loans
Consumer Financial Protection Bureau
June 13, 2012
https://www.consumerfinance.gov/about-us/blog/thousands-of-voices-on-private-student-loans/

Cut the Confusion So Students Know Their Risks

New York Times
May 12, 2012
https://www.nytimes.com/roomfordebate/2012/05/12/easing-the-pain-of-student-loans/cut-the-confusion-so-students-know-their-risks

Paying for College: Help us make it easier for you to choose
Consumer Financial Protection Bureau
April 11, 2012
https://www.consumerfinance.gov/about-us/blog/paying-for-college-help-us-make-it-easier-for-you-to-choose/

Too Big to Fail: Student debt hits a trillion
Consumer Financial Protection Bureau
March 21, 2012
https://www.consumerfinance.gov/about-us/blog/too-big-to-fail-student-debt-hits-a-trillion/

Our student loan complaint system is open for business
Consumer Financial Protection Bureau
March 5, 2012
https://www.consumerfinance.gov/about-us/blog/our-student-loan-complaint-system-is-open-for-business/

Your feedback on Know Before You Owe: Student Loans
Consumer Financial Protection Bureau
January 27, 2012
https://www.consumerfinance.gov/about-us/blog/your-feedback-on-know-before-you-owe-student-loans/

Know Before You Owe: Let's tackle student loans
Consumer Financial Protection Bureau
October 26, 2011
https://www.consumerfinance.gov/about-us/blog/know-before-you-owe-lets-tackle-student-loans/

Know your student loan repayment options
Consumer Financial Protection Bureau
October 26, 2011
https://www.consumerfinance.gov/about-us/blog/know-your-student-loan-repayment-options/

Co-signing on campus?
Consumer Financial Protection Bureau
August 26, 2011
https://www.consumerfinance.gov/about-us/blog/co-signing-on-campus/

Get Ready to Conquer Your Student Loans
Consumer Financial Protection Bureau
June 30, 2011

https://www.consumerfinance.gov/about-us/blog/get-ready-to-conquer-your-student-loans/

Speeches and presentations:

List all of the formal speeches and presentations (e.g., PowerPoint) you have delivered during the past ten years which are on topics relevant to the position for which you have been nominated, including dates. If available, provide the Committee with **one digital copy** of each formal speech and presentation. If text is no longer available, list the date, place, and organization or group to whom you made the speech or presentation.

To the best of my ability, I have sought to identify all formal speeches and presentations I have delivered in the past ten years which were on topics relevant to the position for which I have been nominated. I have included a link to the prepared remarks, transcript, or recording of the event where available. If additional materials are identified, they will be provided to the Committee promptly.

Truth in Advertising
Remarks
January 2021
Virtual
https://www.truthinadvertising.org/ftc-remedial-authority-after-amg-webinar/

Transatlantic Consumer Dialogue
Remarks
December 2020
Virtual
https://www.ftc.gov/public-statements/2020/12/conversation-cmr-chopra-eu-justice-commissioner-reynders-digital-rights

Charles River Associates
Remarks
December 2020
Virtual
https://www.ftc.gov/public-statements/2020/12/prepared-opening-remarks-commissioner-rohit-chopra-cra-annual-conference

Asia Pacific Privacy Authorities
Keynote Remarks
December 2020
Virtual
https://www.ftc.gov/public-statements/2020/12/prepared-remarks-commissioner-rohit-chopra-asia-pacific-privacy

American Economic Liberties Project
Remarks
October 2020
Virtual
https://www.economicliberties.us/event/a-conversation-with-congressman-david-cicilline-d-ri/

Concurrences

Remarks
October 2020
Virtual
https://www.concurrences.com/en/conferences/fireside-chat-what-can-and-should-the-us-and-eu-antitrust-authorities-do-about

National Fair Housing Alliance
Keynote Remarks
October 2020
Virtual
https://www.ftc.gov/public-statements/2020/10/remarks-commissioner-rohit-chopra-national-fair-housing-alliance-2020

Ranchers-Cattleman Action Legal Fund United Stockgrowers of America
Remarks
August 2020
Virtual
https://www.ftc.gov/public-statements/2020/08/remarks-commissioner-rohit-chopra-r-calf-usa

DEFCON
Remarks
August 8, 2020
Virtual
https://www.youtube.com/watch?app=desktop&v=hpL9wDNwBo8

Americans for Financial Reform
Remarks
August 2020
Virtual
https://www.youtube.com/watch?v=G1khT9hAUrQ

AccessNow
Remarks
July 2020
Virtual
https://www.youtube.com/watch?v=64lFWmJHaPY

Student Borrower Protection Center
Remarks
July 2020
Virtual
https://protectborrowers.org/emerging-risks-virtual-conference-series-2/

Concurrences
Remarks
July 2020
Virtual
https://vimeo.com/436520003

Gallup & The Knight Foundation
Remarks
June 2020
Virtual
https://knightfoundation.org/the-future-of-tech-policy-conversations-with-gallup-and-knight-foundation/

Organisation for Economic Co-operation and Development
Remarks
April 2019
Virtual
https://www.youtube.com/watch?v=cYd8IgLFXws&feature=youtu.be

Student Veterans of America
Remarks
March 2, 2020
Washington, DC

George Mason University Antonin Scalia Law School
Remarks
February 2020
Washington, DC
https://masonlec.org/events/george-mason-law-review-twenty-third-annual-antitrust-symposium/

Silicon Flatirons
Keynote Remarks
February 2020
Boulder, Colorado
https://www.youtube.com/watch?v=RZx-JzirGsM&list=PLTAvIPZGMUXNI-73nbifHvFaqBY3RM93X&index=11&t=0s

New America's Open Technology Institute
Remarks
February 2020
Washington, DC
https://www.newamerica.org/oti/events/privacys-best-friend/

Federal Trade Commission Workshop on Voice Cloning Technologies
Remarks
January 2020
Washington, DC
https://www.ftc.gov/public-statements/2020/01/opening-remarks-commissioner-rohit-chopra-you-dont-say-ftc-workshop-voice

World Economic Forum
Remarks
January 2020
Davos, Switzerland

https://www.weforum.org/events/world-economic-forum-annual-meeting-2020/sessions/safeguarding-digital-spaces

World Economic Forum
Remarks
January 2020
Davos, Switzerland
https://www.weforum.org/events/world-economic-forum-annual-meeting-2020/sessions/in-pursuit-of-innovation

AmCham EU
Remarks
December 2019
Brussels, Belgium

Charles River Associates
Remarks
December 2019
Brussels, Belgium
https://events.streamovations.be/sessions/reference/antitrust-in-times-of-upheaval-a-global-conversation

National Association of Attorneys General
Remarks
December 2019
Washington, DC

Conference of State Banking Supervisors
Remarks
December 2019
Phoenix, Arizona

American Conservative & The American Prospect
Remarks
November 2019
Washington, DC

Washington Center for Equitable Growth
Remarks
November 2019
Washington, DC
https://www.youtube.com/watch?v=MAKkVGiYcZs&feature=youtu.be

House Committee on Education & Labor
October 2019
https://www.ftc.gov/public-statements/2019/10/opening-remarks-ftc-commissioner-rohit-chopra-house-committee-education

International Conference of Data Protection and Privacy Commissioners
Remarks

October 2019
Tirana, Albania

GeekWire
Remarks
October 2019
Seattle, Washington
https://www.geekwire.com/2019/live-ftc-commissioner-rohit-chopra-geekwire-summit/

United Food and Commercial Workers
Remarks
September 2019
San Antonio, Texas

Concurrences & George Washington University Law School
Remarks
September 2019
Washington, DC
https://www.concurrences.com/en/conferences/7th-annual-bill-kovacic-antitrust-salon

Organization for Competitive Markets
Remarks
August 2019
Kansas City, Missouri

Federal Trade Commission Business Outreach Conference
Remarks
August 2019
Atlanta, Georgia

Cyber Week: Tel Aviv University
Keynote Remarks
June 2019
Tel Aviv, Israel
https://youtu.be/tGHB7e-CXQY

Cyber Week: Tel Aviv University
Remarks
June 2019
Tel Aviv, Israel
https://www.youtube.com/watch?v=Kq6AaOhjkMI

Transatlantic Consumer Dialogue and Consumers International
Remarks
June 2019
Washington, DC

American Bar Association
Remarks
Virtual

May 2019

Federal Trade Commission Forum on Small Business Financing
Remarks
May 2019
Washington, DC
https://www.ftc.gov/public-statements/2019/05/prepared-remarks-commissioner-rohit-chopra-forum-small-business-financing

Common Sense Media
Keynote Remarks
April 2019
Washington, DC
https://www.ftc.gov/public-statements/2019/04/prepared-remarks-commissioner-rohit-chopra-common-sense-media-truth-about

Antitrust Bar Association
Keynote Remarks
March 2019
Washington, DC
https://www.ftc.gov/public-statements/2019/03/prepared-remarks-commissioner-rohit-chopra-aba-tech-platforms-content

AccessNow
Remarks
March 2019
Washington, DC

University of Michigan
Remarks
March 2019
Ann Arbor, Michigan
http://fordschool.umich.edu/video/2019/rohit-chopra-consumer-protection-age-uncertainty-keynote-conversation-day-2

Silicon Flatirons
Keynote Remarks
February 2019
Boulder, Colorado
https://www.ftc.gov/public-statements/2019/02/prepared-remarks-commissioner-rohit-chopra-silicon-flatirons-conference

Economic Policy Institute and Open Markets Institute
Remarks
December 2018
Washington, DC
https://www.epi.org/event/monopoly-monopsony/

Federal Trade Commission Hearings on Consumer Protection and Competition
Remarks

December 2018
New York, New York
https://www.ftc.gov/public-statements/2018/12/prepared-remarks-commissioner-rohit-chopra-hearings-consumer-protection

International Association of Privacy Professionals
Remarks
October 2018
Virtual
https://iapp.org/news/a/the-privacy-advisor-podcast-live-with-ftc-commissioner-rohit-chopra/

Federal Trade Commission Hearings on Competition and Consumer Protection
Remarks
October 2018
Washington, DC
https://www.ftc.gov/public-statements/2018/10/prepared-remarks-commissioner-rohit-chopra-ftc-hearings-competition

Privacy Law Salon
Remarks
September 2018
Washington, DC

Concurrences
Remarks
September 2018
New York, New York

Technology Policy Institute
Remarks
August 2018
Aspen, Colorado
https://www.youtube.com/watch?v=7HQ0eHo_qSY

The Organization for Competitive Markets
Remarks
August 2018
Kansas City, Missouri

Euroconsumers
Remarks
June 2018
Brussels, Belgium

Transatlantic Consumer Dialogue and BEUC
Remarks
June 2018
Brussels, Belgium

Transatlantic Consumer Dialogue & Consumers International
Remarks
June 2018
Brussels, Belgium

Transatlantic Consumer Dialogue
Remarks
June 2018
Brussels, Belgium

Electronic Privacy Information Center
Remarks
June 2018
Washington, DC

Rutgers Law School Institute on Corporate Compliance
Remarks
April 2017
Camden, New Jersey

Transatlantic Consumer Dialogue
Remarks
March 2017
Washington, DC

Conference of Western Attorneys General
Keynote Remarks
May 2016
Portland, Oregon

National Association of Realtors
Remarks
May 2016
Washington, DC

University of Michigan
Remarks
January 2016
Ann Arbor, Michigan

Federal Reserve Bank of Philadelphia
Remarks
September 2015
Philadelphia, Pennsylvania

State Higher Education Executive Officers Association
Remarks
August 2015
Newport Beach, CA

National Association of Student Financial Aid Administrators
Remarks
July 2015
New Orleans, Louisiana

Woodstock Institute
Remarks
May 2015
Chicago, Illinois

Howard University
Remarks
April 2015
Washington, DC
https://www.youtube.com/watch?v=OFw07Jzo250

Education Writers Association
Remarks
April 2015
Chicago, Illinois

Federal Reserve Bank of New York
Remarks
March 2015
New York, New York

National Council of Higher Education Resources
Remarks
February 2015
Washington, DC

American Bar Association
Remarks
February 2015
Houston, Texas

National Council of Higher Education Resources
Remarks
February 2015
Washington, DC

Coalition of Higher Education Assistance Organizations
Remarks
January 2015
Arlington, Virginia

National Consumer Law Center
Remarks
November 2014
Tampa, Florida

National Association of Attorneys General
Remarks
May 2014
Washington, DC

Coalition of State University Aid Administrators
Remarks
April 2014
Scottsdale, Arizona

Suffolk University Law School
Remarks
April 2014
Boston, Massachusetts

Consumer Bankers Association
Remarks
March 2014
National Harbour, Maryland

Coalition of Higher Education Assistance Organizations
Remarks
January 2014
Arlington, Virginia

Federal Reserve Bank of St. Louis
Keynote Remarks
November 2013
St. Louis, Missouri
https://www.consumerfinance.gov/about-us/newsroom/student-loan-ombudsman-rohit-chopra-before-the-federal-reserve-bank-of-st-louis/

National Council of Higher Education Resources
Remarks
November 2013
St. Petersburg, Florida

National Consumer Law Center
Remarks
November 2013
Washington, DC

Credit Union National Association
Remarks
November 2013
Phoenix, Arizona

ABS East Keynote
Remarks

October 2013
Miami, Florida

New America Foundation
Remarks
October 2013
Washington, DC

National Association of Attorneys General
Remarks
May 2013
Washington, DC

iiBIG Education Finance and Loan Symposium
Keynote Remarks
May 2013
Washington, DC

Eastern Association of Student Financial Aid Administrators
Remarks
May 2013
Boston, Massachusetts

Milken Institute Global Conference
Remarks
April 2013
Los Angeles, California

PDG Student Loan Receivables/Collections Conference
Remarks
April 2013
Orlando, Florida

Consumer Bankers Association
Remarks
March 2013
Phoenix, Arizona

Education Writers Association
Remarks
November 2012
Indianapolis, Indiana

Judge Advocate General's (JAG) Legal Center and School
Remarks
October 2012
Charlottesville, Virginia

Congressional Forum on Student Loans
Remarks

August 2012
https://www.consumerfinance.gov/about-us/newsroom/remarks-by-rohit-chopra-to-the-congressional-forum-on-student-loans/

Department of Defense Worldwide Education Symposium
Remarks
July 2012
Las Vegas, Nevada

Coalition of Higher Education Assistance Organizations
Remarks
July 2012
Cleveland, Ohio

Transatlantic Consumer Dialogue
Remarks
June 2012
Washington, DC

National Association of Student Financial Aid Administrators
Remarks
March 2012
Washington, DC

Education Finance Council
Remarks
March 2012
Washington, DC

Association of Private Sector Colleges and Universities
Remarks
March 2012
Washington, DC

Consumer Federation of America Consumer Assembly
Remarks
March 2012
Washington, DC

Consumer Bankers Association
Remarks
March 2012
Austin, Texas

National Council of Higher Education Loan Programs
Remarks
September 2011
Washington, DC

Student Loan Servicing Alliance

Remarks
June 2011
Denver, Colorado

Congressional Hearings

Senate Committee on Commerce, Science, & Transportation
Witness
August 5, 2020

House Committee on the Judiciary
Subcommittee on Antitrust, Commercial, and Administrative Law
Witness
October 18, 2019

House Committee on Financial Services
Witness
September 26, 2019

House Committee on Appropriations
Subcommittee on Financial Services and General Government
Witness
September 25, 2019

House Energy and Commerce Committee
Subcommittee on Consumer Protection and Commerce
Witness
May 8, 2019

Senate Committee on Commerce, Science, and Transportation
Subcommittee on Consumer Protection, Product Safety, Insurance, and Data Security
Witness
November 27, 2018

House Committee on Energy and Commerce
Subcommittee on Digital Commerce and Consumer Protection
Witness
July 18, 2018

Senate Committee on Commerce, Science, and Transportation
Witness
February 14, 2018

House Committee on Financial Services
Witness
April 28, 2017

Joint Economic Committee of the United States
Witness
September 30, 2015

Senate Committee on the Budget
Witness
June 4, 2014

Senate Committee on Banking, Housing, and Urban Affairs
Witness
June 25, 2013

Senate Committee on Banking, Housing, and Urban Affairs
Subcommittee on Financial Institutions and Consumer Protection
Witness
July 24, 2012

Public statements: List all public statements you have made during the past ten years which are on topics relevant to the position for which you have been nominated, including dates. Whenever possible, provide the Committee with finding aids (such as citations, internet URLs, etc.) for each statement.

Concurring Statement of Acting Chairwoman Rebecca Kelly Slaughter joined by Commissioner Rohit Chopra regarding the Revised Clayton Act Thresholds
February 5, 2021
https://www.ftc.gov/public-statements/2021/02/concurring-statement-acting-chairwoman-rebecca-kelly-slaughter-joined

Statement of Commissioner Rohit Chopra Regarding the Deception of Delivery Drivers by Amazon.com
February 2, 2021
https://www.ftc.gov/public-statements/2021/02/statement-commissioner-rohit-chopra-regarding-deception-delivery-drivers

Dissenting Statement of Commissioner Rohit Chopra Regarding Final Approval of the Settlement with Zoom Communications, Inc.
February 1, 2021
https://www.ftc.gov/public-statements/2021/02/dissenting-statement-commissioner-rohit-chopra-regarding-final-approval

Dissenting Statement of Commissioner Rohit Chopra Regarding the Commission's Advocacy to the Department of Veterans Affairs
January 15, 2021
https://www.ftc.gov/public-statements/2021/01/dissenting-statement-commissioner-rohit-chopra-regarding-commissions

Joint Statement of Commissioner Rohit Chopra and Commissioner Rebecca Kelly Slaughter Concurring in Part, Dissenting in Part, In the Matter of Flo Health, Inc.
January 13, 2021
https://www.ftc.gov/public-statements/2021/01/joint-statement-commissioner-rohit-chopra-commissioner-rebecca-kelly

Statement of Commissioner Rohit Chopra In the Matter of Everalbum and Paravision

January 11, 2021
https://www.ftc.gov/public-statements/2021/01/statement-commissioner-rohit-chopra-matter-everalbum-paravision

Statement of Commissioner Rohit Chopra Joined by Commissioner Rebecca Kelly Slaughter in the Matter of Tapjoy, Inc.
January 7, 2021
https://www.ftc.gov/public-statements/2021/01/statement-commissioner-rohit-chopra-joined-commissioner-rebecca-kelly

Joint Dissenting Statement of Commissioners Rohit Chopra and Rebecca Kelly Slaughter Regarding the Vertical Merger Commentary
December 22, 2020
https://www.ftc.gov/public-statements/2020/12/joint-dissenting-statement-commissioners-rohit-chopra-rebecca-kelly

Statement of Commissioner Chopra Regarding the FTC EnergyGuide Rule
December 22, 2020
https://www.ftc.gov/public-statements/2020/12/statement-commissioner-chopra-regarding-ftc-energyguide-rule

Statement of Commissioner Rohit Chopra In the Matter of Chemence
December 22, 2020
https://www.ftc.gov/public-statements/2020/12/statement-commissioner-rohit-chopra-matter-chemence

Statement of Commissioner Rohit Chopra Regarding CBD Enforcement Actions
December 17, 2020
https://www.ftc.gov/public-statements/2020/12/statement-commissioner-rohit-chopra-regarding-cbd-enforcement-actions

Joint Statement of FTC Commissioners Chopra, Slaughter, and Wilson Regarding Social Media and Video Streaming Service Providers' Privacy Practices
December 14, 2020
https://www.ftc.gov/public-statements/2020/12/joint-statement-ftc-commissioners-chopra-slaughter-wilson-regarding-social

Dissenting Statement of Commissioner Rohit Chopra Regarding Ascension Data & Analytics
December 14, 2020
https://www.ftc.gov/public-statements/2020/12/dissenting-statement-commissioner-rohit-chopra-regarding-ascension-data

Dissenting Statement of Commissioner Rohit Chopra Regarding AppFolio
December 8, 2020
https://www.ftc.gov/public-statements/2020/12/dissenting-statement-commissioner-rohit-chopra-regarding-appfolio

Statement of Commissioner Rohit Chopra regarding Midwest Recovery Systems, LLC
November 30, 2020

https://www.ftc.gov/public-statements/2020/11/statement-commissioner-rohit-chopra-regarding-midwest-recovery-systems-llc

Statement of Commissioner Rohit Chopra in the Matter of CoreLogic, Inc.
November 30, 2020
https://www.ftc.gov/public-statements/2020/11/statement-commissioner-rohit-chopra-matter-corelogic-inc

Dissenting Statement of Commissioner Rohit Chopra Regarding Petitions for Modifications in the Matter of Linde AG and Praxair LLC
November 13, 2020
https://www.ftc.gov/public-statements/2020/11/dissenting-statement-commissioner-rohit-chopra-regarding-petitions

Dissenting Statement of Commissioner Rohit Chopra Regarding Zoom Video Communications, Inc.
November 9, 2020
https://www.ftc.gov/public-statements/2020/11/dissenting-statement-commissioner-rohit-chopra-regarding-zoom-video

Statement of Commissioners Rohit Chopra and Rebecca Kelly Slaughter Regarding Final Approval of the Sunday Riley Settlement
November 6, 2020
https://www.ftc.gov/public-statements/2020/11/statement-commissioners-rohit-chopra-rebecca-kelly-slaughter-regarding

Statement of Commissioner Rohit Chopra in the Matter of Stryker and Wright Medical
November 3, 2020
https://www.ftc.gov/public-statements/2020/11/statement-commissioner-rohit-chopra-matter-stryker-wright-medical

Dissenting Statement of Commissioner Rohit Chopra Joined by Commissioner Rebecca Kelly Slaughter in the Matter of Pfizer Inc./Mylan N.V.
October 30, 2020
https://www.ftc.gov/public-statements/2020/10/dissenting-statement-commissioner-rohit-chopra-joined-commissioner-rebecca

Statement of Commissioner Rohit Chopra Regarding Final Approval of the NTT Global Data Centers Americas Settlement
October 27, 2020
https://www.ftc.gov/public-statements/2020/10/statement-commissioner-rohit-chopra-regarding-final-approval-ntt-global

Statement of Commissioner Rohit Chopra Regarding the Report to Congress on Protecting Older Consumers
October 19, 2020
https://www.ftc.gov/public-statements/2020/10/statement-commissioner-rohit-chopra-regarding-report-congress-protecting

Comment of Commissioner Chopra and Professor Jeremy Kress on the U.S. Department of Justice's Bank Merger Competitive Review Guidelines
October 16, 2020
https://www.ftc.gov/public-statements/2020/10/comment-commissioner-chopra-professor-jeremy-kress-us-department-justices

Statement of Commissioner Rohit Chopra Regarding the Hart-Scott-Rodino Act Premerger Notification Rulemaking Notices
September 21, 2020
https://www.ftc.gov/public-statements/2020/09/statement-commissioner-rohit-chopra-regarding-hart-scott-rodino-act

Statement of Commissioner Rohit Chopra Regarding Dark Patterns in the Matter of Age of Learning, Inc.
September 2, 2020
https://www.ftc.gov/public-statements/2020/09/statement-commissioner-rohit-chopra-regarding-dark-patterns-matter-age

Statement of Commissioner Rohit Chopra Regarding Yellowstone Capital, LLC
August 3, 2020
https://www.ftc.gov/public-statements/2020/08/statement-commissioner-rohit-chopra-regarding-yellowstone-capital-llc

Statement of Commissioner Rohit Chopra on the 10th Anniversary of the Enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act
July 21, 2020
https://www.ftc.gov/public-statements/2020/07/statement-commissioner-rohit-chopra-10th-anniversary-enactment-dodd-frank

Statement of Commissioner Rohit Chopra Regarding the Report to Congress on Social Media Bots and Deceptive Advertising
July 16, 2020
https://www.ftc.gov/public-statements/2020/07/statement-commissioner-rohit-chopra-regarding-report-congress-social-media

Statement of Commissioner Rohit Chopra Regarding Private Equity Roll-ups and the Hart-Scott-Rodino Annual Report to Congress
July 8, 2020
https://www.ftc.gov/public-statements/2020/07/statement-commissioner-rohit-chopra-regarding-private-equity-roll-ups-hart

Statement of the Commission In the Matter of Alimentation Couche-Tard and CrossAmerica Partners, LP
July 6, 2020
https://www.ftc.gov/public-statements/2020/07/statement-commission-matter-alimentation-couche-tard-crossamerica-partners

Dissenting Statement of Commissioner Rohit Chopra Regarding the Publication of the Vertical Merger Guidelines
June 30, 2020

https://www.ftc.gov/public-statements/2020/06/dissenting-statement-commissioner-rohit-chopra-regarding-publication

Dissenting Statement of Commissioner Rohit Chopra Regarding the EU-U.S. Privacy Shield Framework in the Matter of NTT Global Data Centers Americas, Inc.
June 30, 2020
https://www.ftc.gov/public-statements/2020/06/dissenting-statement-commissioner-rohit-chopra-regarding-eu-us-privacy

Dissenting Statement of Commissioner Rohit Chopra In the Matter of Eldorado Resorts and Caesars Entertainment
June 26, 2020
https://www.ftc.gov/public-statements/2020/06/dissenting-statement-commissioner-rohit-chopra-matter-eldorado-resorts

Concurring Statement by Commissioner Rohit Chopra Regarding the Notice of Proposed Rulemaking on Made in USA
June 22, 2020
https://www.ftc.gov/public-statements/2020/06/concurring-statement-commissioner-rohit-chopra-regarding-notice-proposed

Statement of Commissioner Rohit Chopra regarding the Proposed Repeal of the Care Labeling Rule
June 22, 2020
https://www.ftc.gov/public-statements/2020/06/statement-commissioner-rohit-chopra-regarding-proposed-repeal-care

Statement of Commissioner Rohit Chopra Regarding the Report to Congress on the FTC's Use of Its Authorities to Protect Consumer Privacy and Security
June 18, 2020
https://www.ftc.gov/public-statements/2020/06/statement-commissioner-rohit-chopra-regarding-report-congress-ftcs-use-its

Comment of Commissioner Chopra on the U.S. Department of Transportation's Proposed Rule Defining Unfair or Deceptive Practices
May 28, 2020
https://www.ftc.gov/public-statements/2020/05/comment-commissioner-chopra-us-department-transportations-proposed-rule

Statement of Commissioner Rohit Chopra In the Matter of Liberty Chevrolet, Inc. d/b/a Bronx Honda
May 27, 2020
https://www.ftc.gov/public-statements/2020/05/statement-commissioner-rohit-chopra-matter-liberty-chevrolet-inc-dba-bronx

Statement of Commissioner Rohit Chopra Regarding Miniclip and the COPPA Safe Harbors
May 19, 2020
https://www.ftc.gov/public-statements/2020/05/statement-commissioner-rohit-chopra-regarding-miniclip-coppa-safe-harbors

Dissenting Statement of Commissioner Rohit Chopra In the Matter of AbbVie Inc. and Allergan plc
May 5, 2020
https://www.ftc.gov/public-statements/2020/05/dissenting-statement-commissioner-rohit-chopra-matter-abbvie-inc-allergan

Statement of Commissioner Rohit Chopra Joined by Commissioner Rebecca Kelly Slaughter In the Matter of Altria Group, Inc. and JUUL Labs, Inc.
April 2, 2020
https://www.ftc.gov/public-statements/2020/04/statement-commissioner-rohit-chopra-joined-commissioner-rebecca-kelly

Comment of Commissioner Chopra on the U.S. Department of Agriculture's Proposed Rule Regarding Undue and Unreasonable Preferences and Advantages Under the Packers and Stockyards Act
March 16, 2020
https://www.ftc.gov/public-statements/2020/03/comment-commissioner-chopra-us-department-agricultures-proposed-rule

Statement of Commissioner Rohit Chopra Joined by Commissioner Rebecca Kelly Slaughter, Regarding Data Security and the Safeguards Rule
March 2, 2020
https://www.ftc.gov/public-statements/2020/03/statement-commissioner-rohit-chopra-joined-commissioner-rebecca-kelly

Dissenting Statement of Commissioner Rohit Chopra, In the Matter of Rent-to-Own Market Allocation Scheme
February 21, 2020
https://www.ftc.gov/public-statements/2020/02/dissenting-statement-commissioner-rohit-chopra-matter-rent-own-market

Statement of Commissioner Rohit Chopra Regarding the Endorsement Guides Review
February 12, 2020
https://www.ftc.gov/public-statements/2020/02/statement-commissioner-rohit-chopra-regarding-endorsement-guides-review

Statement of Commissioner Christine S. Wilson, Joined by Commissioner Rohit Chopra, Concerning Non-Reportable Hart-Scott-Rodino Act Filing 6(b) Orders
February 11, 2020
https://www.ftc.gov/public-statements/2020/02/statement-commissioner-christine-s-wilson-joined-commissioner-rohit-chopra

Statement of Commissioner Rohit Chopra Regarding the Request for Comment on the Funeral Rule
February 4, 2020
https://www.ftc.gov/public-statements/2020/02/statement-commissioner-rohit-chopra-regarding-request-comment-funeral-rule

Concurring Statement of Commissioner Rohit Chopra in Federal Trade Commission; and State of New York v. Vyera Pharmaceuticals, LLC; Phoenixus AG; Martin Shkreli; and Kevin Mulleady
January 27, 2020
https://www.ftc.gov/public-statements/2020/01/concurring-statement-commissioner-rohit-chopra-matter-vyera

Statement of Commissioner Rohit Chopra Regarding the Request for Comment on Vertical Merger Guidelines
January 10, 2020
https://www.ftc.gov/public-statements/2020/01/statement-commissioner-rohit-chopra-regarding-request-comment-vertical

Statement of the Federal Trade Commission in the matter of Roche Holding/Spark Therapeutics
December 16, 2019
https://www.ftc.gov/public-statements/2019/12/statement-federal-trade-commission-matter-roche-holdingspark-therapeutics

Statement of Commissioner Rohit Chopra In the Matter of the University of Phoenix, Inc.
December 10, 2019
https://www.ftc.gov/public-statements/2019/12/statement-commissioner-rohit-chopra-matter-university-phoenix-inc

Dissenting Statement of Commissioner Rohit Chopra In the Matter of Bristol-Myers Squibb Company and Celgene Corporation
November 15, 2019
https://www.ftc.gov/public-statements/2019/11/dissenting-statement-commissioner-rohit-chopra-matter-bristol-myers-squibb

Comment of Commissioner Rohit Chopra on the Federal Reserve Proposal to Develop Round-the-Clock, Real-Time Payments System FedNow Service
November 7, 2019
https://www.ftc.gov/public-statements/2019/11/comment-commissioner-rohit-chopra-federal-reserve-proposal-develop-round

Statement of Commissioner Rohit Chopra In the Matter of AT&T Mobility, LLC
November 5, 2019
https://www.ftc.gov/public-statements/2019/11/statement-commissioner-rohit-chopra-matter-att-mobility-llc

Dissenting Statement of Commissioner Rohit Chopra In the Matter of Your Therapy Source, Neeraj Jindal and Sheri Yarbray
October 31, 2019
https://www.ftc.gov/public-statements/2019/10/dissenting-statement-commissioner-rohit-chopra-matter-your-therapy-source

Statement of Commissioner Chopra Joined by Commissioner Slaughter Regarding Sunday Riley
October 21, 2019

https://www.ftc.gov/public-statements/2019/10/statement-commissioner-chopra-joined-commissioner-slaughter-regarding

Comment of Commissioner Chopra on the Department of Housing and Urban Development's Proposed Rule Regarding the Fair Housing Act's Discriminatory Effects Standard
October 16, 2019
https://www.ftc.gov/public-statements/2019/10/comment-commissioner-chopra-department-housing-urban-developments-proposed

Statement of Commissioner Rohit Chopra in the Matter of Truly Organic
September 19, 2019
https://www.ftc.gov/public-statements/2019/09/statement-commissioner-rohit-chopra-matter-truly-organic

Comment Submission of Commissioner Chopra to Department of Justice Initiative on Labor Market Competition
September 18, 2019
https://www.ftc.gov/public-statements/2019/09/comment-submission-commissioner-chopra-department-justice-initiative-labor

Comment Submission of Commissioner Rohit Chopra on CFPB Proposed Debt Collection Rule
September 18, 2019
https://www.ftc.gov/public-statements/2019/09/comment-submission-commissioner-rohit-chopra-cfpb-proposed-debt-collection

Joint Statement of Commissioners Rohit Chopra and Rebecca Kelly Slaughter in the Matter of DTE Energy/Generation Pipeline
September 13, 2019
https://www.ftc.gov/public-statements/2019/09/joint-statement-commissioners-rohit-chopra-rebecca-kelly-slaughter-matter

Statement of Commissioner Rohit Chopra Regarding YouTube
September 4, 2019
https://www.ftc.gov/public-statements/2019/09/statement-commissioner-rohit-chopra-regarding-youtube

Dissenting Statement of Commissioner Rohit Chopra Regarding the Matter of Facebook, Inc.
July 24, 2019
https://www.ftc.gov/public-statements/2019/07/dissenting-statement-commissioner-rohit-chopra-regarding-matter-facebook

Statement of Commissioner Rohit Chopra In the Matter of Reckitt Benckiser Group, plc
July 11, 2019
https://www.ftc.gov/public-statements/2019/07/statement-commissioner-rohit-chopra-matter-reckitt-benckiser-group-plc

Statement of Commissioners Chopra and Slaughter Regarding the Federal Trade Commission Report on the Use of Section 5 to Address Off-Patent Pharmaceutical Price Spikes
June 27, 2019
https://www.ftc.gov/public-statements/2019/06/statement-commissioners-chopra-slaughter-regarding-federal-trade

Joint Statement of Commissioners Rohit Chopra and Rebecca Kelly Slaughter Concerning UnitedHealth Group and DaVita
June 19, 2019
https://www.ftc.gov/public-statements/2019/06/joint-statement-commissioners-slaughter-chopra-concerning-unitedhealth

Statement of Commissioner Rohit Chopra on the Ruling by Judge Lucy Koh in Federal Trade Commission v. Qualcomm Incorporated
May 22, 2019
https://www.ftc.gov/public-statements/2019/05/statement-commissioner-rohit-chopra-ruling-judge-lucy-koh-federal-trade

Dissenting Statement of Commissioner Rohit Chopra Regarding the Matter of Sandpiper/PiperGear
April 17, 2019
https://www.ftc.gov/public-statements/2019/04/dissenting-statement-commissioner-rohit-chopra-regarding-matter-sandpiper

Dissenting Statement of Commissioner Rohit Chopra Regarding the Matter of Patriot Puck
April 17, 2019
https://www.ftc.gov/public-statements/2019/04/dissenting-statement-commissioner-rohit-chopra-regarding-matter-patriot

Statement of Commissioner Rohit Chopra Regarding Activating Civil Penalties for Made In USA Fraud
April 17, 2019
https://www.ftc.gov/public-statements/2019/04/statement-commissioner-rohit-chopra-regarding-activating-civil-penalties

Statement of the Federal Trade Commission Concerning Cigarette and Smokeless Tobacco 6(b) Orders
February 27, 2019
https://www.ftc.gov/public-statements/2019/02/statement-federal-trade-commission-concerning-cigarette-smokeless-tobacco

Statement of Commissioner Chopra and Commissioner Slaughter In the Matter of Musical.ly Inc. (now known as TikTok)
February 27, 2019
https://www.ftc.gov/public-statements/2019/02/statement-commissioner-chopra-commissioner-slaughter-matter-musically-inc

Statement of Commissioner Chopra In the Matter of Fresenius Medical Care AG & Co. KGaA and NxStage Medical, Inc.
February 19, 2019
https://www.ftc.gov/public-statements/2019/02/statement-commissioner-chopra-matter-fresenius-medical-care-ag-co-kgaa

Statement of Commissioner Chopra In the Matter of Sycamore Partners II, L.P., Staples, Inc. and Essendant Inc.
January 28, 2019
https://www.ftc.gov/public-statements/2019/01/statement-commissioner-chopra-matter-sycamore-partners-ii-lp-staples-inc

Statement of Commissioner Rohit Chopra In the Matter of Social Finance, Inc.
October 29, 2018
https://www.ftc.gov/public-statements/2018/10/statement-commissioner-rohit-chopra-matter-social-finance-inc

Statement of Commissioner Rohit Chopra In the Matter of Uber Technologies, Inc.
October 26, 2018
https://www.ftc.gov/public-statements/2018/10/statement-commissioner-chopra-matter-uber-technologies-inc

Statement of Commissioner Chopra in the Matter of Linde AG, Praxair, Inc., and Linde PLC
October 22, 2018
https://www.ftc.gov/public-statements/2018/10/statement-commissioner-chopra-matter-linde-ag-praxair-inc-linde-plc

Statement of Commissioner Rohit Chopra In the Matter of Aromaflage
September 27, 2018
https://www.ftc.gov/public-statements/2018/09/statement-commissioner-rohit-chopra-matter-aromaflage

Statement of Commissioner Chopra on the Departure of Maureen Ohlhausen
September 25, 2018
https://www.ftc.gov/public-statements/2018/09/statement-commissioner-chopra-departure-maureen-ohlhausen

Statement of Commissioner Rohit Chopra In the Matters of Nectar Sleep, Sandpiper/PiperGear USA, and Patriot Puck
September 12, 2018
https://www.ftc.gov/public-statements/2018/09/statement-commissioner-chopra

Statement of Commissioner Rohit Chopra, Joined By Commissioner Rebecca Kelly Slaughter In The Matter Of Sunkey Publishing
September 6, 2018
https://www.ftc.gov/public-statements/2018/09/statement-commissioner-chopra-joined-commissioner-slaughter

Comment of Commissioner Rohit Chopra on Hearing #1 on Competition and Consumer Protection in the 21st Century
September 6, 2018
https://www.ftc.gov/public-statements/2018/09/comment-commissioner-rohit-chopra-hearing-1-competition-consumer

Statement of Commissioner Rohit Chopra In the Matter of Speedway Motorsports
August 9, 2018
https://www.ftc.gov/public-statements/2018/08/statement-commissioner-chopra

Statement of Commissioner Rohit Chopra In the Matter of Your Therapy Source, LLC, Neeraj Jindal, and Sheri Yarbray
July 31, 2018
https://www.ftc.gov/public-statements/2018/07/statement-commissioner-rohit-chopra-matter-your-therapy-source-llc-neeraj

Letter from Commissioner Rohit Chopra to Congress on Deceptive Marketing Practices in the Opioid Addiction Treatment Industry
July 24, 2018
https://www.ftc.gov/public-statements/2018/07/letter-commissioner-chopra-congress-deceptive-marketing-practices-opioid

Statement of Commissioner Rohit Chopra Regarding the Commission's Votes to Appoint Senior Leadership
May 16, 2018
https://www.ftc.gov/public-statements/2018/05/statement-commissioner-rohit-chopra-regarding-commissions-votes-appoint

Commissioner's Memorandum on Repeat Offenders
May 14, 2018
https://www.ftc.gov/public-statements/2018/05/commissioners-memorandum-2018-01-repeat-offenders

Watchdog Agency Restores Choice for Consumers Cheated by Financial Companies
Consumer Federation of America
July 2017
https://consumerfed.org/press_release/watchdog-agency-restores-choice-consumers-cheated-financial-companies/

Fannie Mae Announces Policy Change for Homeowners with Student Debt
Consumer Federation of America
April 2017
https://consumerfed.org/press_release/fannie-mae-announces-policy-change-homeowners-student-debt/

New Data: More Than 1.1 Million Federal Student Loan Defaults in 2016
Consumer Federation of America
March 2017
https://consumerfed.org/press_release/new-data-1-1-million-federal-student-loan-defaults-2016/

Senate Committee on Armed Services
Subcommittee on Personnel
Statement for the Record
February 14, 2017
https://www.armed-services.senate.gov/download/chopra_02-14-17

Consumer Agencies Take Actions Against Scammers Targeting 9/11, First Responders and NFL Concussion Victims
Consumer Federation of America
February 7, 2017
https://consumerfed.org/press_release/consumer-agencies-take-actions-scammers-targeting-911-first-responders-nfl-concussion-victims/

President's Executive Order Rolls Back Wall Street Reform
Consumer Federation of America
February 3, 2017
https://consumerfed.org/press_release/presidents-executive-order-rolls-back-wall-street-reform/

Consumer Agency's Military Unit Delivers
Consumer Federation of America
January 27, 2017
https://consumerfed.org/press_release/consumer-agencys-military-unit-delivers/

CFPB and State AG Lawsuits Against Student Loan Giant Bring Needed Accountability
Consumer Federation of America
January 18, 2017
https://consumerfed.org/press_release/cfpb-state-ag-lawsuits-student-loan-giant-bring-needed-accountability/

Social media usernames:

Please provide a list of all of your currently active social media usernames (e.g., Facebook, Instagram, Twitter, etc.), and any usernames for any inactive accounts you have used within the previous ten years.

Twitter: chopraftc, hitchop
LinkedIn: rohit-chopra-fin
Instagram: hitchopper
Facebook: rohit.chopra.165

Political affiliations activities:

List memberships and offices held in and services rendered to all political parties or election committees during the last ten years.

List all public offices, if any, for which you have been a candidate in the past ten years.

None.

Political contributions:

Itemize all political contributions which exceed $200 or which aggregate to over $200 in a calendar year to any individual, campaign organization, political party, political action

committee or similar entity during the last ten years and identify specific amounts, dates, and names of recipients.

Pete for South Bend (Mayoral)
Total Contributed: $500
January 2015

Pete for South Bend (Mayoral)
Total Contributed: $200
April 2011

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet)

See attached.

Future Employment relationships: 1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

I have no private employment and currently serve as a public official at the Federal Trade Commission. The law requires that the Consumer Financial Protection Bureau consult and coordinate with the Federal Trade Commission. If confirmed as Director, I will execute these statutory obligations

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization

No.

3. Has anyone made a commitment to employ you after you leave government service?

No.

4. Do you expect to serve the full term for which you have been appointed?

Yes.

Potential conflicts of interest: 1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

In connection with the nomination process, I have consulted with the U.S. Office of Government Ethics and the Consumer Financial Protection Bureau's Designated Agency Ethics Official to identify potential conflicts of interest. If confirmed, any potential conflicts of interest will be resolved in accordance with the terms of any ethics agreement with the Bureau's Designated Agency Ethics Official. I am not aware of any potential conflicts of interest.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

In connection with the nomination process, I have consulted with the U.S. Office of Government Ethics and the Consumer Financial Protection Bureau's Designated Agency Ethics Official to identify potential conflicts of interest. If confirmed, any potential conflicts of interest will be resolved in accordance with the terms of any ethics agreement with the Bureau's Designated Agency Ethics Official. I am not aware of any potential conflicts of interest.

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last ten years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

In connection with the nomination process, I have consulted with the U.S. Office of Government Ethics and the Consumer Financial Protection Bureau's Designated Agency Ethics Official to identify potential conflicts of interest. If confirmed, any potential conflicts of interest will be resolved in accordance with any terms of the ethics agreement entered into with the CFPB's Designated Agency Ethics Official. I am not aware of any potential conflicts of interest.

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

As a Federal Trade Commissioner and as a federal government official at the US Department of Education and Consumer Financial Protection Bureau, I am frequently solicited by Members of Congress and their staffs to provide substantive and technical advice on potential legislation. Outside of government, I have been called upon to share my views on consumer protection and higher education issues, though at no time have I ever qualified as a registered lobbyist.

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

If confirmed, any potential conflicts of interest will be resolved in accordance with the terms of any ethics agreement that I have entered into with the CFPB's Designated Agency Ethics Official. I am not aware of any potential conflicts of interest.

Tax compliance and bankruptcy:

1. In the past ten years, have you and your spouse (if applicable) filed and paid all taxes (federal, state, and local) as of the date of your nomination? Indicate if you filed as 'married filing separately.'

Yes.

2. In the past ten years, have you been required to make any back tax payments? If so, indicate if you have made any back tax payments and provide full details.

No.

3. Has a tax lien or other collection procedure(s) been instituted against you or your spouse (if applicable) by federal, state, or local authorities? If so, provide full details.

No.

4. In the past ten years, have you or your spouse (if applicable) ever been the subject of any audit, investigation, or inquiry for federal, state, or local taxes? If so, provide full details.

No.

5. Were all your Federal, State, local, and other tax returns and tax liabilities of any kind current (filed and paid when due) as of the date of your nomination? If not, provide details.

Yes.

6. Have you ever filed for bankruptcy? If so, provide details.

No.

Civil, criminal and investigatory actions:

1. Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court, administrative agency (e.g. an Inspector General's office), professional association, disciplinary committee, or other ethics enforcement entity at any time? If so, provide details, regardless of outcome.

No.

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, provide details.

No.

3. Have you ever been involved as a party in interest in any administrative agency proceeding, or civil litigation other than a divorce proceeding? If so, provide details.

No.

4. Have you ever been convicted (including pleas of guilty or nolo contendere) of any criminal violation other than a minor traffic offense? If so, provide details.

No.

Other information:

Please advise the Committee of any additional information, favorable or unfavorable, which you believe should be considered in connection with your nomination.

In November 2016, I was diagnosed with advanced thyroid cancer. I am blessed to have support from family, friends, neighbors, and colleagues, and I am grateful for the excellent medical care I receive.

My treatment is supervised by Dr. Robert Michael Tuttle of Memorial Sloan Kettering Cancer Center in New York. My treatment has included a major surgical intervention (total thyroidectomy) and post-operative iodine radiation treatment.

My diagnosis has not changed, and I continue to undergo regular diagnostic monitoring and consultations with my medical team. However, my condition has not stopped me from leading a productive life, including discharging my duties as a Federal Trade Commissioner, since my confirmation in 2018. I have been assured by my medical team that I will be able to fully execute any new duties, if confirmed for this position. Should the Committee seek any additional information regarding my fitness to serve, I have authorized my medical team to cooperate with any requests.

Public Records search:

Do you consent to allow Committee staff to conduct a public records search on you using appropriate search tools, including Westlaw, Lexis, etc.?)

Yes.

Attachment A: Qualifications Statement

I am honored to be considered by the Committee to serve as Director of the Consumer Financial Protection Bureau.

In 2018, I was unanimously confirmed by the Senate to serve as a Commissioner of the Federal Trade Commission. The Commission administers dozens of statutes, including the Federal Trade Commission Act's prohibition on unfair and deceptive acts and practices. In this position, I am involved in a broad range of enforcement, rulemaking, and consumer and business education regarding consumer protection, privacy, and antitrust. The Commission also sits as an adjudicative body, with the authority to issue orders to address noncompliance with these statutes. I have authored or co-authored a substantial number of voting statements, opinions, comment letters, articles, and other policy documents that describe my views in more detail.

I am actively engaged with partner agencies at the state, federal, and international level. For example, I regularly communicate and coordinate with state attorneys general, and I co-chair the Global Privacy Assembly's international enforcement working group, composed of privacy enforcers from around the world.

Notably, the FTC plays an important role in the financial services sector. The Commission is required to closely coordinate with the Consumer Financial Protection Bureau. The FTC has enforcement authority for many of the federal consumer financial laws where the CFPB exercises enforcement, rulemaking, and supervisory authority, including the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, and the Equal Credit Opportunity Act. Rules promulgated by the CFPB defining unfair, deceptive, or abusive practices are enforceable by the FTC with respect to nonbank consumer financial services providers.

I previously served as part of the Department of the Treasury's CFPB implementation team. In this role, I was involved with many aspects of the agency's standup, including the development of the CFPB's supervision of nonbank financial institutions. I remained with the CFPB when the agency was formally launched in 2011.

The Secretary of the Treasury designated me as the CFPB's first student loan ombudsman, a new role established by the Dodd-Frank Act. I also served as an Assistant Director of the CFPB. In these roles, I led a number of consumer protection and consumer education initiatives in the market for student financial services, including student loan origination, student loan servicing, student loan debt collection, student loan credit reporting, campus debit cards, and other student banking products. I was also closely involved in the agency's work on military family issues, particularly as they related to servicemembers and veterans pursuing higher education and shouldering student loan debt. Through research, supervision, enforcement, consumer education, industry engagement, and interagency initiatives, the CFPB was able to facilitate more robust competition and hold bad actors accountable for serious law violations to the benefit of both consumers and honest market participants.

I thank Members of the Committee for considering my nomination. I am happy to discuss my government service and other professional experiences, my policy views, and my readiness to serve.

The undersigned certifies that the information contained in the public statement to the Committee is true and correct.

Signed: Robert Chopra Date: February 12, 2021

RESPONSES TO WRITTEN QUESTIONS OF CHAIRMAN BROWN FROM GARY GENSLER

Q.1. Where have you excelled in past positions in hiring and promoting people of color?

Where is there room for improvement?

A.1. Incorporating diversity, equity and inclusion into the workplace is an area where all leaders should strive for continuous improvement, and I take that responsibility seriously. I am proud to have hired diverse staff at the CFTC and with the members I recruited for the Biden–Harris Agency Review Team for independent financial regulatory agencies identify as a person of color.

Q.2. In August 2011, President Obama issued an Executive Order establishing a coordinated, Governmentwide initiative to promote diversity and inclusion in the Federal workforce. The executive order reads, in part, that "Attaining a diverse, qualified workforce is one of the cornerstones of the merit-based civil service . . . To realize more fully the goal of using the talents of all segments of society, the Federal Government must continue to challenge itself to enhance its ability to recruit, hire, promote, and retain a more diverse workforce. Further, the Federal Government must create a culture that encourages collaboration, flexibility, and fairness to enable individuals to participate to their full potential." The order required each agency to establish an agency-specific diversity, equity, and inclusion strategic plan with specific objectives.

Coordinated, Governmentwide initiatives to promote diversity and inclusion in the Federal workforce are critical to attracting and retaining the best talent to our agencies. If confirmed, I will work with staff at the SEC as well as fellow Commissioners to honor the principles of this Executive Order.

Please describe your commitment to diverse hiring at the Securities and Exchange Commission (SEC). Will you review and update the SEC's diversity, equity, and inclusion strategic plan to ensure it contains specific objectives?

A.2. Diversity, equity and inclusion are critical to attracting and retaining the best talent to accomplish the SEC's mission. To fulfill this commitment, specific plans and objectives against which performance is measured are important, and if confirmed, I plan to review and update the SEC's diversity, equity, and inclusion plan to do so.

Q.3. Will you commit to establishing a system for reporting regularly on the SEC's progress in implementing an agency-specific diversity, equity, and inclusion strategic plan and in meeting the objectives under the plan?

A.3. Meeting diversity, equity, and inclusion goals requires appropriate planning and measurement of progress against specific objectives. If confirmed, I will establish systems to track diversity, equity and inclusion as well as the agency's success at meeting goals.

Q.4. Will you commit to transparency on workplace policies, salaries, and benefits? What is your plan for implementing these policies?

A.4. If confirmed, I will work with the SEC's Office of Human Resources, the Office of Minority and Women Inclusion and SEC staff,

including the SEC employee bargaining unit, to create a workplace that has fair and transparent policies to promote diversity, equity and inclusion.

Q.5. What are some short- and long-term strategies for addressing disparities in participation in the securities markets and financial literacy?

A.5. Women and people of color in the United States have historically been underrepresented in the securities markets. If confirmed, I will work with the Director of the Office of Minority and Women Inclusion to use all statutory tools available to advance participation in the markets. Financial literacy is one important tool available to the SEC to increase access to information to inform sound investment decisions. If confirmed, I will work with the Office of the Investor Advocate and Office of Investor Education and Advocacy to ensure the Commission's financial literacy programs are meeting goals.

Q.6. Have you previously implemented and required diversity, equity, and inclusion training for all employees and implicit bias training for managers within your purview?

A.6. While leading the CFTC, I followed all guidance suggested by our Office of Minority and Women Inclusion as it relates to employee training. On the Biden–Harris Agency Review Team for independent financial regulatory agencies, on which I served as a team captain, antidiscrimination training was required.

Q.7. Will you commit to implementing and requiring diversity, equity, and inclusion training for all employees within your purview? What is your plan for implementing these trainings?

A.7. Diversity, equity and inclusion training is an important tool to improve the performance of any workplace. If confirmed, I will work with the Office of Human Resources and the Director of the Office of Minority and Women Inclusion to examine training options available and implement a training plan and schedule as appropriate.

Q.8. Will you commit to implementing and requiring implicit bias training for managers within your purview? What is your plan for implementing these trainings?

A.8. Implicit bias training for managers is an important tool to ensure that any workplace is free from the types of bias that can prevent employees from meeting their full potential and fulfilling the mission of the organization. If confirmed, I will work with the Director of the Office of Minority and Women Inclusion to examine training options available and implement a training plan and schedule as appropriate.

Q.9. Please describe how you view the role of SEC Chairman in appropriately serving BIPOC? How do you view the SEC's role in furthering racial equity?

A.9. Three areas in which the SEC can serve these communities include promoting internal diversity at the agency in terms of hiring and promotion; diversity at regulated entities, in terms of the Office of Minority and Women Inclusion's authority to conduct voluntary diversity surveys within the financial services industry; and

in policies that meet the mission of the SEC to protect investors, maintain fair, orderly and efficient capital markets and promote capital formation. If confirmed, I will work to advance progress on these three areas as well as others.

Q.10. Please list at least 3 specific areas of focus/priorities for advancing racial equity, diversity, and inclusion at the SEC. What specific measures will you use to evaluate success in these areas, and over what period of time?

A.10. If confirmed, three areas in which I will focus efforts on racial equity include internal diversity at the agency in terms of hiring and promotion; diversity at regulated entities, in terms of the Office of Minority and Women Inclusion's authority to conduct voluntary diversity surveys within the financial services industry; and in policies that can help reduce the wealth gap, including access to capital for minority-owned businesses. If confirmed, I will use established metrics to measure progress, working with the OMWI and with the Office of the Investor Advocate, Office of Investor Education and Advocacy and Office for the Advocate of Small-Business Capital Formation.

Q.11. Please describe how you plan to work with and engage the financial services sector to serve BIPOC and dismantle systemic racism's impact in those sectors? How, specifically, will you hold the industry accountable on these issues? How will you accelerate private sector efforts to achieve more inclusive leadership?

A.11. If confirmed, I plan to set an example in leadership at the SEC and would encourage private sector leaders to do the same. If confirmed, I would look to encourage diversity in terms of employment at regulated entities by using tools at the disposal of the Office of Minority and Women Inclusion, including the authority to conduct voluntary diversity surveys within the financial services industry.

Q.12. How do you plan on incorporating the views and work of the Office of Minority and Women Inclusion across the SEC?

A.12. If confirmed, I plan to work directly with the Director of the Office of Minority and Women Inclusion to advance the statutory goals set forth by Congress under Section 342 of the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 which directs the Office to advance "the fair inclusion and utilization of minorities, women, and minority-owned and women-owned businesses in all business and activities of the agency at all levels, including in procurement, insurance, and all types of contracts."

Q.13. The SEC has outside advisory councils and task forces comprised of industry leaders, academics, nonprofits, and other stakeholders. They serve as volunteers but have significant influence being appointed by and working closely with you. Should your agency be judged by its success in populating these groups with more diverse advisors on these councils and task forces, and if so, over what period of time?

A.13. Advisory groups serve an important role in informing the work of the SEC. Given that membership on these advisory groups is on staggered fixed terms, the Commission should be judged on

its work over time to promote diversity, equity and inclusion as membership terms expire and new members are appointed.

Q.14. What specific measures will you use to evaluate the SEC's success in understanding and addressing the needs of BIPOC? Will you regularly report to Congress on the progress being made on these measures?

A.14. If confirmed, I will leverage the SEC's talented staff to understand the economic data related to the Commission's tripartite goals of investor protection, capital formation, and maintaining fair, orderly and efficient markets. This includes understanding the needs of BIPOC investors and issuers run or owned by minority and women entrepreneurs. As the nation begins to recover from the economic devastation caused by the coronavirus, it is important to understand how all communities are faring to ensure an equitable recovery. If confirmed, I will include updates on that work during my engagements with Congress.

Q.15. An agency's budget reflects its values and goals. How do you plan to allocate and sufficiently resource internal and external efforts to advance DEI as part of the agency's annual budget process? How will you ensure sufficient financial support for the agency-specific diversity, equity, and inclusion strategic plan to ensure you are able to meet the objectives established under that plan in a reasonable time period?

A.15. If confirmed, I will work with the SEC staff, including the Director of the Office of Minority and Women Inclusion, to understand what budget resources the agency needs to advance goals related to diversity, equity and inclusion. Budget requests to Congress will include a description of the resources needed by the agency to advance all DEI goals.

Q.16. Accurate information about the financial situation of public companies is essential for honest securities markets. In 2002, Congress passed the Sarbanes–Oxley Act of 2002, creating the Public Company Accounting Oversight Board (PCAOB) in reaction to major corporate accounting fraud, including at Enron and WorldCom.

Please explain your view on the importance of the PCAOB to protect investors. Also, will you commit that if you are confirmed you will work to strengthen the PCAOB and to ensure its professionalism and independence?

A.16. I had the honor of working on the Senate Committee for Banking, Housing and Urban Affairs under the leadership of Senator Paul Sarbanes, a great public servant we recently lost. Sarbanes–Oxley was bipartisan legislation, signed into law by President Bush, which created the PCAOB to ensure that audit firms are held to high independence standards and are subject to effective oversight—two critical weaknesses exposed by the Enron and WorldCom failures. If confirmed, I will ensure that both the SEC and the PCAOB are fulfilling their missions, as envisioned by Congress, to provide that audit firms fulfill their gatekeeper function of ensuring that the financial disclosures on which our market transparency depends are complete, accurate and reliable.

Q.17. The statutory mandate in section 1504 of the Dodd–Frank Wall Street Reform and Consumer Protection Act is fundamentally about enhancing transparency to promote transparency, accountability and to combat corruption. This provision required issuers in extractive industries to disclose their payments to foreign governments so those governments can be held accountable for the money being paid to those governments. As Acting Chair Lee observed in opposing the final rule, that goal is in keeping with the United States' long history as a leader in international efforts to combat corruption, and with the SEC's role in anticorruption efforts: enforcing the Foreign Corrupt Practices Act, ensuring compliance with anti–money laundering rules, and participating in the important work of the Financial Action Task Force to combat money laundering and terrorist financing.

The modified rule adopted by the Commission in December 2020, fell far short of these goals, allowing payment information to be aggregated to such a degree that the resulting disclosures will obscure information crucial to anticorruption efforts and material to investment analysis. The rule also contradicted the Commission's own economic analysis. As a result, it will severely restrict the transparency and anticorruption benefits that the disclosure statute required. Will you consider reviewing the 1504 rule to better take into account the explicit transparency and accountability goals identified by Congress in the statute, and bring it more closely into alignment with international anticorruption and transparency standards?

A.17. The SEC in December finalized a rule to fulfill its congressionally directed mandate under Section 1504 of the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010. This is after the Congress vacated the original rule with a Congressional Review Act challenge in 2017. If confirmed, I will take a close look at the updated rule to see if it fulfills the anticorruption intended by Congress while also providing investors with useful information to guide their investment decisions.

Q.18. In recent years, exchange-traded vehicles (ETVs) have become increasingly complex. Episodes of market volatility highlight those complex features and risks for investors. So that investors may better understand the features and potential risks of complex ETVs, will the Commission continue its work to consider the issues raised by such products, including as described in the Joint Statement Regarding Complex Financial Products and Retail Investors, which may include "additional obligations for broker-dealers and investment advisers relating to complex products, as well as point-of-sale disclosures or policies and procedures tailored to the risks of complex products" as discussed in the Joint Statement?

A.18. Investor protection is at the heart of the SEC's mission. Disclosures and sales practices and procedures should be tailored to the complexity of the product being sold and should be mindful of providing needed information especially for retail investors. If confirmed, I will work with the Divisions of Corporation Finance, Trading and Markets, Investment Management, and Economic and Risk Analysis, as well as the Office of the Investor Advocate to review the effectiveness of existing regulatory requirements and

where needed to implement new rulemakings, guidance or other policy actions.

Q.19. Sustainable investment focused on environmental, social and governance (ESG) matters by some measures now represents approximately $17 trillion in assets under management in the U.S. Acting Chair Lee has hired a new Senior Policy Advisor on Climate and ESG. What other steps can be taken to ensure continuing ESG expertise throughout the SEC?

A.19. If confirmed, I commit to building on the work of Acting Chair Lee to hire experts who will prioritize providing investors with the material information they need to make investment decisions, while providing consistent and clear reporting obligations for issuers.

Q.20. The Legal Entity Identifier (LEI), an ISO and adopted U.S. standard, is a part of 26 U.S. regulations. The LEI's origin is rooted in Commodity Futures Trading Commission regulations following the Great Recession. The U.S. government, however, remains dependent on more than 50 identification schemes. More work needs to be done to unify government data.

Will you support the inclusion of standards, like the LEI, in future SEC regulations?

A.20. While serving as Chairman of the CFTC, I oversaw the initial adoption of a legal entity identifier regime, which helped both the private and public sectors in identifying and measuring risk across the financial system. This allowed regulators to better protect our markets and assisted internal risk management efforts within firms. If confirmed, incorporating LEI across rulemakings represents one tool to improve risk monitoring while cutting costs for the industry and I would seek to support such a standard where appropriate.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR TOOMEY FROM GARY GENSLER

Q.1. *Congressional Oversight*—Please provide your philosophy on how the SEC under your chairmanship will approach and respond to Congressional information requests (both for documentary information and oral testimony), if you are confirmed.

A.1. I believe that Congressional oversight is important. While Chairman of the CFTC, I testified over 50 times before Congress. If confirmed, I am committed to ensuring that the SEC is responsive to oversight requests and provides Congress with the information that it needs consistent with appropriate law and regulation.

Q.2. If confirmed, do you intend to respond to information requests differently depending on who is making the Congressional information request (whether it's the chair of the Congressional committee, the ranking member, or another member of Congress)? Please answer "yes" or "no." If your answer is "yes," please fully explain why you intend to respond differently depending on who is making the Congressional information request.

A.2. I believe that Congressional oversight is important. While Chairman of the CFTC, I testified over 50 times before Congress.

If confirmed, I am committed to ensuring that SEC is responsive to oversight requests and provides Congress with the information that it needs consistent with appropriate law and regulation.

Q.3. Do you agree that Congress has long played a critical role in oversight of the executive branch? Why or why not? Will you commit that, if confirmed, you will timely respond to and fully comply with all Congressional information requests, including but not limited to requests for records, to the SEC? Please answer "yes" or "no." If your answer is "no," please explain why.

A.3. Agencies, including the SEC, should be responsive to the public and to Congress. At the same time, the SEC's must carry out the constitutional duties assigned to it, including pursuing ongoing law enforcement matters or protecting confidential supervisory information. If confirmed, I will ensure that the SEC is responsive to oversight requests while meeting the Commission's enforcement and confidentiality obligations, as well as any other appropriate law and regulation.

Q.4. Will you commit that, if confirmed, you will make yourself and any other SEC employee expeditiously available to provide oral testimony (including but not limited to briefings, hearings, and transcribed interviews) to the Committee on any matter within its jurisdiction, upon the request of either the Chairman or Ranking Member? Please answer "yes" or "no." If your answer is "no," please explain why.

A.4. While Chairman of the CFTC, I testified over 50 times before Congress. As I said at last week's hearing, I agree to appear and testify before any duly constituted committee of Congress. If confirmed, I am committed to ensuring that the SEC is responsive to requests for hearing testimony consistent with appropriate law and regulation.

Q.5. Do you believe that the SEC may assert any privileges or other legal justifications to withhold information (whether records or oral testimony) from Congress? Please answer "yes" or "no."

A.5. If confirmed, I will consult the agency's legal counsel so that the Commission can be responsive to Congress while ensuring that the SEC can carry out the statutory duties in which it is entrusted.

Q.6. If you answered "yes" to Question 5, please list every such privilege or other legal justification and provide the legal basis for why you believe the SEC may use such privilege or legal justification to withhold information from Congress.

A.6. If confirmed, I will consult the agency's legal counsel so that the Commission can be responsive to Congress while ensuring that the SEC can carry out the statutory duties in which it is entrusted.

Q.7. In an effort to be open and transparent with Congress and the public, will you commit not to assert any such privilege or legal justification against Congress that you listed above? If not, why not? If so, please identify all such privileges or legal justifications that you will commit to not assert against Congress.

A.7. If confirmed, I will consult the agency's legal counsel so that the Commission can be responsive to Congress while ensuring that the SEC can carry out the statutory duties in which it is entrusted.

Q.8. *Employee Morale at CFTC*—During your tenure as Chairman of Commodity Futures Trading Commission (CFTC) staff morale plummeted, going from above the median score for morale among Federal agencies to being in the bottom quarter of Federal agencies for morale.[1]

According to an article by Bloomberg, under your tenure the CFTC became "one of the worst places to work among small agencies, receiving low marks for work-life balance, pay and quality of leadership."[2] In your view, why did morale among CFTC employees crater during your tenure as Chairman of the CFTC?

A.8. I was honored to work alongside the talented staff at the CFTC to implement dozens of statutorily required rulemakings in the wake of a financial crisis that cost U.S. investors, borrowers, homeowners and taxpayers trillions of dollars and wreaked havoc on millions of families, including families of employees of the CFTC. Bringing transparency to a $400 trillion over-the-counter swaps market during a difficult time for our country no doubt was a challenging task, especially for an agency that often did not receive budget resources from Congress commensurate with the responsibilities with which it was entrusted. I am proud of the CFTC staff for their dedication and service to our country in the face of these constraints.

Q.9. *Use of Personal Email for Government Business*—In a CFTC inspector general report entitled "Review of the Commodity Futures Trading Commission's Oversight and Regulation of MF Global, Inc." the inspector general found that you consistently used your personal email to conduct government business from the very beginning of your tenure as CFTC Commissioner in 2009 until the collapse of MF Global, Inc.[3]

If confirmed, will you commit to not using your personal email to conduct government business? If not, why not?

A.9. If confirmed, I will follow all legal and regulatory requirements related to email correspondence and related matters, including the Federal Records Act. The CFTC Inspector General looked at the issue and concluded that once the issue was flagged, this practice was ceased.

Q.10. *Materiality*—In your confirmation hearing, you confirmed to Senator Shelby that a corporation is owned by its shareholders, and management should work for the shareholders.

Do you agree that directors owe a fiduciary duty to act in the best interests of shareholders?

Do you agree that securities disclosure is meant to inform investment decisions of shareholders and potential investors and not for the purposes of noninvestor "stakeholders"?

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[1] Best Places to Work in the Federal Government, *https://bestplacestowork.org/rankings/detail/CT00.*

[2] Jennifer Epstein and Benjamin Bain, Biden Taps Gensler as SEC Chairman, FTC's Chopra as CFPB Chief, Bloomberg (Jan. 17, 2021), *https://www.bloomberg.com/news/articles/2021-01-18/biden-taps-gensler-as-secchairman-ftc-s-chopra-as-cfpb-chief.*

[3] Commodity Futures Trading Commission's Office of the Inspector General, Review of the Commodity Futures Trading Commission's Oversight and Regulation of MF Global, Inc (May 16, 2013) at v, *https://www.cftc.gov/sites/default/files/idc/groups/public/@aboutcftc/documents/file/oigregulationmfglobal.pdf.*

As SEC Chairman, will you refrain from enacting any securities disclosures that will primarily advance the interests of noninvestment stakeholders?

A.10. If confirmed, materiality will guide my decisions as SEC Chair related to disclosure requirements under the Federal securities laws. The Supreme Court has held that information is material if there is a "a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the 'total mix' of information made available." Fiduciary duties of corporate directors is generally a matter of state law. For example, as I understand it, the Delaware courts have defined it as a duty owed to the corporation and its shareholders. If confirmed, I will follow the law in my consideration of policies that come before the Commission related to disclosure.

Q.11. In 2013, SEC Chairman Mary Jo White criticized attempts to use the SEC disclosure requirements for "exerting societal pressure on companies to change behavior, rather than to disclose financial information that primarily informs investment decisions."[4] Do you agree with her concern?

A.11. If confirmed, materiality will guide all my decisions as SEC Chair. The Supreme Court has held that information is material if there is a "a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the 'total mix' of information made available." If confirmed, I will follow the law in consideration of policies that come before the Commission related to disclosure.

Q.12. U.S. Supreme Court Justice Thurgood Marshall in TSC Industries vs. Northway, 426 U.S. 438 (1976), said that "if the standard of materiality is unnecessarily low . . . management's fear of exposing itself to substantial liability may cause it simply to bury the shareholders in an avalanche of trivial information—a result that is hardly conducive to informed decisionmaking." Do you agree with Justice Marshall that a materiality standard that is "unnecessarily low" may bury "shareholders in an avalanche of trivial information"?

A.12. If confirmed, materiality will guide all my decisions as SEC Chair. The Supreme Court has held that information is material if there is a "a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the 'total mix' of information made available." If confirmed, I will follow the law in consideration of policies that come before the Commission related to disclosure.

Q.13. *Public companies and capital formation*—Do you agree that unnecessary regulatory and litigation costs can deter companies from going public or staying public?

A.13. Unnecessary costs should be eliminated where possible. Whether a cost is unnecessary can depend on an individualized perspective. The total mix of factors influencing whether a company goes or remains public is complex and unique for each firm.

[4] *https://www.sec.gov/news/speech/spch100113mjw*

Q.14. If confirmed, will you work to reduce any unnecessary regulatory costs on public companies?

A.14. If confirmed, I will work with fellow Commissioners and SEC staff to eliminate unnecessary costs where possible. Whether a cost is unnecessary can depend on an individualized perspective. The total mix of factors influencing whether a company goes or remains public is complex and unique for each firm.

Q.15. If confirmed, will you work to reduce any unnecessary regulatory costs on private companies?

A.15. If confirmed, I will work with fellow Commissioners and SEC staff to eliminate unnecessary costs where possible. Whether a cost is unnecessary can depend on an individualized perspective. The total mix of factors influencing whether a company goes or remains public is complex and unique for each firm.

Q.16. Is it possible to have both robust public capital markets and robust private capital markets at the same time?

A.16. Yes.

Q.17. Are you concerned that capital formation is disproportionately concentrated within a select few geographic areas? If so, what steps would you undertake to promote capital formation in other geographic areas?

A.17. If confirmed, I will work to advance the mission of the SEC to protect investors; maintain fair, orderly, and efficient markets; and facilitate capital formation. Working through the Office of the Advocate for Small Business Capital Formation, we can take steps to raise awareness of these options, particularly in those regions and for those companies that are at greatest need.

Q.18. Under former SEC Chairman Clayton, the SEC revised rules to enhance capital formation, particularly for small and medium-sized companies. He reformed offering exemptions, shortened the period between integrated offerings, and expanded the definition of accredited investor. Will you commit to keeping these rules in place?

A.18. Capital formation and investor protection are at the heart of the mission of the SEC. Markets- and technology-are always changing. Our rules have to change along with them. If confirmed, I will holistically review capital formation rules related to small and medium-sized companies and make individualized determinations about whether to preserve, expand or revise such rules.

Q.19. Can you commit to exploring how to improve liquidity for the more thinly traded stocks of smaller companies?

A.19. The mission of the SEC includes a mandate to maintain fair, orderly and efficient markets. If confirmed, I will work every day to advance this mission, including through work to improve liquidity for thinly traded stocks of smaller companies.

Q.20. Can you commit to adopting rules to reduce the regulatory burden relating to providing research coverage of smaller and emerging growth companies?

A.20. The mission of the SEC includes a mandate to maintain fair, orderly and efficient markets. If confirmed, I will work every day

to advance this mission, including through work to improve research coverage of smaller and emerging growth companies.

Q.21. Can you commit to create a "finders" regime to help small businesses find capital?

A.21. If confirmed, I will take responsibility for the rulemaking calendar including a review of the SEC's proposed Exemptive Order issued last year that would exempt certain "finders" from broker registration requirements. I will work with the Commissioners and staff to determine whether further action is appropriate to advance the SEC's mission to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation.

Q.22. On December 22, 2020, then-SEC Chairman Jay Clayton wrote to the SEC's Asset Management Advisory Committee (AMAC) regarding "Thoughts on Future Progress of Private Investment Subcommittee."[5] His letter outlined ways in which the SEC could allow more retail investors to access private equity. If confirmed, do you promise to thoroughly evaluate all of the options outlined in this letter?

A.22. If confirmed, I look forward to more thoroughly evaluating the letter and the various options outlined in it. I also welcome the opportunity to engage with your staff and you on investment opportunities available to retail investors.

Q.23. In a letter to the SEC Asset Management Advisory Committee dated December 22, 2020, then-Chairman Jay Clayton suggested that retail investors could have a relatively modest exposure to private equity and venture capital as part of a diversified target date retirement fund that is managed by a qualified registered investment adviser and has with a target date that is 20 years or more in the future. Do you have any objections to that suggestion?

A.23. If confirmed, I look forward to more thoroughly evaluating the letter and the various options outlined in it. If confirmed, I would want to work with industry participants, retail investors, and SEC Commissioners and staff in understanding the merits of this particular suggestion. As I discussed in the hearing last week, I will be guided by our statutes and the need to ensure that capital markets are serving working families.

Q.24. If confirmed, will you commit to continuing SEC efforts to explore the use of Business Development Companies (BDCs) and closed-end funds to facilitate retail exposure to private investments?

A.24. If confirmed, I look forward to learning about the Commission's activities and the views of the staff regarding investments in Business Development Companies and closed-end funds. More broadly, if confirmed I will consider new tools and strategies to support retail investors while ensuring that retail investors are protected and able to make suitable investments for themselves.

Q.25. *Market structure*—Can you commit to a robust review of the rules governing fixed income and Treasury market structure and, where appropriate, making rule changes to those rules?

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[5] *www.sec.gov/files/clayton-amac-letter-2020-12-22.pdf*

A.25. If confirmed, I look forward to doing a robust review of rules on the fixed income and Treasury markets alongside the U.S. Treasury and Federal Reserve. I will work with fellow Commissioners and agency staff to continue the work begun by the SEC last year when it issued a rule proposal on ATS. It is important that our rules keep pace with changing technology and market events.

Q.26. Can you commit to evaluate how to best promote competition between national securities exchanges, alternative trading systems (ATS), market makers, and broker-dealers engaged in internalization to benefit investors?

A.26. Markets—and technology—are constantly changing. The overall U.S. equity market is a critical national asset that provides a vital mechanism for capital formation for firms and individuals; investment opportunities for Main Street; and economic growth. If confirmed, I will work with fellow Commissioners and SEC staff along with hearing from market participants on how best to promote transparency and competition in the equity markets. If confirmed, I would work with fellow Commissioners and SEC staff to examine market structure issues holistically to best maintain fair, orderly and efficient markets as many of the technical and economic issues of markets are highly interrelated.

Q.27. *Harmonization of CFTC and SEC regulations*—If confirmed, can you commit to work to harmonize SEC and Commodity Futures Trading Commission (CFTC) rules to implement Title VII of the Dodd–Frank Act, to the extent appropriate?

A.27. As a former Chair of the CFTC, I spent a great deal of time working to finalize Title VII rules at that agency. I agree that harmonizing Title VII rules between the CFTC and SEC is an important goal, and, if confirmed, I will work towards the goal of harmonization, where appropriate.

Q.28. Are there any other areas where there may be overlap of SEC and CFTC regulations on market participants (e.g., between commodity pools and registered investment companies)? If so, do you have any recommendations for further harmonization?

A.28. As I know firsthand from my time as Chair of the CFTC that the SEC and CFTC share jurisdiction over the swaps market and that harmonization is an important goal, where appropriate. There are a number of market participants that are regulated by both Commissions, with many market participants trading in the futures, swaps and securities markets. It is important that the CFTC and SEC have strong communication and coordination to ensure that our regulations align where appropriate in a way that provides strong investor protection, fair, orderly and efficient markets, and facilitation of capital formation.

Q.29. *Money market funds*—If confirmed, will you protect the SEC's jurisdiction to regulate money market funds?

A.29. Yes.

Q.30. If confirmed, will you ensure new SEC regulations for money market funds, if any, will be narrowly tailored and will not elimi-

nate or significantly reduce the viability of money market funds as an investment?

A.30. Money market mutual funds are an important part of our financial ecosystem with nearly $5 trillion in investments. The regulatory framework governing such funds should ensure access to investors for this important product while also ensuring stability in our financial system. If confirmed, I will study SEC regulations adopted in the last decade to determine if they are working towards these goals.

Q.31. As part of any further changes to the rules regulating money market funds, will you commit to consider allowing a stable net asset value for institutional prime and institutional municipal money market funds?

A.31. If confirmed, I will seek the advice of staff, counsel and fellow SEC Commissioners on this subject.

Q.32. *Systemic risk*—I want to discuss guardrails on Systemically Important Financial Institution (SIFI) designations by the Financial Stability Oversight Council (FSOC).

Should SIFI designations allow for due process, including a clear process for both designation and de-designation?

Should they incorporate robust economic cost-benefit analysis?

Should they first explore an activities-based approach to regulating a systemic risk, before considering a firm-specific SIFI designation?

A.32. FSOC designations should follow the statute as set forward in the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 and any guidance or rulemakings issued therein.

As I understand it, the FSOC process allows for multiple avenues for input for nonbank financial firms both during the multistage designation process and via established processes to de-designate, as evidenced by de-designations in the recent past. In making designation decisions, economic analysis is an important tool to consider. Further, Dodd–Frank provides for both entity designations and activities-based designations, as Congress recognized that both approaches are sometimes useful. Depending on the unique circumstance, either or both approaches may be warranted.

Q.33. Under what conditions, if any, would you support the FSOC or the Financial Stability Board (FSB) designating mutual funds, exchange-traded funds (ETFs), and money market funds as non-bank SIFIs?

A.33. If confirmed, my views on non-bank SIFI designation will be grounded in the legal requirements of the statute and the public interest in preventing systemic risk.

Q.34. Asset managers provide investment advice to clients. They do not bear the risk of investments made by their clients. Asset managers do not own the assets that they manage. Should asset managers be designated by the FSOC or the FSB as non-bank SIFIs? If so, under what conditions?

A.34. If confirmed, my views on non-bank SIFI designation will be grounded in the legal requirements of our laws and the public interest in preventing systemic risk.

Q.35. Under what conditions, if any, would you support work on climate change and sustainability by the FSOC, FSB, or International Organization of Securities Commissions (IOSCO)?

A.35. Collaboration with international regulators through the FSB and IOSCO can contribute to the SEC's three-part mission. International standards can help ensure investor access to consistent, comparable data that they can efficiently integrate into their investment processes. At the same time, it is important that any standards for market participants integrate the unique features of our domestic market, legal and regulatory infrastructure and the needs of local investors and issuers.

Q.36. *Regulation Best Interest*—What protection is provided by a fiduciary duty that is not provided by Regulation Best Interest?

A.36. When investors turn to financial professionals for advice and recommendations about their investments, advice that may be critical to their retirement security or their ability to fund a child's college education, they deserve advice that serves their best interests. If confirmed, I will work with my colleagues and the Commission staff to ensure that the Regulation Best Interest rule, as interpreted and enforced by the SEC, lives up to its best interest label.

Q.37. Do you believe that investors should have the choice of commission-based transaction investment advice?

A.37. I believe that investors should have access to a range of quality options when seeking investment advice and that regulations applied to providers of that advice must protect against self-dealing and mitigate conflicts of interest.

Q.38. In your book The Great Mutual Fund Trap, you were critical of asset-based fees charged by financial planners. In an era of low or no-commission brokerage accounts, do you still agree that an asset-based fee can be expensive—"a fifteen-yard penalty for piling on" as you described in your book?

A.38. Much has changed in the last 20 years since I coauthored the book. Investors should work directly with their financial planners to determine fee structures appropriate for their needs and objectives.

Q.39. *Blockchain/Bitcoin/Digital Ledger Technology*—Do you believe a cryptocurrency can transform from a "securities token" to a "utility token"?

A.39. The securities laws define a security to include investment contracts. The Supreme Court has defined such investment contracts to include arrangements in which "a person invests his money in a common enterprise and is led to expect profits solely from the efforts of the promoter or a third party." If confirmed, I will review questions of whether a crypto-currency is a security in light of the definition laid out by the Supreme Court.

Q.40. As suggested by SEC Commissioner Hester Peirce, would you consider whether to pursue an experimental safe harbor for a digital token offering?

A.40. If confirmed by the Senate, I look forward to engaging with Commissioner Peirce, other Commissioners and SEC staff on this issue.

Q.41. What role should blockchain and digital ledger technology play in clearance and settlement of securities transactions and payments?

A.41. I have spoken before of the potential of blockchain technology to serve as a catalyst for change. If confirmed, I would look forward to fostering an environment that is supportive of financial innovation while also ensuring that investors are protected, markets are fair, orderly and efficient, and capital formation is facilitated.

Q.42. *Rulemaking best practices*—The SEC has a statutory duty to adequately consider competition, efficiency, and capital formation in rulemakings. If confirmed, how will you enforce this requirement?

A.42. If confirmed, I will endeavor to fulfill the tripartite mission of the SEC to protect investors; maintain fair, orderly, and efficient markets; and facilitate capital formation along with following the statute to consider investor protection, competition, efficiency, and capital formation in rulemakings.

Q.43. Do you agree that policymaking should be done through notice and comment rulemakings in accordance with the Administrative Procedure Act, not through guidance, no-action letters, and enforcement actions?

A.43. I understand the Commission's statutory obligations under the Administrative Procedure Act. I also believe that guidance and no-action letters can play an important role in getting timely information out to market participants that provides clarity and reduces compliance costs.

Q.44. Do you agree with FTC Commissioner Rohit Chopra's testimony at your joint nomination hearing that guidance issued by Federal agencies should not impose obligations on regulated parties?

A.44. I understand the Commission's statutory obligations under the Administrative Procedure Act. I also believe that guidance and no-action letters can play an important role in getting timely information out to market participants that provides clarity and reduces compliance costs.

Q.45. In June 2020, the U.S. Court of Appeals for the D.C. Circuit struck down the SEC's fee cap pilot project. If confirmed, can you commit to developing guardrails that govern the SEC's use of pilot projects to prevent a similar outcome in the future?

A.45. If confirmed, I look forward to discussing the subject with SEC staff and Commissioners. I also look forward to being briefed by the Office of General Counsel on this case, how it progressed through the legal system, and the implications of the court's opinion for future SEC pilot programs.

Q.46. *Enforcement*—In Christopher v. SmithKline Beecham Corp., the U.S. Supreme Court reiterated that "agencies should provide regulated parties fair warning of the conduct a regulation prohibits or requirements." 567 U.S. 142 (2012) (internal quotation marks, brackets, and citation omitted). As SEC Chairman, will you comply with this principle?

A.46. If confirmed, I will abide by all binding precedent consistent with the advice of the Office of the General Counsel at the Commission.

Q.47. Do you agree that the economic effects of corporate penalties often fall on shareholders instead of punishing those who are actually responsible for corporate misdeeds?

A.47. SEC enforcement actions can include penalties against a corporate entity, sanctions against individuals employed by an entity, or measures to prevent certain behaviors and practices. All of these tools should be available to our civil enforcement agencies to be deployed based on the facts and the law of each case.

Q.48. Will you commit to aggressive enforcement against microcap fraud?

A.48. If confirmed, I will endeavor to enforce against all fraud subject to SEC resource constraints

Q.49. Will you commit to aggressive enforcement against brokers and investment advisers who steal their clients' funds?

A.49. If confirmed, I will endeavor to work with SEC staff to enforce against all fraud subject to SEC resource constraints.

Q.50. Do you believe in a "broken windows" theory of enforcement, where all technical violations of SEC rules and regulations automatically trigger an enforcement action?

A.50. As Chair of the CFTC, I had the honor to lead a civil law enforcement agency. We endeavored every day to bring the facts and the law together in front of courts and hold people accountable. I believe it is essential that our regulations be backed by enforcement that is tough but fair. If confirmed, in choosing where to focus our limited enforcement resources, I would prioritize those actions that can be most effective in protecting the integrity of our capital markets and in ensuring that our most vulnerable retail investors are not taken advantage of. In making those decisions, I would work closely with, and rely heavily on, the judgement of the agency's very capable professional examinations and enforcement staff.

Q.51. Can you promise to work with other financial regulators to create a single bad actor database for enforcement actions?

A.51. If confirmed, I look forward to working with other financial regulators and self-regulatory organizations such as FINRA on this matter.

Q.52. Can you commit to reviewing the Rule 10b5-1 safe harbor for sales by insiders?

A.52. If confirmed, I look forward to working with fellow Commissioners and SEC staff to consider modernizing this provision.

Q.53. *Public Company Accounting Oversight Board (PCAOB)*—By statute (15 U.S.C. §7211(e)(1)), PCAOB members must be "appointed from among prominent individuals of integrity and reputation who have a demonstrated commitment to the interests of investors and the public, and an understanding of the responsibilities for and nature of the financial disclosures required of issuers, brokers, and dealers under the securities laws and the obligations of

accountants with respect to the preparation and issuance of audit reports with respect to such disclosures." If confirmed, will you ensure that all appointments to the PCAOB Board clearly have these qualifications?

A.53. If confirmed, I will follow all applicable laws in appointing persons to the PCAOB Board.

Q.54. Traditionally, the SEC has taken recommendations from all of the SEC Commissioners on appointments to the Public Company Accounting Oversight Board (PCAOB). This helps ensure that the PCAOB works by consensus and that appointees have the relevant experience necessary to succeed as a PCAOB member. If confirmed, do you promise to take this approach for all appointments to the PCAOB Board?

A.54. If confirmed, I would consult with fellow Commissioners with regard to potential appointments to the PCAOB.

Q.55. *Small Businesses*—The Regulatory Flexibility Act (RFA) requires Federal agencies, including the SEC, to consider the effects of rules on "small entities" and consider whether alternative approaches could minimize the harm to small entities. The SEC has nine different definitions of the term "small entity" to cover different types of SEC-regulated entities. These definitions generally rely on revenue-based dollar thresholds. The SEC last updated six of these definitions in 1982. The SEC updated one definition in 1986, and two definitions in 1998. For example, while the SEC definition of "small entity" for an investment adviser is having less than $25 million of assets under management (AUM), the Dodd–Frank Act raised the minimum amount of AUM to $100 million in order to register with the SEC. Due to these outdated definitions, the SEC routinely argues that its rules do not impact small entities under the RFA. If confirmed, will you update these definitions, so that the SEC's impact analysis on small business in rulemaking is meaningful?

A.55. If confirmed, as part of the process of updating existing regulations, I believe it is appropriate to consider any applicable exemptions to assess their impact on market participants, including both issuers and investors.

Q.56. If confirmed, will you promise to tailor rules and compliance dates for small businesses, where appropriate?

A.56. If confirmed, when designing regulations, I believe it is appropriate to consider the risks posed by regulated entities on the basis of their size and complexity.

Q.57. *SEC Management Practices*—If confirmed, will you continue to provide SEC Commissioners with at least 30 days to review drafts of nonenforcement matters, as is current SEC practice?

A.57. If confirmed, I will provide fellow Commissioners with a reasonable opportunity to review drafts of nonenforcement matters. Commissioners may require more or less than 30 days, depending on the facts and circumstances of the matter being considered.

Q.58. If confirmed, will you continue to have weekly one-on-one meetings with each SEC Commissioner, as was practice under Chair Mary Jo White and Chairman Jay Clayton?

A.58. If confirmed, I look forward to working collaboratively with my fellow Commissioners and meeting with them frequently to maintain productive relationships and advance the work of the Commission.

Q.59. What approach will you take to finalizing the long-term lease for the SEC headquarters office?

A.59. My understanding is that the matter is the subject of confidential negotiations between the SEC and GSA, who are reviewing various potential real estate options. If confirmed, I will work with the SEC staff and GSA to get up to speed on this and to finalize the lease.

Q.60. *Short Selling*—Do you believe that short sellers generally contribute to price discovery in the marketplace, and also help reduce fraud?

A.60. Short selling has long been a fundamental part of markets, contributing to liquidity and the price discovery of securities and other financial assets. Short sellers also can identify potential problems within market participants. It was a short seller, for example, who first raised questions about Enron's accounting. There is also a potential, unfortunately, for abuses related to short selling, as there is with any market transaction.

Q.61. If confirmed, do you promise to not take any action that would make short-selling either illegal or impractical?

A.61. If confirmed, my focus with regard to short-selling would be on addressing fraud, manipulation and transparency in the furtherance of the SEC mission to protect investors, maintain fair, orderly, and efficient markets and facilitate capital formation.

Q.62. *Consolidated Audit Trail*—As the SEC continues to implement the Consolidated Audit Trail (CAT), will you commit that the CAT will not contain any personally identifiable information (PII) of investors?

A.62. I understand that the SEC under Chairman Clayton adopted rules to restrict the personally identifiable information in the Consolidated Audit Trail, namely restricting the date of birth and redaction of Social Security numbers, individual tax identification numbers, and account numbers. If confirmed I'd work with the SEC commissioners and staff to examine remaining issues, particularly the rule proposed on a unanimous basis last summer that pertains to data security.

Q.63. If you cannot commit to the exclusion of PII from the CAT database, will you commit the SEC to notifying each person whose PII is disclosed in the event of a CAT data breach?

A.63. Data security is of the utmost importance in the implementation of the CAT and I will continue to work with the SEC commissioners and staff to work through outstanding issues related to data security.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR MENENDEZ FROM GARY GENSLER

Q.1. Section 13(d) of the Securities Exchange Act of 1934 requires investors who become the beneficial owners of more than five percent of an issuer's equity securities to report certain identifying information to the SEC. But if undisclosed or disclosed without sufficient information, such ownership stakes could undermine the security, transparency, and fairness of our capital markets.

How do you believe the SEC should monitor equity markets to ensure that foreign investors are not accumulating significant shares in public companies, especially in the media and technology sectors, without filing the requisite disclosures?

A.1. The Commission has a number of mechanisms to monitor investors', including foreign investors', acquisition of significant ownership of public company stock. I believe that transparency is essential to well-functioning capital markets and, if confirmed, will work to ensure compliance with SEC regulations to promote market transparency.

Q.2. How would you propose to strengthen SEC enforcement in this area?

A.2. As Chair of the CFTC, I was honored to lead a civil law enforcement agency which endeavored every day to bring the facts and the law together in front of courts and held people accountable. If confirmed, I will bring this same commitment to accountability to the SEC.

Q.3. Section 956 of Dodd–Frank requires the OCC, the Federal Reserve, FDIC, NCUA, FHFA, and the SEC to jointly propose a rule to prevent executive compensation plans that encourage excessive risk in our financial system and threaten a repeat the events of the 2008 crisis. That rule is now 10 years overdue.

If confirmed, will you make it a priority to finish the work of Dodd–Frank and finalize this rulemaking?

A.3. If confirmed, I will work with fellow commissioners, SEC staff and counterparts at other financial regulators to complete all rulemakings directed by Congress. While serving as the Chairman of the CFTC, we were able to finalize our congressionally-directed rulemakings related to Title VII in a timely and often bipartisan manner. If confirmed, I will consult with my counterparts to move forward on the joint mandates given to us by statute to issue a rule addressing compensation plans that encourage excessive risk in our financial system.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR TESTER FROM GARY GENSLER

Q.1. *Oversight and Enforcement*—How do you plan to approach the oversight role at the SEC?

A.1. As Chair of the CFTC, I had the honor to lead a civil law enforcement agency. We endeavored every day to bring the facts and the law together in front of courts and hold people accountable. I believe it is essential that our regulations be backed by enforcement that is tough but fair. If confirmed, in choosing where to

focus our limited enforcement resources, I would prioritize those actions that can be most effective in protecting the integrity of our capital markets and in ensuring that our most vulnerable retail investors are not taken advantage of. In making those decisions, I would work closely with, and rely heavily on, the judgment of the agency's very capable professional examinations and enforcement staff.

Q.2. *Investment Opportunities for Individuals and Investments Outside of Traditional Hubs*—What are your views on the changing volume and size of IPOs? Are you concerned about access for individual investors and retirement savers? Does this shift result in declining opportunity for average Americans seeing the benefits of companies growing and doing well?

A.2. SEC rules encourage a vibrant environment where companies can raise money in both private and public markets, as appropriate for their particular needs and consistent with investor protections. Changes in markets, technology, and capital formation rules may alter the mix of public and private capital formation over time. If confirmed, I look forward to working with fellow commissioners and SEC staff, including the Investor Advocate and Office of the Advocate for Small Business Capital Formation, to continue to evaluate how to best foster both public and private forms of capital formation while protecting investors and maintaining fair, orderly and efficient markets.

Q.3. What impact does this have on rural America? Both on individuals and on the investment of dollars in the middle of the country?

A.3. If confirmed, I will work to advance the mission of the SEC to protect investors; maintain fair, orderly, and efficient markets; and facilitate capital formation. Working through the Office of the Advocate for Small Business Capital Formation, we can take steps to raise awareness of these options, particularly in those regions and for those companies that are at greatest need.

Q.4. *LIBOR Transition*—I have been hearing from businesses, borrowers, and other participants in the marketplace concerning existing contracts with LIBOR written into their terms but that extend beyond when LIBOR will be published, including beyond the Fed's extended timeline.

Do you think the parties to these contracts would benefit from the certainty from Congress on these contracts moving forward?

A.4. As I understand it, the transition to a new benchmark rate away from LIBOR is being led by the Federal Reserve Board and New York Federal Reserve Bank in consultation with other financial regulators, including the SEC. Many of the financial institutions that are affected by the transition are regulated by the SEC along with other regulators, including the Federal Reserve. If confirmed, I look forward to working with my fellow regulators to assist this transition and plan to engage with the Federal Reserve Board and New York Federal Reserve Bank to see what the SEC can do to facilitate the transition broadly across the financial sector.

I defer to Congress on whether new legislation should be enacted to support that transition, however, if confirmed, I would have the SEC staff provide technical assistance on any such draft legislation as desired.

Q.5. *Remaining Dodd–Frank Rulemakings*—The SEC still has a number of outstanding Dodd–Frank Rulemakings, some proposed and some that haven't made it that far.

Do you plan to prioritize outstanding rulemakings?

A.5. If confirmed, I will work with fellow commissioners and SEC staff to complete all rulemakings directed by Congress. While serving as the Chairman of the CFTC, we were able to finalize our statutorily directed rulemakings related to Title VII in a timely and often bipartisan manner.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR WARREN FROM GARY GENSLER

Q.1. Earlier this year, I sent a letter to Acting SEC Chair Alison Herren Lee regarding the recent market volatility related to huge swings in the price of GameStop's shares.[1] In my letter, I asked the SEC for more information about the dramatic share price swings and whether they represented a "fair, orderly, and efficient" market function.[2] In a letter last month, the Commission stated that the events are still being analyzed, but that the SEC staff is "diligently examining the causes of the recent dramatic shifts."[3]

The SEC response also noted that the full implementation of the Consolidated Audit Trail (CAT) should be completed in 2022. The CAT would be a real-time tracking system to enhance regulators' efforts to oversee U.S. markets by collecting data about securities quotes and orders and allow the SEC to understand trading practices. Without the CAT and other tools to more quickly analyze trading data, the SEC was unnecessarily delayed in reporting on what caused the May 2010 Flash Crash to U.S. markets.[4] Federal regulators took seven months to analyze and publicly report the causes of the Flash Crash, and it took an additional 5 years to analyze and publicly report that a London-based trader played a significant role in the crash.[5]

What are the risks to the market if the SEC does not have fully implemented tools to quickly, efficiently, and accurately track information about trades in the event of another Flash Crash?

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[1] Office of Senator Warren, "NEW THIS AM: Warren Calls on the SEC to Address Stock Market Gamesmanship Amid Volatile GameStop Trades," press release, January 29, 2021, *https://www.warren.senate.gov/newsroom/pressreleases/new-this-am-warren-calls-on-the-sec-to-address-stock-market-gamesmanship-amid-volatile-gamestoptrades*; Letter from Senator Warren to Securities and Exchange Commission Acting Chair Alison Herren Lee, January 29, 2021, *https://www.warren.senate.gov/imo/media/doc/01.29.2021%20Letter%20from%20Senator%20Warren%20to%20Acting%20Chair%20Lee.pdf*.

[2] Id.

[3] Letter from Securities and Exchange Commission Acting Chair Alison Herren Lee to Senator Warren, February 25, 2021.

[4] Reuters, "Factbox: After the Flash Crash, Changes to U.S. Markets", Jonathan Spicer, September 1, 2011, *https://www.reuters.com/article/us-financial-regulation-algos-factbox/factbox-after-the-flash-crash-changes-to-us-markets-idUSTRE7806QS20110901*.

[5] Reuters, "SEC Urges Completion of Long-Delayed Trading Database", John McCrank, August 27, 2018, *https://www.reuters.com/article/us-usa-stocks-regulation-cat/sec-urges-completion-of-long-delayed-tradingdatabase-idUSKCN1LC2FA*.

A.1. The CAT, once fully up and running, will be a valuable tool for the SEC to help maintain fair, orderly, and efficient markets. The Flash Crash of 2010 and recent market turmoil highlight the need for accurate and timely market data. The absence of tools to quickly, efficiently, and accurately track information about trades could undermine the Commission's ability to assess and respond to market events in a timely manner." I share the commitment of former SEC chairs in both Republican and Democratic administrations to make sure the CAT is fully implemented. I also understand that the CAT is a complex project involving multiple stakeholders. If confirmed, I will work with my fellow Commissioners, SEC staff and market participants to move the development of the CAT forward while working to ensure the security and confidentiality of information collected.

Q.2. Last year, I introduced S. 2155, the Stop Wall Street Looting Act of 2019, to reform the private equity industry and end abusive leveraged buyouts.[6] Private equity transactions are fueled by risky loans that are immediately securitized and sold.[7] A provision in my bill would help protect the economy from risks stemming from excessive debt imposed on private equity firms' target companies. It would require arrangers of corporate loan securitizations to retain risk by clarifying that managers of collateralized debt obligations are subject to risk retention requirements established in the Dodd–Frank Wall Street Reform and Consumer Protection Act.[8]

How, if at all, you would you mitigate risky corporate lending and the ability of lenders to spread irresponsible private equity debt across financial institutions? How would you ensure that regulators have the appropriate information to assess the exposure of financial markets to leveraged loans?

A.2. If confirmed, I look forward to working with other members of the Financial Stability Oversight Council on leveraged lending, particularly exposures in the non-bank sector where information is less readily available. In addition, I look forward to working with my fellow Commissioners and SEC staff, if confirmed, to examine asset-back security rules in light of recent market developments, including in relation to securitization of leveraged loans and loan portfolios.

Q.3. In September, I wrote a letter to then-Chair Clayton regarding troubling reports of inflated bond ratings and the perverse incentives within the bond rating industry and urged the SEC to take immediate action to protect the economy from risky lending propped up by conflicts of interest between bond issuers and rating agencies. My letter described the flows in the incentive structures of bond ratings firms' through the "issuer-pays" model used by major firms like S&P and Moody's. Under the issuer-pays model,

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[6] Office of Senator Warren, "Warren, Baldwin, Brown, Pocan, Jayapal, Colleagues Unveil Bold Legislation to Fundamentally Reform the Private Equity Industry," July 18, 2019, *https://www.warren.senate.gov/newsroom/press-releases/warren-baldwin-brown-pocan-jayapal-colleaguesunveil-bold-legislation-to-fundamentally-reform-the-private-equity-industry.*

[7] *Washington Post*, "The Shadow Banks Are Back With Another Big Bad Credit Bubble", Steven Pearlstein, May 31, 2019, *https://www.washingtonpost.com/business/economy/the-shadow-banks-are-back-with-another-big-badcredit-bubble/2019/05/31/a05184de-817a-11e9-95a9-e2c830afe24f-story.html.*

[8] Securities and Exchange Commission, "Asset-Backed Securities," October 23, 2014, *https://www.sec.gov/spotlight/dodd-frank/assetbackedsecurities.shtml.*

bond issuers pay the agencies for their assessments of the products they hope to sell, ultimately giving the rating firms an incentive to give better ratings, regardless of the risk, since bond issuers might otherwise go to their competitors.[9] In Chair Clayton's November response, he stated that the Commission shared my concerns about conflicts of interest in rating agency compensation models and said that the Commission was awaiting recommendations or advice from various advisory committees.[10] Chair Clayton's response also referenced some work that the SEC has done to respond to the conflicts of interest in the issuer-pays model.[11] An August *Wall Street Journal* report, however, stated that "Inflated bond ratings were one cause of the financial crisis. A decade later, there is evidence they persist. In the hottest parts of the booming bond market, S&P and its competitors are giving increasingly optimistic ratings as they fight for market share."[12]

In your view, have the SEC's efforts to respond to the bond ratings agencies' conflicts of interest successfully prevent them from artificially inflating bond ratings? If not, what would you do as chair to strengthen the SEC's efforts?

A.3. Weaknesses at credit rating agencies contributed to the 2008 financial crisis as the "issuer pays" model led to conflicts and potentially misaligned incentives. If confirmed, I will work with fellow commissioners and SEC staff to examine the Nationally Recognized Statistical Ratings Organization regulatory framework implemented by the Commission pursuant to the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010.

Q.4. The most recent volume of the National Climate Assessment, a scientific report issued by 13 Federal agencies in November 2018, stated that climate change may cause losses of up to 10 percent of the U.S. economy by 2100.[13] Additionally, a 2015 report from The Economist Intelligence Unit wrote that, of the world's current stock of manageable assets, the expected losses due to climate change are valued at $4.2 trillion by the end of the century.[14] Last year, I asked then-Chair Clayton whether the SEC has a mandatory, uniform standard for climate risk so that investors can compare companies head-to-head.[15] He declined to answer my question directly, instead broadly stating that the SEC has a materiality standard.[16] In an October letter, he also stated that "investors must have the information necessary to understand the material risks posed to an

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[9] Council on Foreign Relations, "The Credit Rating Controversy", CFR Staff, February 19, 2015, *https://www.cfr.org/backgrounder/credit-rating-controversy.*

[10] Letter from Securities and Exchange Commission Chairman Jay Clayton to Senator Warren, November 21, 2019.

[11] Id.

[12] *Wall Street Journal*, "Inflated Bond Ratings Helped Spur the Financial Crisis. They're Back", Cezary Podkul and Gunjan Banerji, August 7, 2019, *https://www.wsj.com/articles/inflated-bond-ratings-helped-spur-the-financialcrisis-theyre-back-11565194951.*

[13] *New York Times*, "U.S. Climate Report Warns of Damaged Environment and Shrinking Economy", Coral Davenport and Kendra Pierre-Louis, November, 23, 2018, *https://www.nytimes.com/2018/11/23/climate/usclimate-report.html.*

[14] The Economist Intelligence Unit, "The Cost of Inaction", 2015, p. 41, *https://eiuperspectives.economist.com/sites/default/files/The%20cost%20of%20inaction-0.pdf.*

[15] Office of Senator Warren, "Senator Warren to SEC Chairman Clayton: You Have Done Nothing To Protect the Economy From Climate Change Risks", press release, November 17, 2020, *https://www.warren.senate.gov/newsroom/press-releases/senator-warren-to-sec-chairman-clayton-you-havedone-nothing-to-protect-the-economy-from-climate-change-risks.*

[16] Id.

issuer's business and financial performance."[17] Furthermore, last summer, 40 major investors who collectively manage over a trillion dollars in assets joined with nonprofits, businesses, and former regulators in sending the SEC a letter arguing that the climate crisis is material and a systemic threat to our economy and asking the Commission to mandate corporate climate risk disclosure.[18]

During your confirmation hearing, I asked you whether there are any reasons as to why companies should be able to hide their climate risks from their investors, and you responded that "I think that particularly material—materiality is a point here—but no, they should not be able to hide their risks."[19]

Please elaborate on this point. Do you believe it would be useful for investors to understand public companies' contributions to greenhouse gas emissions and their exposure in the event of a government- or market-mandated transition towards a lower carbon economy?

A.4. If confirmed, materiality will guide my decisions as SEC Chair regarding to disclosure requirements under the Federal securities laws. The Supreme Court has held that information is material if there is a "a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the 'total mix' of information made available." If confirmed, I will follow the law with respect to policies that come before the Commission related to disclosure. There is significant and growing investor interest in climate disclosures, and many companies already publish information about how climate risks affect their business. If confirmed, I will examine existing frameworks for disclosure, with an eye towards minimizing any compliance burden for issuers while providing investors with the material information they need for investment decisions. The best course for the SEC to accomplish that goal is by taking an approach that listens to all stakeholders and following all legal obligations for stakeholder feedback under the Administrative Procedure Act and other laws.

Q.5. It has been reported that the SEC has opened an investigation into whether Boeing made materially false statements about its finances in relation to the devastating Boeing 737 Max crashes in Indonesia and Ethiopia that killed hundreds. The parents of one of the victims are my constituents. They lost their daughter, 24-year-old Samya Stumo, in the second crash while she was traveling in East Africa for lifesaving work in public health. To date, despite the many investigations of what went wrong, there has been no accountability for top management at Boeing. The Justice Department entered into a Deferred Prosecution Agreement with Boeing that placed all the blame at the feet of two low-level pilots, thereby

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[17] Letter from Securities and Exchange Commission Chairman Jay Clayton to Senator Warren, October 13, 2020.

[18] *New York Times*, "Climate Change Poses 'Systemic Threat' to the Economy, Big Investors Warn", Christopher Flavelle, July 21, 2020, *https://www.nytimes.com/2020/07/21/climate/investors-climate-threat-regulators.html.*

[19] Office of Senator Warren, "At Banking Hearing, SEC Nominee Gensler Commits to Efforts Recommended by Warren To Protect Investors and Make Markets More Honest and Transparent", March 2, 2021, *https://www.warren.senate.gov/newsroom/press-releases/at-banking-hearing-sec-nominee-gensler-commits-toefforts-recommended-by-warren-to-protect-investors-and-make-markets-more-honest-and-transparent.*

shielding the senior executives from responsibility. I welcome the SEC investigation because it could provide our first opportunity to find out what high-level officials knew and when they knew it; and to hold them accountable for any wrongdoing that occurred.

If you are confirmed, will you commit to keeping this committee informed of the progress of the investigation, within the bounds of your legal responsibilities?

Will you follow the facts wherever they go?

Will you commit that you will not negotiate a deal with Boeing that exculpates senior management, unless that is where the facts lead?

A.5. As Chair of the CFTC, I was honored to lead a civil law enforcement agency that endeavored every day to bring the facts and the law together in front of courts and held people accountable. While I am not able to prejudge any individual case and am bound by the law in terms of the confidentiality of enforcement proceedings, if confirmed, I will bring this same commitment to accountability to the SEC.

Boeing may not have been forthcoming with its investors about the financial impact of the crashes. In 2020, the company disclosed, initially, $6 billion in costs, and by the end of 2020, a total of $9.1 billion. In January 2021, Boeing said the total costs for 737 Max would surpass $18 billion, more than 3 times the initial disclosure. And Boeing's management bled these accumulating billions from operations, not management compensation. If Boeing had had to come clean about that amount—which may still go up—its management might have been forced to take a haircut on executive compensation.

On the contrary, the Boeing Board did the opposite of penalizing its directors or executives for the company's safety failures or for its material misrepresentations. For example, instead of firing then- CEO Dennis Muilenburg, he was allowed to "retire" and take with him an extra $38 million. As I understand it, between 2011 and 2019, Muilenburg received more than $120 million in compensation for his roles at Boeing.

Q.6. Will you commit to take appropriate action against Boeing executives if you find that they illegally misled investors about the financial impact of the crashes on the company?

A.6. While I am not able to prejudge any individual case and am bound by the law in terms of the confidentiality of enforcement proceedings, if confirmed, I will uphold the enforcement mission of the SEC as set forth by Congress. My enforcement philosophy is that it is the agency's responsibility to follow the facts and the law where they take you and to stamp out fraud and manipulation in the markets.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR VAN HOLLEN FROM GARY GENSLER

Q.1. Congress has provided the SEC with authority to set its own pay and benefits in order to attract and retain a top-notch workforce that could otherwise work for big Wall Street firms. During the Trump administration, pay adjustments at the SEC were rel-

atively low, as they were throughout the Federal workforce. This shift had a concerning negative effect on SEC employee morale, as reflected in the responses of SEC employees to the Federal Employee Viewpoint Survey. Will you commit to working with the employees of the SEC and their union on the subject of pay and benefits to ensure that the SEC is able to recruit and retain the workforce needed to protect American investors and capital markets?

A.1. If confirmed, I will work with the Office of Human Resources and the SEC staff, including the SEC employee bargaining unit, to ensure that the agency is able to recruit and retain the workforce needed to fulfill the agency's mission within the legal and budgetary constraints set by Congress.

Q.2. Investors and financial analysts are increasingly calling for disclosure of key financial information on a country-by-country basis, and there is growing worldwide momentum towards requiring disclosure of this information. In the European Union, negotiations are proceeding to require country-by-country reporting, and this was also endorsed recently by the United Nations High-Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda. Country-by-country reporting is also among the voluntary standards set by the Global Reporting Initiative.

Country-by-country reports would shine a light on the use of tax havens, and whether the U.S. tax code is giving companies an incentive to ship jobs overseas—a major concern of mine following the enactment of the 2017 tax law. Big corporations already report country-by-country financial information to the IRS under an international OECD framework, but the reports are not public. My legislation, the Disclosure of Tax Havens and Offshoring Act, would require SEC disclosures to include country-by-country financial reports that are in line with U.S. and international standards.

As SEC Chairman, will you commit to working with us to consider the SEC's requirements as they relate to country-by-country reporting?

A.2. If confirmed, materiality will guide my decisions as SEC Chair related to disclosure requirements under the Federal securities laws. The Supreme Court has held that information is material if there is a "a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the 'total mix' of information made available." If confirmed, I look forward to learning more about this issue and working with you and others in Congress and to understand what is possible within the authorities of the SEC.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR SINEMA FROM GARY GENSLER

Q.1. If confirmed, how engaged will you be with the activities of the Financial Stability Oversight Council? What unique perspective will active SEC engagement provide in advancing the FSOC's mission?

A.1. The Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 entrusts the Financial Stability Oversight Council

with the mission of identifying risks to the financial stability of the United States; promoting market discipline; and responding to emerging risks to the stability of the United States' financial system. If confirmed, I will bring the perspective of the primary regulatory agency which I represent, the SEC, to all of the activities of the FSOC, including internal deliberations, risk monitoring and voting decisions. My career in financial markets, including my previous experience in the private sector and in state and Federal Government, along with my research from MIT, will inform my work on the Council.

Q.2. If confirmed, how will you approach the issue of ESG disclosures by public companies?

Do you believe that ESG disclosures need to be mandatory in order for them to be effective?

A.2. If confirmed, materiality will guide my decisions as SEC Chair related to disclosure requirements under the Federal securities laws. The Supreme Court has held that information is material if there is a "a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the 'total mix' of information made available." In some instances, mandatory disclosures that provide for clear, consistent and comparable information may best inform investor decision-making and may reduce compliance costs for issuers. In other instances, individualized determinations of materiality, voluntary disclosures or the shareholder proposal process may be more effective at meeting investor and issuer needs.

Q.3. If confirmed, how will you navigate the existing EU framework on climate risk disclosures when considering a potential U.S. framework?

A.3. There are a wide range of climate risk disclosure frameworks that have been developed by international governments and private sector actors. If confirmed, I will examine existing frameworks for disclosure, including the EU framework, with an eye towards minimizing any compliance burden for issuers while providing investors with the material information they need for investment decisions. The best course for the SEC to accomplish that goal is by taking an approach that listens to stakeholders and following the legal obligations for stakeholder feedback that apply under the Administrative Procedures Act and other laws.

Q.4. The transition from LIBOR to SOFR continues to be a subject of interest. If confirmed, what actions will you take to facilitate this transition in portions of the market where adoption has been slow or nonexistent?

A.4. As I understand it, the transition to a new benchmark rate away from LIBOR is being led by the Federal Reserve Board and New York Federal Reserve Bank in consultation with other financial regulators, including the SEC. Many of the financial institutions that are affected by the transition are regulated by the SEC along with other regulators, including the Federal Reserve. If confirmed, I look forward to working with my fellow regulators to assist this transition and plan to engage with the Federal Reserve Board and New York Federal Reserve Bank to see what the SEC

can do to facilitate the transition broadly across the financial sector.

Q.5. If confirmed, will you commit to finalizing outstanding Dodd–Frank Title VII regulations on market transparency, clearing, and trading?

A.5. If confirmed, I will work with fellow commissioners and SEC staff to complete all rulemakings directed by Congress. While serving as the Chairman of the CFTC, we were able to finalize our congressionally directed rulemakings related to Title VII in a timely and often bipartisan manner.

Q.6. If confirmed, what factors will you consider when evaluating a potential Bitcoin ETF?

Under what circumstances would one be approved?

A.6. It is critical that regulators and regulations keep pace with changing technology, and that includes the burst of growth of new financial technology—including cryptocurrencies—in the last decade. I have spent the last several years at MIT studying this field, and I believe financial technology can be a powerful force for good-but only if we continue to harness the core values of the SEC in service of investors, issuers, and the public. Without prejudging any specific proposals that I may or may not consider at the Commission, if confirmed, I look forward to learning more about nascent products such as potential Bitcoin ETFs and to discussing the staff's regulatory decisions on these matters over the preceding few years.

Q.7. How can the SEC provide more regulatory clarity with respect to digital assets?

A.7. It is my understanding that the SEC's FinHub and division directors have provided guidance on this subject. If confirmed, I look forward to discussing with fellow commissioners and the SEC staff the full range of actions we might take to provide additional clarity regarding these new assets.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR CRAPO FROM GARY GENSLER

Q.1. In June 2019, the SEC adopted a package of rulemaking and interpretations known as the Regulation Best Interest rule, which struck an appropriate balance of increasing transparency in investors' relationships, while preserving access to advice and investment products.

If confirmed, would you uphold the Regulation Best Interest rule, as written?

A.1. When investors turn to financial professionals for advice and recommendations about their investments, advice that may be critical to their retirement security or their ability to fund a child's college education, they deserve advice that serves their best interests. If confirmed, I will work with my colleagues and the Commission staff to ensure that the Regulation Best Interest rule, as interpreted and enforced by the SEC, lives up to its best interest label.

Q.2. With regard to cryptocurrency, do you believe that the current regulatory framework provides sufficient predictability and certainty for market participants?

A.2. I have spoken before of the potential of blockchain technology and cryptocurrencies to serve as a catalyst for change. To the extent that someone is offering a crypto token which is an investment contract or security that's under the SEC's remit, the SEC has a responsibility to ensure investors are adequately protected. Some cryptocurrency tokens have been deemed to be solely a commodity, as Bitcoin has been, and are within the purview of the CFTC. If confirmed, I would look forward to fostering an environment that is supportive of financial innovation while also ensuring that investors are protected, markets are fair, orderly and efficient, and capital formation is facilitated. As cryptocurrency technology evolves, it's important to stay true to our principles of investor protection and at the same time, be technology neutral.

Q.3. The proxy voting process was a focus of the SEC under Chairman Clayton, as there were valid concerns regarding the misuse of this process and other aspects of corporate governance to prioritize environmental, social or political agendas over the economic interests of endinvestors. Last year, the SEC adopted a final rule, which acknowledges the important role proxy advisors play in the corporate governance ecosystem, while instituting new policies increasing transparency and allowing companies to correct errors in voting recommendations.

Do you agree it is important that institutional investors ensure that retail investors' interests are being reflected in voting decisions?

If confirmed, would you uphold the reforms made through the final Proxy Advisor Rule finalized last year?

A.3. I agree with the Commission's guidance that when investment advisers exercise proxy voting authority on behalf of their clients their fiduciary duties to act with loyalty and care extend to their exercise of voting decisions (17 CFR Parts 271 and 276.) If confirmed, I would work with fellow commissioners and SEC staff to understand the Proxy Advisor rules better, to see whether they addressed the potential conflicts of interest at the least costs for market participants, and determine its impact on achieving the mission of the agency.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR SCOTT FROM GARY GENSLER

Q.1. As you know, the SEC adopted its landmark Regulation Best Interest and Form CRS requirements less than two years ago. Reg BI put in place strong protections for investors; for example, extending investment advice protections to 401(k) rollover discussions, while seeking to preserve the broker-dealer and investment adviser business models. I believe it also struck the right balance in ensuring advice is accessible and affordable.

What are your preliminary thoughts on the current set of rules governing investment advice?

If confirmed as Chair, how will you ensure that the Commission's administration and interpretation of Regulation Best Interest continue to ensure that small and moderate balance savers enjoy both the enhanced protections of Reg BI and access to commission based services?

A.1. When investors turn to financial professionals for advice and recommendations about their investments, advice that may be critical to their retirement security or their ability to fund a child's college education, they deserve advice that serves their best interests. If confirmed, I will work with my colleagues and the Commission staff to ensure that the Regulation Best Interest rule, as interpreted and enforced by the SEC, lives up to its best interest label.

If confirmed, I would work with our regulatory partners at FINRA, the states, and Department of Labor to ensure that our regulations live up to their best interest label and guard against harmful incentives that may conflict with that standard.

Q.2. Reg BI became effective in June 2020. Since then, the SEC has been actively examining firms for compliance and continuing to issue interpretive guidance. Given these considerations, I believe it makes good common and practical sense to let Reg BI's implementation play-out over the course of the next several years—rather than subjecting it to any significant modification or even rescission in the near term.

If confirmed as Chair, will you commit to allowing the SEC to examine the full effect of Reg BI and Form CRS?

A.2. If confirmed, I will work with my colleagues and the Commission staff to ensure that the standard, as interpreted and enforced by the SEC, lives up to its best interest label.

Q.3. The Securities and Exchange Commission is a member of both the Financial Stability Board (FSB) and The International Organization of Securities Commissions (IOSCO). The FSB is active on many matters of financial policy given its broad mandate to promote international financial stability. The FSB's membership primarily includes central bankers that provide a macro-perspective; by contrast standard-setters like IOSCO, the global standard setter for the securities sector, provide more technical expertise on issues.

In general, what do you believe is the role of international standard setting bodies like FSB and IOSCO?

A.3. Participation in international standard setting bodies provides an opportunity for domestic regulators to learn from, consult with and coordinate on cross border issues with their counterparts in other jurisdictions.

Q.4. Do you believe the Chair of the SEC has a responsibility to advocate for the U.S. regulatory and legal structure as part of the standard-setting process of the FSB and IOSCO?

A.4. Where international standards can contribute to the SEC's attainment of its mission to protect investors; maintain fair, orderly, and efficient markets; and facilitate capital formation, I believe it is the responsibility of the SEC Chair to engage proactively in conversations with the FSB and IOSCO.

Q.5. What role, if any, do you believe the FSB has in establishing technical standards, including disclosure standards, for the securi-

ties sector? Do you believe IOSCO is better equipped to establish standards for the securities sector?

A.5. Collaboration with international regulators through the FSB and IOSCO can contribute to the SEC's three part mission. International standards can help ensure investor access to consistent, comparable data that they can efficiently integrate into their investment processes. At the same time, it is important that any standards for market participants integrate the unique features of our domestic market, legal and regulatory infrastructure and the needs of local investors and issuers.

Q.6. Do you agree that the U.S. is not legally obligated to adopt any standard developed by the FSB, IOSCO, or any other international standard setting body?

A.6. Yes, standards are not binding. The SEC can agree to adopt a standard subject to the scope of the Commission's authority and the Administrative Procedure Act.

Q.7. Do you agree that if the U.S. were to follow an international standard that it would be your obligation as the chair of the Commission to ensure that the SEC first conducts a sound economic analysis and that the standard is appropriately tailored so that it is workable and effective in the U.S.?

A.7. If confirmed, I will adhere to the three part mission of the SEC and the requirements of the Administrative Procedure Act for all rules promulgated by the SEC. If confirmed, any rulemaking of the SEC also will take into consideration economic analysis.

Q.8. A lack of competition among incumbent NRSROs has been widely documented as contributing to the 2008 financial crisis. More than 10 years later, as the SEC has noted in its own annual report, competition is still a barrier to entry into this market. Some observers have supported proposals to assign credit ratings on a rotation to existing NRSROs. I am deeply concerned that this would further decrease competition in the ratings sector. Promoting competition among NRSROs helps ensure that investors are protected, and helps prevent the type of failures in ratings by the incumbents that led to the 2008 crisis.

If confirmed as Chair, will you commit to opposing proposals that direct ratings business to NRSROs, or that otherwise suppress competition?

A.8. Promoting competition in the credit ratings agencies, and more broadly in the capital markets, is critically important to the SEC's mission. If confirmed, I am committed to working with Congress, fellow commissioners, and the staff at the SEC to see how we can support and promote competition among credit ratings agencies.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR TILLIS FROM GARY GENSLER

Q.1. When I asked you about a Financial Transaction Tax during your confirmation hearing on March 2, 2021, you stated "I have not studied it in the way that you are talking about." However, in October 7, 2015, CNBC published a story titled "Clinton's campaign

confirmed that the proposal for tax on high-frequency trading was crafted with input from her campaign chief financial officer Gary Gensler." A separate story published in Accounting Today on July 14, 2016 quotes you as saying, "[the Clinton proposal] is designed to address some of the concerns that she's had and many other observers have had, about markets flooded by high-frequency traders . . . "

Have you indeed studied this issue in the past as evidenced by the two articles mentioned above?

Will you commit to only making policy statements on issues you have studied and are grounded in robust cost-benefit analysis?

A.1. As noted at the hearing, in my preparation, I had not studied current proposals for financial transaction tax. Six years ago, I had reviewed a 2015 campaign position related to possible fees that might be placed on high levels of order cancellations that might place a burden on the market. If confirmed, any rulemaking of the SEC will take into consideration economic analysis and will comply with all related requirements in the law.

Q.2. When I asked you about a Financial Transaction Tax during your confirmation hearing on March 2, 2021, your answer was largely on the collection of Section 31 fees collected by the SEC to fund its operations. These fees are designed to recover the costs incurred by the government, including the SEC, for supervising and regulating the securities markets and securities professionals. These fees are not for funding unrelated programs like has been called for by various legislative proposals. Are you concerned that an FTT could be used to fund activities that are entirely unrelated to the efficient functioning of our capital markets?

A.2. Tax policy, and the use of proceeds thereof, is within the purview of the United States Congress and not within the remit of the SEC. If confirmed, I will honor the SEC's obligations to assess and collect Section 31 fees to fund its operations in accordance with the law.

Q.3. It is imperative that the SEC encourage, not hinder, diverse avenues for capital formation that facilitate growth in our capital markets. As the economy continues to recover and grow coming out of the COVID–19 pandemic, how do you see the role of the SEC in enabling the vigorous formation of capital?

A.3. SEC rules encourage a vibrant environment where companies can raise money in both private and public markets, as appropriate for their particular needs and consistent with investor protections. Changes in markets, technology, and capital formation rules may alter the mix of public and private capital formation over time. If confirmed, I look forward to working with fellow commissioners and SEC staff, including the Investor Advocate and Office of the Advocate for Small Business Capital Formation, to continue to evaluate how to best foster both public and private forms of capital formation while protecting investors and maintaining fair, orderly and efficient markets.

Q.4. In a report issued this January, the U.S. Chamber's Center for Capital Markets Competitiveness issued recommendations for promoting innovation in blockchain and digital assets. Do you agree

that more can be done to help to provide clear guideposts and regulatory clarity for industry participants regarding what the law requires of them?

A.4. It is critical that regulators and regulations keep pace with changing technology, and that includes the burst of growth of new financial technology—including blockchain technology and digital assets—in the last decade. I have spent the last several years at MIT studying this field, and I believe financial technology can be a powerful force for good—but only if we continue to harness the core values of the SEC in service of investors, issuers, and the public. If confirmed, I look forward to working with the CFTC, along with other Federal regulators and Congress, to facilitate innovation in the digital asset markets, consistent with established public policy frameworks.

Q.5. In a recent report, DOJ cited at least 7 Federal regulatory bodies having overlapping jurisdictional authority over digital assets (as well as applicable state authorities). Do you believe a framework for digital assets that more clearly demarcates the jurisdictional boundaries of applicable regulatory regimes—taking into account the inherent characteristics of the different digital assets and the transactions and activities they are used for—would be helpful in the U.S.?

A.5. As mentioned in response to Question 4 above, if confirmed, I look forward to working with the CFTC, along with other Federal regulators and Congress, to facilitate innovation in the digital asset markets, consistent with established public policy frameworks.

Q.6. The Registration for Index Linked Annuities Act calls upon the SEC to establish an appropriate registration process for Registered Indexed Linked Annuities (or RILAs) and improve access to this innovative retirement savings product. This bill would require that a new form be designed to specifically register RILAs rather than continue to require the use of forms designed primarily for equity offerings, requiring the disclosure of extensive information that is not relevant to prospective annuity purchasers. Would you commit to have your staff take a look at what's been proposed the Registered Index Linked Annuities Act to see if the actions called for in the legislation can be implemented by the Commission?

A.6. If confirmed, I will look at your legislation to require the SEC to devise a new form for annuity issuers to use when filing registered index-linked annuities and work with SEC staff to see what actions might be taken under existing authorities to streamline compliance while continuing to protect consumers. I understand that the information needed for equity purchasers may be different than for annuity purchasers given the differing profiles and risks of each of the products.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR KENNEDY FROM GARY GENSLER

Q.1. Many companies across the nation already disclose information for investors and stakeholders in their corporate social responsibility (CSR) reports. Additionally, companies utilize a variety of accepted frameworks to report their disclosure obligations, includ-

ing the now well-established Sustainability Accounting Standards Board and the emergent Task Force on Climate-Related Financial Disclosure, for example.

Can you assure me that you will take into account existing frameworks as the SEC considers the imposition of additional disclosure reporting requirements so as to avoid duplication, prevent unnecessary expenditures, and reporting fatigue?

Can you describe what you believe would be the best course at the SEC to accomplish that?

A.1. If confirmed, I will examine all existing frameworks for disclosure with an eye towards minimizing the compliance costs for issuers while providing investors with the material information they need to make investment decisions. The best course for the SEC to accomplish that goal is by taking an approach that listens to stakeholders and following the legal obligations for stakeholder feedback that apply under the Administrative Procedures Act and other laws.

Q.2. I have been very concerned with the SEC's actions regarding the Consolidated Audit Trail (CAT). Specifically, I have focused my efforts on the CAT Customer Database, the largest government database of its kind that will, when fully operational in 2022, capture all customer and order information for equity securities and listed options, costing $75 million annually to run.

This target-rich database will provide more than 3,000 users from the SROs and the SEC with unfettered access to the CAT customer database, and one can only imagine what foreign actors will do once this thing begins to capture tens of millions of records every day and will maintain data on 100 million retail and institutional accounts.

In fact, the hacking of the Solarwinds proprietary network serves as a very recent and sobering example of exactly what we know will happen when the Federal Government is at the helm. This hack is believed to originate in Russia and allowing hackers to spy on U.S. cybersecurity firms and the Department of Homeland Security undetected for months.

It would seem to me that the easiest solution here that protects my constituents in Louisiana and consumers across the country would be to instead receive the information directly from the securities firms when needed and in an expeditious timeframe. The securities industry has proposed this type of expedited system that would allow the data to stay within broker-dealers but would be available upon 24 hours-notice.

Why is that not a better, safer approach? Are you prepared to oversee this database and guarantee it will never be breached?

A.2. Data breaches are a real concern. We saw that when the SolarWinds case came to light and I understand that data at a self-regulatory organization is a target for hackers. I understand that the SEC under Chairman Clayton adopted rules to restrict the personally identifiable information in the Consolidated Audit Trail, namely restricting the dates of birth and redaction of Social Security numbers, individual taxpayer's identification numbers, and account numbers. If confirmed, I'd work with the SEC commissioners and staff to examine remaining issues, particularly the rule pro-

posed on a unanimous basis last summer that pertains to data security.

Q.3. Last year, Congress unanimously passed my "Holding Foreign Companies Accountable Act", which delists companies off the stock exchange if they don't comply with audits by the Public Company Accounting Oversight Board (PCAOB). These audits were created to prevent another ENRON and preserve the integrity of our capital markets system. The SEC has 90 days to promulgate rules for this legislation which passed back in December.

A.3. Investor protection is very important to me. The more information the public has, the better their decision-making process is.

Q.4. Can you think of any good reason why U.S. investors should be exposed to fraudulent companies in China or companies that are arms of the Chinese Communist Party and wish to do harm to the United States?

Chinese stocks also end up in index funds, and some index providers have even been pressured by the Chinese government to include them. Will you commit to examining the conflicts of interest inherent in the index business that can lead to U.S. investors being exposed to fraudulent companies, and will you pressure the exchanges to do more to keep our markets from importing China's fraud?

A.4. U.S. markets should be free from fraud, including fraud originating from abroad or from foreign State-owned enterprises. If confirmed, I will work with the Divisions of Corporation Finance, Investment Management and Enforcement, along with the Office of Chief Accountant to ensure that U.S. investors are not exposed to fraudulent companies, including those from abroad. I also would look forward to working with Congress and the PCAOB on the timely and full implementation of the Holding Foreign Companies Accountable Act.

Q.5. It has now been more than a decade since the collapse of Stanford International Bank Limited (together with its affiliates, "SIB") and R. Allen Stanford's arrest for orchestrating the second-largest Ponzi scheme in United States history. As you know, this $7 billion Ponzi scheme was built on the backs of ordinary, working-class Americans in states such as Florida, Louisiana, and Texas. The vast majority of these individuals have suffered extraordinary pain as their life savings vanished and they reached retirement age in poverty.

As you may know, the evidence strongly indicates that TD Bank aided and abetted Stanford's banking outside the United States. By providing banking services to Allen Stanford without so much as questioning a single transaction in the face of Stanford's suspicious activity, TD Bank helped Stanford defraud thousands of unsuspecting victims.

TD Bank ignored numerous inescapable signs of fraudulent activity: large round sums leaving Stanford's TD Bank accounts; actual investment returns that could not support the unreasonably high CD returns SIB was offering; consistent wire transfers to accounts maintained by entities other than SIB; SIB's limited number of Canadian customers; SIB's correspondent banking services

with another North American banking institution; SIB's location in Antiqua, one of the highest risk jurisdictions in the world known for money laundering; and Stanford's declared bankruptcy and designation as a Politically Exposed Person.

Since the Stanford fraud was exposed, TD Bank has used every legal maneuver and stall tactic to deny victim recoveries. Finally, after 12 years of pain and suffering, a lawsuit in Canada is currently in the trial phase; however, it is clear that TD Bank is not serious about accepting responsibility or bringing an end to this longstanding nightmare. Even if TD Bank loses the Canadian lawsuit, we expect them to exhaust the appeals process as Stanford victims continue to struggle. Their conduct has been truly egregious. As SEC chair, you can play a significant role in helping to facilitate an end of these victims receive their long-awaited recoveries.

The SEC also oversees the receiver appointed in this matter, Ralph S. Janvey. In addition to delivering abysmal results for long-suffering victims (less than 5 cents on the dollar), Mr. Janvey and his legal team at Baker Botts LLP (Baker Botts) have objected to organized victims intervening in litigation against SIB's correspondent banking partners, including TD Bank and Societe Generale Private Banking (SocGen). We were alarmed to learn that the receiver would object to our constituents retaining their own counsel and seeking to participate in litigation against major banks—including TD Bank and SocGen—that appear to have aided and abetted the Stanford empire.

If confirmed, will you commit to using the tremendous influence and power of the SEC to help expedite the generation of meaningful recoveries for victims?

A.5. I am familiar with what happened in the Stanford case and my heart goes out to all of the victims who lost substantial shares of their money due to the behavior of Stanford and others in his criminal enterprise. I know you have worked diligently to ensure that the receiver charged with resolving the estate is treating victims responsibly and being a good steward of resources. If confirmed, I look forward to working with you on this, including on how to recover any funds outside of the U.S. in foreign bank accounts that have yet to be recovered so far.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR LUMMIS FROM GARY GENSLER

Q.1. Many companies disclose information for investors and stakeholders in corporate social responsibility reports. Additionally, companies utilize a variety of accepted frameworks to report disclosure obligations including the Sustainability Accounting Standards Board and the Task Force on Climate-Related Financial Disclosure.

Can you commit that you will take into account existing frameworks as the SEC considers the imposition of additional disclosure reporting requirements, to prevent unnecessary expenditures and duplicative reports?

Can you describe the concrete actions you will take at the SEC to ensure this occurs?

A.1. If confirmed, I will examine existing frameworks for disclosure with an eye towards minimizing compliance costs for issuers while providing investors with the material information they need to make investment decisions. The best course for the SEC to accomplish that goal is by taking an approach that listens to stakeholders and following the legal obligations for stakeholder feedback that apply under the Administrative Procedure Act and other laws.

Q.2. The Commission and staff have stated on numerous occasions that modernization of the Custody Rule is being studied at various levels. Can you provide an update on the status of this study, and approximate dates when it began and a projected estimate of completion?

A.2. If confirmed, I will work with the Commissioners and staff to quickly take responsibility for the rulemaking calendar. Once I have greater insight into all of the ongoing work being undertaken at the Commission, I look forward to working closely with Congress and responding to information requests regarding the substance and timeline of the SEC's work.

Q.3. The Commission took enforcement action against Great Plains Trust Company, a Kansas chartered non-depository trust company, in September 2020. As a State-chartered trust company, the Commission is the secondary regulator, and the Kansas Office of the State Bank Commissioner is the primary regulator. In the banking regulatory space, state and Federal regulators generally always take joint supervisory action, both as a sign of comity in our State Federal system and the practical fact that State regulators are the chartering authority and the Federal regulator provides deposit insurance or supervises membership in the Federal Reserve System. Will you commit to always give State regulators confidential notice of pending enforcement actions, respecting their role as the primary regulator/chartering authority, and take joint enforcement actions with State regulators whenever possible?

A.3. When I chaired the CFTC, our Division of Enforcement worked cooperatively with Federal and State regulators on enforcement matters, including by sharing confidential information as permitted by Federal and State laws and as warranted by the facts and circumstances. I respect the independent and complementary interests served by the various Federal and State regulators, including banking regulators, and believe that enforcement can work best when regulators partner as appropriate. If confirmed, I will work with the SEC staff to consider joint enforcement actions with State regulators as appropriate.

Q.4. State and federally chartered banks are listed in the Investment Advisers Act and Custody Rule as being eligible "qualified custodians." Both are subject to the same rigorous bank examination standards. Since Congress listed both in the Advisers Act, can you commit to always ensuring parity and equal treatment of national and State banks under our securities laws, absent direction from Congress?

A.4. I understand that the staff of the Division of Investment Management issued a statement in November 2020 to "encourage interested parties to engage with the staff directly on the application of

the Custody Rule to digital assets, including with respect to the definition of 'qualified custodian' under the rule." This followed the Wyoming Division of Banking's letter indicating that a Wyoming-chartered public trust company is permitted to provide custodial services for digital and traditional assets under Wyoming law. If confirmed, I will look closely at the comments submitted in response to the Division's questions and will work with Federal and State banking regulators to better understand this issue. I believe that providing access to qualified custodians that can be trusted to safeguard customer assets is an important goal.

Q.5. As CFTC Chairman, you crafted and implemented post-financial crisis reforms related to the derivatives market. These rules have been in place for years and appear to work well. For example, it is my understanding that the market held up well in the face of last year's COVID-related disruptions. At the same time, I understand that the SEC is still in the process of finalizing its regime. Will you be able to leverage your previous work and converge the timing and substance of the SEC rules with existing CFTC rules?

A.5. If confirmed, I will work with fellow Commissioners and SEC staff to complete all rulemakings directed by Congress. While serving as the Chairman of the CFTC, we were able to finalize our congressionally directed rulemakings related to Title VII in a timely and often bipartisan manner.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR MORAN FROM GARY GENSLER

Q.1. The Federal Trade Commission (FTC) has proposed to modify premerger notification requirements under the Hart–Scott–Rodino Act (HSR) to create an exemption for de minimis acquisitions of voting securities. The proposal includes some concerning limitations on the availability of the exemption, as well as an expansion of the definition of "person" in Section 801.1.1(a)(1) to include "associates." These changes could new complications for the managements of investment funds that are registered with the Securities and Exchange Commission (SEC).

Investment funds are already subject to strong regulation by the SEC that includes disclosure requirements similar to those sought under the proposed HSR amendments. In fact, such regulation includes regular reporting through Form 13F reports (as well as schedule 13D and 13G filings) by investment managers, which provides transparency into equity ownership by investment managers across all funds over which a manager exercises investment discretion. The amendments as proposed by the FTC would fundamentally alter fund management with overly burdensome new reporting requirements that would extend far beyond reporting and impose immense financial costs on investors. Moreover, as a result of the FTC's proposed aggregation provision, subsequent delays in finalizing investment transactions would harm investors who would have otherwise benefitted from more timely acquisitions or rebalancing of their accounts.

As Chairman, do you plan to protect the SEC's independence and regulation of investment funds and products?

Do you agree that the SEC is the primary regulator of investment funds?

Do you have any concerns for how the FTC's pending rulemaking would affect investment funds?

Will you commit to engaging with the FTC to advise the Agency on how the proposed amendments to HSR could negatively impact retail investors?

A.1. If confirmed, I will work to advance the mission of the SEC, as an independent agency, to protect investors; maintain fair, orderly, and efficient markets; and facilitate capital formation. If confirmed, I look forward to learning from market participants, you and your staff, and FTC leadership about issues of interest to both agencies.

Q.2. Something that seems to be getting lost in the recent narrative about payment for order flow is that investors not only are getting commission free trades, but they are also getting better execution quality because the trades are being executed by wholesalers that provide price improvement. The wholesalers have a duty of best execution and are subject to comprehensive disclosure requirements about the quality of their executions—duties they are obligated to fulfill regardless of whether they pay for order flow or not. Do you agree that retail investors benefit from a competitive trading environment in which wholesalers are incentivized to get the best price for every trade?

A.2. Markets—and technology—are constantly changing. Payment for order flow, along with other aspects of U.S. equity market structure, raises a number of policy questions, including whether and how it enables best execution for investors; its role in growing concentration in market making; and its effects on fair, orderly and efficient markets. If confirmed, I would work with fellow Commissioners and SEC staff along with hearing from market participants to examine market structure issues holistically as these issues are highly interrelated.

Q.3. The GameStop episode has spurred significant debate over shortening the settlement cycle from T+2 to T+1, or even T+0.

What are your views on whether the settlement cycle should be shortened and what the right solution is?

While it may be a convenient soundbite to call for a shorter settlement cycle, there will certainly be significant costs associated with an acceleration, and those costs and benefits may differ by type of participant. Market participants will have to invest in new technologies and compliance costs will be significant. How do you view the cost/benefit analysis of moving to a shorter cycle?

A.3. There are several parties, from DTCC to the SEC's Investor Advisory Committee, that have recommended shortening the settlement cycle in order to reduce risk and costs in the system. This will be an important area for the Commission to examine and, if confirmed, I would plan to explore the possibility of shortening settlement cycles.

There could be significant risk reduction and cost benefits to potentially shortening the settlement cycle, but as with many policy choices, there would be some potential tradeoffs. If confirmed, I would discuss the matter with fellow commissioners, SEC staff,

and relevant stakeholders along with considering appropriate economic analysis on costs and benefits.

Q.4. Over the past several years, the SEC has made great strides in modernizing the infrastructure of our national market system, particularly with respect to the provision of market data and access to the markets. For example, the SEC streamlined and introduced governance enhancements to dated national market system plans governing the dissemination of market data, and expanded the nature and scope of data that the exchanges are required to make available to all investors.

Will you commit to continuing to prioritize market structure enhancements aimed at reducing the barriers to access to markets and market data if you are confirmed as Chairman?

A.4. Market structure issues are complex and highly interrelated. Markets—and technology—also are constantly changing. The overall U.S. equity market is a critical national asset that provides a vital mechanism for capital formation for firms and individuals; investment opportunities for Main Street; and economic growth. If confirmed, I will work with fellow commissioners, SEC staff and hear from market participants to examine market structure issues holistically in furtherance of the SEC's three part mission and ensure that the U.S. capital markets remain the best in the world.

Q.5. While I agree that investor protection is one of the most critical aspects of the SEC's mission, I worry about the use of the enforcement and examinations process to shape the securities laws outside of the rule making process. Will you commit today that you will respect the integrity of the administrative law framework and refrain from using investigations and examinations to establish de facto regulations?

A.5. I understand the unique role of guidance and regulation and the obligations that apply under the Administrative Procedure Act, the Congressional Review Act and other applicable laws. Providing the public and interested stakeholders with the opportunity for notice and comment as well as the other due process protections that apply is essential for good policymaking. Enforcement actions also should and must be brought when there is a violation of law.

Q.6. There has been a lot of discussion about the SEC playing an important role on climate and ESG issues in the Biden administration. Given the tools available to the SEC, it seems that enhanced issuer disclosure requirements are some of the lowest hanging fruit for reforms in this area.

Can you provide an overview of your climate and ESG priorities in other areas? For example, do you foresee prioritizing any ESG initiatives related to the trading ecosystem or market structure?

A.6. The Commission under Acting Chair Lee has announced a number of changes to how it deals with ESG in recent weeks. If confirmed, I will examine existing frameworks for disclosure with an eye towards minimizing compliance costs for issuers while providing investors with the material information they need to make investment decisions. If confirmed, I look forward to engaging with fellow Commissioners and the SEC staff to learn what has already

been completed, what additional actions are under consideration, and whether any rulemakings are being considered.

Q.7. The U.S. capital markets are constantly growing and evolving, and it is now more critical than ever for regulators like the SEC to work collaboratively with market participants to get the expertise needed to regulate smartly, and to understand the incentives, costs, and benefits of participating in the markets so that the best interests of investors are served. At a large agency like the SEC, much of this collaborative work is carried out by the staff, and I am sure you agree that it is of critical importance that the staff have an open door policy in terms of interacting with market participants in carrying out the business of the agency.

Will you commit to prioritizing staff engagement with the industry participants and investors during your tenure?

A.7. Yes, I will prioritize active engagement with stakeholders with an interest in the mission of the SEC.

Q.8. Earlier this year, for the first time ever, trading volume on off-exchange venues surpassed trading on exchanges. The proliferation in alternative trading venues is the byproduct of technological advances in our market's infrastructure that has resulted in better price discovery and superior execution quality for investors. During your tenure at Chairman of the CFTC, you were a vocal supporter of directing more trading to regulated platforms with transparency, including SEFs and Exchanges. The equity market has a number of differences from futures, including immediate post trade transparency through trade reporting, requirements that off exchange trades comply with the order protection rule of Regulation NMS, post trade transparency thru public FINRA reporting. This has resulted in a market structure where there is high execution quality, and investors have choices, within these important rules, as to how to execute.

Please elaborate on your views relating to on-exchange vs. off-exchange in the equities markets. And will you commit to supporting innovation in all trading venues to the extent that they facilitate better execution quality for investors?

A.8. If confirmed, I will look to find ways to support innovation in trading venues that leads to better execution quality for investors. At the CFTC, we worked to increase the transparency in the previously unregulated swaps market. In the equities markets, we already have existing market exchanges and off-exchange trading venues. If confirmed, I look forward to engaging with fellow commissioners, the SEC staff and market participants to see if there are ways that equity market trading can be improved.

Q.9. The consortium charged with running the CAT recently sought approval from the SEC to shift liability for harm caused by data breaches or other cyber incidents to market participants like broker-dealers who are required to report data to the CAT but otherwise have no control over the data once it is reported. I am sure you agree that this creates a perverse set of incentives, where the controller of the data has no "skin in the game" from a liability perspective and therefore less incentive to protect the sensitive data it controls.

Will you commit to studying this proposal very carefully and to ensure that liability is assigned to the entity that controls the reported data?

A.9. If confirmed, I look forward to studying this proposal carefully and to engaging with the consortium charged with running the CAT.

Q.10. The Consolidation Audit Trail (CAT) involves the collection of the personal and financial information of every single American investor (PII). This information would be stored in a centralized database in that will be an easy, high-value target for Russian and Chinese hackers to infiltrate our markets and steal the identity of innocent Americans. There is minimal justification for the SEC or anyone else to collect this sensitive information as the CAT can be just as effective without storing everyone's home address and social security number.

Will you commit to removing the requirement that retail investor PII be collected as the SEC moves forward with implementing the CAT?

A.10. I understand that the SEC under Chairman Clayton adopted rules to restrict the personally identifiable information in the Consolidated Audit Trail, namely restricting the date of birth and redaction of Social Security numbers, individual tax identification numbers, and account numbers. If confirmed, I'd work with the SEC commissioners and staff to examine remaining issues, particularly the rule proposed on a unanimous basis last summer that pertains to data security.

Q.11. Over the past few years, there have been a number of instances where the major Exchange groups have chosen to take the Commission to Court to challenge various rulemakings. In most of those situations, market participants have been supportive of the SEC rulemaking. What is your view on how to balance the role of the Commission to engage in rulemaking to improve market structure with the recent litigious actions of for profit exchanges?

A.11. While not commenting on any current or pending litigation that involves the SEC, I am a strong believer in the importance of engaging with industry participants and other key stakeholders during the regulatory process. It is important that the views of key market participants be taken into account in key policy decisions.

Q.12. Would you agree that maintaining private market investments in the economy is important to facilitating the post-COVID economic rebound?

A.12. Yes.

Q.13. Would you agree that businesses in public markets and businesses in private markets are, and should continue to be subject to differentiated regulatory and reporting structures, due to a variety of factors including types of investors that are permitted to invest in these businesses?

A.13. Yes.

Q.14. Would you agree that the SEC could not propose treating public companies and private companies as if they are the same

thing without legislation specifically authorizing the SEC to undertake such a radical change in law?

A.14. If confirmed, I would seek the advice and counsel of the SEC's attorneys, including in the Office of General Counsel, on the treatment of public and private companies under the securities laws. I would follow the requirements of the SEC's authorizing statutes regarding this, as with all matters.

Q.15. The U.S. capital markets are the finest in the world. American investors and firms also benefit from cross border access to global markets.

How are you viewing the cross border landscape today compared to your time serving as Chairman of the CFTC?

Will you be willing to work with counterparts in other jurisdictions to preserve cross border access to financial markets?

A.15. When I was Chair of the CFTC from May 2009 to January 2014, the U.S. and the world were still in the initial stages of responding to the financial crisis. The United States was at the leading edge of establishing a new legal framework to regulate these previously dark markets. Today, many countries have made progress toward building a financial regulatory regime, often modeled off of the progress made in the United States.

If confirmed, I would be eager to work with counterparts in other jurisdictions to support appropriate cross-border access to financial markets as required by U.S. law.

Q.16. In 2012 during your tenure as CFTC Chair, you were one of the early proponents for replacing LIBOR with a more robust benchmark anchored in actual and transparent market transactions. This transition process is well underway, with regulators around the world stating that market participants need to be prepared for the day in which LIBOR is no longer published or available to be used by market participants. More robust reference rates have been developed, launched and are now in use. In the derivatives markets, for example, nearly 70 percent of the notional outstanding of uncleared swaps have adopted contractual language for switching to these reference rates.

Could you describe what your approach would be with SEC-regulated financial institutions which have not yet made the transition?

A.16. As I understand it, the transition to a new benchmark rate away from LIBOR is being led by the Federal Reserve Board and New York Federal Reserve Bank in consultation with other financial regulators, including the SEC. Many of the financial institutions that are affected by the transition are regulated by the SEC along with other regulators, including the Federal Reserve.

If confirmed, I look forward to working with my fellow regulators to assist this transition and plan to engage with the Federal Reserve Board and New York Federal Reserve Bank to see what the SEC can do to facilitate the transition broadly across the financial sector.

Q.17. I am concerned that the SEC's Enforcement Division is basing enforcement actions on previous settlements and staff guidance (which do not create legal precedent) as opposed to undertaking a transparent rulemaking process. In your view, when the SEC de-

termines there is a widespread industry practice that could be a violation of, for example, the Investment Adviser Act, how should it decide whether to engage in enforcement action, the issuance of guidance, or a rulemaking?

A.17. I understand the Commission's statutory obligations for rulemaking under the Administrative Procedure Act. Guidance and no-action letters also can play an important role in getting timely information out to market participants that provides clarity and reduces compliance costs. Which of these tools to use depends on context-specific questions regarding a particular issue or matter.

Q.18. Regarding digital assets native to various blockchain technologies, there appears to be some market uncertainty about the application of the U.S. Securities Laws here generally, and to individual digital assets in particular. Some of this confusion relates to the method in which capital is originally raised to develop blockchain protocols, applications and the digital assets themselves when compared to the eventual utility of these digital assets once related protocols or applications are developed and launched. Multiple members of the Commission have commented on this potential digital asset dichotomy of representing a security at one point in time and later no longer falling within the jurisdiction of the Securities Laws. Also, concerns about the Commission's regulatory stance and its concomitant negative effect on the role of U.S. business in international digital asset innovation and prominence has become so acute that the U.S. Chamber of Commerce recently called for the SEC to provide a clear pathway to non-security status for nascent digital assets.

Would you describe generally your plan to bring regulatory clarity to the application of the U.S. Securities Laws to digital assets?

A.18. I have spoken before of the potential of blockchain technology and cryptocurrencies to serve as a catalyst for change. To the extent that someone is offering a crypto token which is an investment contract or security that's under the SEC's remit, the SEC has a responsibility to ensure investors are adequately protected. The Supreme Court has defined such investment contracts to include arrangements in which "a person invests his money in a common enterprise and is led to expect profits solely from the efforts of the promoter or a third party." If confirmed, I will follow the law regarding whether a cryptocurrency is a security. Some cryptocurrency tokens have been deemed to be solely a commodity, as Bitcoin has been, and are within the purview of the CFTC. As cryptocurrency technology evolves, it's important to stay true to our principles of investor protection and at the same time, be technology neutral.

Q.19. The CFTC has traditionally held antifraud and antimanipulation enforcement authority over markets for transactions that are actual purchases of a commodity, also referred to as "spot markets." The CFTC has broadly asserted this authority over digital asset markets generally.

Do you foresee that status quo continuing with regard to cryptocurrency spot markets?

Will you explain your vision for how regulation of these markets may evolve and what regulatory innovations may be necessary to

differentiate digital asset commodity markets from digital asset security markets to support that evolution?

A.19. It is critical that regulators and regulations keep pace with changing technology, and that includes the burst of growth of new financial technology—including cryptocurrencies—in the last decade. I have spent the last several years at MIT studying this field, and I believe financial technology can be a powerful force for good-but only if we continue to harness the core values of the SEC in service of investors, issuers, and the public. If confirmed, I look forward to working with the CFTC, along with other Federal regulators and Congress, to facilitate innovation in the digital asset markets, consistent with established public policy frameworks.

Q.20. The first exchange rule filing to list and trade a bitcoin ETP was submitted by Cboe (then Bats) for SEC review in June 2016 and was disapproved in March 2017 on the basis that there was not a "significant, regulated market" underlying the proposed ETP. The SEC has disapproved a number of additional proposals since 2017 that have tried to address the "significant, regulated market" concerns in various ways, most recently in February 2020. In the past year since the last disapproval, the price of bitcoin has increased approximately five-fold and the regulated bitcoin futures market on Chicago Mercantile Exchange has grown significantly. Meanwhile investors have pushed assets into lightly regulated OTC bitcoin funds, the largest of which has grown from approximately $2.5 billion to approximately $35 billion in assets despite the significant premium volatility in these products (regularly ranging from 5 percent to 40 percent) causing risk above and beyond the volatility of bitcoin. Approval of a bitcoin ETP would essentially eliminate any premium (and thus the premium volatility) and provide investors access to bitcoin exposure through a transparent, regulated vehicle.

I understand a new proposal was submitted to the SEC this week to allow for a bitcoin exchange traded fund (ETF). Will you generally support bringing these types of funds to market so that investors can get bitcoin exposure in a familiar wrapper which trades in a well-regulated marketplace?

A.20. Without prejudging any specific proposals that I may or may not consider at the Commission, if confirmed, I look forward to learning more about nascent products such as these and to discussing the staff's regulatory decisions on these matters over the preceding few years.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR CRAMER FROM GARY GENSLER

Q.1. Many publicly traded companies have been besieged by hostile activist actions at shareholder meetings and in response to these abusive actions last fall the SEC finalized much needed modernizations and amendments to section 14a-8 of the Exchange Act Rule. These amendments will prevent environmental fringe groups from commandeering shareholder meetings to pass resolutions aimed at pushing a political agenda. It's a win for our energy producers who have been the victims of such attacks. Do you plan to support ef-

forts to roll back these common sense reforms during your term on the SEC?

A.1. Shareholders are the owners of the companies in which they invest. In advancing its 14a-8 proposal last year, the Commission heard from investors concerned about their ability to engage in shareholder democracy as well as issuers concerned about the consequences for capital formation. If confirmed, I will discuss the issue with Commissioners, SEC staff and other stakeholders to evaluate how the SEC should approach this issue.

Q.2. Many companies across the nation already disclose information for investors and stakeholders in their corporate social responsibility (CSR) reports. Additionally, companies utilize a variety of accepted frameworks to report their disclosure obligations including the now well-established Sustainability Accounting Standards Board and the emergent Task Force on Climate-Related Financial Disclosure, for example.

Can you assure me that you will take into account existing frameworks as the SEC considers the imposition of addition disclosure reporting requirements so as to avoid duplication, prevent unnecessary expenditures and reporting fatigue?

Can you describe what you believe would be the best course at the SEC to accomplish that?

A.2. If confirmed, I will examine existing frameworks for disclosure, including those you mention, with an eye towards minimizing any compliance burden for issuers while providing investors with the material information they need for investment decisions. The best course for the SEC to accomplish that goal is by taking an approach that listens to stakeholders and following the legal obligations for stakeholder feedback that apply under the Administrative Procedures Act and other laws.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR DAINES FROM GARY GENSLER

Q.1. During your confirmation hearing on March 2, 2021, you stated "I think that it does bring efficiency to many pension to have proxy advisers. It's a service that helps pension funds and investors through the proxy season." According to the 2020 Proxy Season Survey, conducted by the U.S. Chamber of Commerce, Only 44 percent of the companies responding believe that proxy advisory firms carefully research and consider all relevant aspects of a particular issue on which it provides advice, higher than in both 2019 and 2018 (39 percent both years).

Would you have concerns if pension funds, or other institutional investors, relied on advice that is not based on careful research?

Could pension funds, or other institutional investors, theoretically be sacrificing returns on their investments if relying on advice that is not based on careful research?

Would pension funds, or other institutional investors, potentially be in breach of their fiduciary responsibilities if they relied on advice that is not based on careful research?

How would you approach the question of "efficiency" when weighing the costs and benefits of outsourcing research to proxy advisory

firms when considering a rulemaking or guidance for proxy advisory firms?

A.1. Proxy advisory research is one tool used by investment advisers in making voting decisions on behalf of clients. Investment managers often supplement research from proxy firms with their own in-house research and analysis. If confirmed, working with fellow commissioners and SEC staff, we would need to be careful that the research provided by proxy advisory firms is not subject to conflicts of interest, as that may undermine the quality of research used by shareholders in the exercise of their voting rights. Further, we also would want to be mindful not to impose undo costs on fiduciaries. Finally, I believe that economic analysis is an important consideration in crafting regulations and that that analysis should include both the costs and benefits to the regulated entities and on investors.

Q.2. A foundational principle of U.S. securities law is the materiality standard, which helps protect investors by filtering out irrelevant information. Deviation from the principle of materiality is costly to public companies and does not serve the public interest. It is for this reason that I was troubled by your exchange with Ranking Member Toomey on the concept of materiality during the hearing on Tuesday, March 2, 2021.

Using the hypothetical situation posed by Ranking Member Toomey, could you elaborate on when, with regard to a publicly traded company spending a financially insignificant amount of money on electricity, it would be material whether or not that electricity came from renewable sources?

A.2. The Supreme Court has held that information is material if there is a substantial likelihood that a reasonable investor would view that information as having a significant impact on the "total mix" of information disclosed. If confirmed, the law will guide my consideration of policies that come before the Commission related to disclosure. As the Supreme Court has determined, there are not simple monetary thresholds to determine materiality, which is a nuanced and case specific standard.

RESPONSES TO WRITTEN QUESTIONS OF CHAIRMAN BROWN FROM ROHIT CHOPRA

Q.1. Where have you excelled in past positions in hiring and promoting people of color? Where is there room for improvement?

A.1. Racial inequality is reinforced and exacerbated by workplace racism in both the public and private sectors. From black-box algorithms that fail to show employment ads to minority candidates to hiring practices that undervalue degrees from historically Black colleges and universities to promotion policies that give managers the discretion to discriminate, there is still much work to do to ensure everyone has equal access to opportunity.

While I have been fortunate to work with, hire, and advocate for many exceptional people of color, I believe that each of us must take more personal responsibility for transforming workplace cultures into ones that address discriminatory practices, particularly in hiring and promotion.

Q.2. In August 2011, President Obama issued an Executive Order establishing a coordinated, Governmentwide initiative to promote diversity and inclusion in the Federal workforce. The executive order reads, in part, that "Attaining a diverse, qualified workforce is one of the cornerstones of the merit-based civil service . . . . To realize more fully the goal of using the talents of all segments of society, the Federal Government must continue to challenge itself to enhance its ability to recruit, hire, promote, and retain a more diverse workforce. Further, the Federal Government must create a culture that encourages collaboration, flexibility, and fairness to enable individuals to participate to their full potential." The order required each agency to establish an agency-specific diversity, equity, and inclusion strategic plan with specific objectives.

A.2. I am committed to the goals of Executive Order 13583 and, if confirmed, would work to further these goals.

Q.3. Please describe your commitment to diverse hiring at the Consumer Financial Protection Bureau (CFPB). Will you review and update the CFPB's diversity, equity, and inclusion strategic plan to ensure it contains specific objectives?

A.3. The United States Government should strive to be as diverse as the people we serve. If confirmed, I would work with CFPB staff to review this plan and make appropriate updates so that it is concrete and actionable.

Q.4. Will you commit to establishing a system for reporting regularly on the CFPB's progress in implementing an agency-specific diversity, equity, and inclusion strategic plan and in meeting the objectives under the plan?

A.4. Yes.

Q.5. Will you commit to transparency on workplace policies, salaries, and benefits? What is your plan for implementing these policies?

A.5. Yes. If confirmed, I would work with CFPB staff on this issue.

Q.6. What are some short- and long-term strategies for addressing disparities in the consumer financial products and services markets and financial literacy?

A.6. It is critical that our financial system works for all Americans. In the short-term, particularly during the pandemic, it is critical that consumers can access credit and be free from unlawful discrimination. Over the long-term, it is critical that the CFPB and other regulators monitor markets carefully to get ahead of emerging threats, particularly those that harm the most vulnerable consumers.

Q.7. Have you previously implemented and required diversity, equity, and inclusion training for all employees and implicit bias training for managers within your purview?

Will you commit to implementing and requiring diversity, equity, and inclusion training for all employees within your purview? What is your plan for implementing these trainings?

A.7. In many of my past employment experiences, I have participated in or implemented certain enterprisewide training opportunities within my business unit. If confirmed, I would work with

CFPB staff to assess any existing trainings and ensure any training opportunities are designed and implemented with the goal of promoting a safe work environment for all employees.

Q.8. Will you commit to implementing and requiring implicit bias training for managers within your purview? What is your plan for implementing these trainings?

A.8. If confirmed, I would seek to understand any training for managers and gather information on its effectiveness. I am committed to making the appropriate changes to these programs and making them mandatory, consistent with law and regulation.

Q.9. Please describe how you view the role of CFPB Director in appropriately serving BIPOC? How do you view the CFPB's role in furthering racial equity?

A.9. The CFPB Director must ensure the actions of the Bureau meaningfully promote the financial well-being of historically underserved and disadvantaged communities.

Q.10. Please list at least 3 specific areas of focus/priorities for advancing racial equity, diversity, and inclusion at the CFPB. What specific measures will you use to evaluate success in these areas, and over what period of time?

A.10. If confirmed, I would work with CFPB staff to identify the ways to advance these goals. Three likely areas of focus include: (a) addressing homeowner distress in the mortgage market stemming from the pandemic that disproportionately impacts communities of color, (b) ensuring adequate oversight of institutional compliance with the Equal Credit Opportunity Act and other appropriate Federal consumer financial laws, and (c) ensuring that the CFPB has appropriate systems and processes in place to better understand how business practices might disproportionately harm communities of color.

Q.11. Please describe how you plan to work with and engage the consumer finance sector to serve BIPOC and dismantle systemic racism's impact in those sectors? How, specifically, will you hold the industry accountable on these issues? How will you accelerate private sector efforts to achieve more inclusive leadership?

A.11. The most important way that the CFPB can seek to address these issues in the consumer finance sector is to hold accountable any entities violating Federal consumer financial laws. If confirmed, I would support efforts to carefully assess how the use of machine learning and algorithmic decision-making can reinforce biases, rather than reduce them. With respect to any private sector efforts to achieve more inclusive leadership, I would work closely with the CFPB's Office of Minority and Women Inclusion on the standards developed pursuant to section 342(b)(2)(C) of the Dodd–Frank Act.

Q.12. How do you plan on incorporating the views and work of the Office of Minority and Women Inclusion and the Office of Fair Lending across the CFPB?

A.12. If confirmed as CFPB Director, I expect that the Office of Minority and Women Inclusion and the Office of Fair Lending &

Equal Opportunity will play significant roles in the work of the agency.

For example, I anticipate the Office of Fair Lending & Equal Opportunity will be involved in identifying how all of the CFPB's tools can advance the goal of equal opportunity, both including and beyond the Equal Credit Opportunity Act and the Home Mortgage Disclosure Act.

Q.13. The CFPB has outside advisory councils and task forces comprised of industry leaders, academics, nonprofits, and other stakeholders. They serve as volunteers but have significant influence being appointed by and working closely with you. Should your agency be judged by its success in populating these groups with more diverse advisors on these councils and task forces, and if so, over what period of time?

A.13. It is critical that the CFPB hear from a diverse set of stakeholders, and if confirmed I would work to ensure diverse representation.

Q.14. What specific measures will you use to evaluate the CFPB's success in understanding and addressing the needs of BIPOC? Will you regularly report to Congress on the progress being made on these measures?

A.14. If confirmed, I am committed to rigorous market monitoring. For example, if the CFPB uncovers evidence that certain groups are being excluded from housing opportunities based on faulty tenant screening reports, it is critical we use every tool in our toolbox to halt unlawful conduct. I will commit to providing Congress information regarding our progress.

Q.15. An agency's budget reflects its values and goals. How do you plan to allocate and sufficiently resource internal and external efforts to advance DEI as part of the agency's annual budget process? How will you ensure sufficient financial support for the agency-specific diversity, equity, and inclusion strategic plan to ensure you are able to meet the objectives established under that plan in a reasonable time period?

A.15. I am committed to doing everything in my power to ensure that the market for financial services is fair, accessible to all, and nondiscriminatory. If confirmed, I would work with CFPB staff in the budget process to ensure that the CFPB's Office of Fair Lending & Equal Opportunity, Office of Minority and Women Inclusion, and Office of Civil Rights each has sufficient resources to carry out their important missions.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR TOOMEY FROM ROHIT CHOPRA

Q.1. *Access to Small Dollar Credit*—Small dollar loans are not sold on a secondary market, and they pose no threat to financial stability. The regulation of small dollar loans essentially boils down to whether consumers can be trusted to make their own decisions about what credit they need and what they are willing to pay for it. Do you believe that consumers are more capable than regulators

of understanding their own needs and deciding what is best for them?

A.1. It is not the job of regulators to make decisions for consumers. The Dodd–Frank Act requires that the agency monitor and oversee markets, so that consumers can make choices in a competitive environment.

Q.2. In 2017, the CFPB under former Director Richard Cordray issued a rule on small dollar loans that would have virtually eliminated the small dollar loan industry. In 2019, the CFPB revoked this rule. It noted that the 2017 rule would have wiped out 89–93 percent of all covered loans. Many consumers have no other option when there is a sudden expense that must be paid. The demand for these products will not disappear, even if the products do. Do you acknowledge that the 2017 rule on small dollar lending would have the effect of eliminating the vast majority of small dollar loans?

A.2. Although I have not personally reviewed this data, I would work with CFPB staff on this important issue if confirmed. I am also aware that this rule is currently subject to active litigation.

Q.3. Do you think that the CFPB should take choices away from consumers and make it harder to access options for small dollar credit, including payday, title, and installment loans? Do you agree that doing so would leave consumers worse off?

A.3. I believe consumers benefit from having a wide range of choices in a market free of unlawful practices.

Q.4. Will you commit to leave the 2019 rule on small dollar lending in place? If not, what factors will affect your consideration?

A.4. I do not want to prejudge any specific agency actions, but, if confirmed, I will carefully consider the impact on consumers and access to credit with regards to any regulatory action by the CFPB. I am also aware that this rule is currently subject to active litigation.

Q.5. *Congressional Review Act (CRA)*—The CFPB issued a rule under former CFPB Director Cordray that prohibited predispute arbitration agreements. However, the CFPB's own study on the issue showed substantial evidence that such agreements benefit consumers. In the 158 arbitration cases analyzed, the average award was $5,400, compared to an average award of just $32 in class action cases.[1] In Federal class action cases that settled, the CFPB found that trial lawyers received $424 million—or approximately 24 percent of the total cash payments companies made to settle the claims. Knowing this, Congress enacted into law a CRA resolution rescinding the rule. Absent new legislation, the issue of predispute arbitration agreements is closed. I am concerned that the CFPB will try to ban a subset of predispute arbitration clauses and evade the clear directive from Congress. Will you commit that the CFPB will not attempt to issue a rule that prohibits any type or form of predispute arbitration agreements?

[1] *https://files.consumerfinance.gov/f/201503-cfpb-arbitration-study-report-to-congress-2015.pdf*

A.5. Under the Congressional Review Act, 5 U.S.C. §801(b)(2), I understand that the CFPB cannot reissue the arbitration rule in "substantially the same form," and cannot issue a new rule that is "substantially the same." If confirmed, I will ensure that the CFPB follows the law.

Q.6. *Fair Debt Collection Practices Act (FDCPA)*—Congress gave the CFPB authority to regulate third-party debt collectors under the FDCPA. In 2020, you issued a statement in a Federal Trade Commission (FTC) case (In the Matter of Midwest Recovery Systems) in which you suggested a significant expansion of the CFPB's regulatory authority in a manner that would directly contravene congressional intent and create substantial market uncertainty. Specifically, you suggested that the CFPB should subject first-party creditors (i.e., creditors collecting on debts owed to them) to its debt collection rules. Of course, as the CFPB itself recognizes, the FDCPA does not cover the collection activities of first-party creditors. This reflects a decision by Congress regarding the appropriate scope of debt-collection restrictions. While Congress has the power to revisit that decision, the CPFB does not. On what basis do you believe the CFPB has the authority to issue a rule (whether framed as an FDCPA, unfair, deceptive, or abusive acts or practices (UDAAP), or other rule) that would circumvent the clear limitations Congress embedded in the legislative framework governing debt collection?

A.6. My statement in Midwest Recovery Systems did not concern the scope of the FDCPA, but rather the sale of counterfeit debt and related problems. The CFPB has challenged problematic practices by first-party creditors in a number of enforcement matters. For example, in 2015, the CFPB, 47 States, and the District of Columbia charged JPMorgan Chase with unlawfully selling bad credit card debt and illegally robosigning court documents.

Q.7. In addition, the Small Business Administration's Office of Advocacy has warned that "[u]sing the Bureau's UDAAP authority creates uncertainty and legal risk for first party creditors."[2] There are significant business model differences between first- and third-party creditors, which the CFPB has recognized, as well as different regulations applicable to such creditors. Consumers have ongoing relationships with first-party creditors, and collecting unpaid debts is usually only an ancillary function of their business. In light of these important differences between first- and third-party creditors, why do you believe such an expansion of the CFPB's regulations would be warranted?

A.7. I am not prejudging any regulatory action. If confirmed, I would explore these concerns and seek to understand any impact on small businesses.

Q.8. *Innovation*—In 2019, the CFPB finalized three policies to promote innovation and reduce regulatory uncertainty: the No-Action Letter Policy, the Compliance Assistance Sandbox Policy, and the Trial Disclosure Program Policy. These policies collectively facilitate compliance and allow regulated entities to bring new products

[2] *https://cdn.advocacy.sba.gov/wp-content/uploads/2019/09/19153425/Debt-Collection-Comment-Letter-Sept-2019-Final-pdf1.pdf./*

and services to consumers more quickly. What are your views on these policies? Do you intend to retain them if confirmed as CFPB Director?

A.8. I am a strong believer in promoting competition. In my work at the Federal Trade Commission, I have repeatedly expressed concerns about the difficulties that many new businesses face when it comes to competing against dominant players.

A competitive and innovative financial sector is critical for our economy and our global competitiveness. If confirmed, I am committed to working with CFPB staff to identify ways that the Bureau can further the efforts of promoting a competitive marketplace that incentivizes consumer-friendly innovation.

Q.9. Last year, the CFPB took another positive step toward providing clarity and reducing regulatory uncertainty by finalizing a new policy on advisory opinions. Under this new framework, institutions seeking to comply with regulatory requirements can submit a request to the CFPB, which will issue opinions on such requests. The CFPB has issued three advisory opinions under this policy regarding private education loans, earned wage access programs, and special purpose credit programs. What are your views on these opinions? Do you intend to retain them if confirmed?

A.9. Advisory opinions can be a useful tool in the Bureau's toolkit to develop legal interpretations. I do not have access to all of the underlying data and analysis used to develop these advisory opinions. If confirmed, I would work with CFPB staff on any future advisory opinions.

Q.10. Will you commit to continuing to offer advisory opinions and no-action letters?

A.10. While I do not want to prejudge any particular regulatory action, if confirmed, I would work with CFPB staff on ways to use all of the agency's tools to advance the Bureau's mission to protect consumers and promote competition.

Q.11. Are there other ways that you believe the CFPB can encourage financial innovation?

A.11. I believe we can spur innovation by ensuring markets are competitive, and there are many ways to do so. For example, Congress enacted section 1033 of the Dodd–Frank Act regarding consumer rights to access information, and I am interested in ways that implementation of this section can lead to more competitive markets. If confirmed, I would work with CFPB staff to identify all of the ways that the Bureau can further the efforts of promoting a competitive marketplace that incentivizes consumer-friendly innovation.

Q.12. CFPB officials have recognized that artificial intelligence (AI) "has the potential to expand credit access by enabling lenders to evaluate the creditworthiness of some of the millions of consumers who are unscorable using traditional underwriting techniques."[3] Do you agree with this assessment? If confirmed, will you encourage the use of AI in credit underwriting?

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[3] *https://www.consumerfinance.gov/about-us/blog/innovation-spotlight-providing-adverse-action-notices-when-using-ai-ml-models/*

A.12. Automated decision-making is reshaping business processes across sectors of the economy. During my time as a Commissioner, the FTC hosted a hearing on Competition and Consumer Protection Issues of Algorithms, Artificial Intelligence, and Predictive Analytics that included a number of perspectives. While artificial intelligence offers promise, it also raises important questions about the transparency of decision-making and the accuracy of algorithmic outcomes. If confirmed, I am committed to carefully examining this issue.

Q.13. *Government-Sponsored Enterprise (GSE) Patch*—CFPB issued a new Qualified Mortgage Rule in 2020 that, after a July 1, 2021, compliance date, would have replaced the existing General QM definition that is based on a 43 percent debt-to-income (DTI) ratio requirement and detailed income and debt verification requirements with a new General QM definition that is based on price spread-based thresholds, and ended the "GSE patch." But, this month, the CFPB Acting Director issued a proposed rule to extend the GSE patch by extending the July 1, 2021 mandatory compliance date of the new rule to October 1, 2022. The GSE patch, as you know, exempts mortgages that meet the Fannie and Freddie underwriting standards certain General QM requirements (the 43 percent DTI limit and the detailed verification requirements) while the companies are under government conservatorship, but not after the conservatorship ends. The practical effect of the GSE patch is to confer yet another regulatory advantage on GSE-supported mortgage intermediation that enables the GSEs to crowd out private capital and continue their growth. I am concerned that the CFPB will extend the GSE patch indefinitely. If confirmed, will you let the GSE patch expire as originally scheduled in the 2020 rule?

If not, will you at least commit not to extend the GSE patch beyond the date contemplated in the proposed rule?

A.13. This announcement was issued by the current leadership of the Bureau, and I understand that the Bureau published a notice on March 3, 2021, describing its proposal in more detail.

I do not wish to prejudge any regulatory action, and I understand that Congress and a number of agencies are carefully considering the future of the GSEs. The CFPB's role, as authorized in Dodd–Frank, is to ensure that consumers can access mortgages on affordable and understandable terms. However, I understand it is critical for the CFPB to work closely with the Federal Housing Finance Agency and others to understand the market.

During the confirmation process, I have had the opportunity to hear the views of many Senators regarding this topic. I appreciated these discussions, and, if confirmed, would listen to all perspectives to determine what, if any, changes should be proposed.

Q.14. *Regulation by Enforcement*—The government should set clear rules of the road before holding anyone responsible for breaking them. This means conducting notice and comment rulemaking that establish clear rules in advance. Unfortunately, former CFPB Director Cordray preferred to regulate by enforcement, a practice he engaged in extensively during your time at the CFPB. Perhaps the most egregious example is when Director Cordray filed a complaint against mortgage company PHH that completely reinterpreted

well-settled law. In the case of PHH v. CFPB, the D.C. Circuit unanimously agreed that the CFPB violated the Due Process Clause of the U.S. Constitution because it did not provide fair notice in advance of what conduct was prohibited. Do you agree with the D.C. Circuit that this action was unfair and unconstitutional?

A.14. While I do not have access to the underlying facts and evidence in this matter, I understand that retroactive changes to legal interpretations can raise significant fair notice concerns. If confirmed, I will follow the law.

Q.15. Do you commit to not have the CFPB resume regulation by enforcement if you are confirmed?

A.15. If confirmed, I commit that enforcement actions will be grounded in the individual facts and circumstances of each case and will respect the rule of law.

Q.16. The Dodd–Frank Act gave the CFPB a new authority to prevent "abusive" practices, a term that was only loosely explained in the statute. It is far from clear exactly what actions a financial institution could take that would cause the CFPB to file a lawsuit announcing that those actions had been "abusive." Law professor Todd Zywicki has written: "'Abusiveness' . . . is a novel term with limited predecessors. The CFPB, scholars, and commenters have struggled to define the term 'abusive' in a manner that effectuates Congress' language and intent in a predictable and consumer welfare-enhancing manner."[4] Will you commit not to bring any new enforcement actions charging that a company was "abusive" until the CFPB has conducted notice-and-comment rulemaking to establish with significantly greater clarity what is prohibited by that term?

A.16. In the Dodd–Frank Act, Congress prescribed the circumstances under which the CFPB can enforce the prohibition on abusive acts or practices, and I commit to following the law. State regulators can also enforce the prohibition. Although I do not want to prejudge any particular enforcement action, I will carefully analyze the facts and law before authorizing any claims.

Q.17. *Government-Run Credit Reporting*—President Biden has endorsed the idea of creating a new Government-run credit reporting agency within the CFPB as an alternative to the private credit reporting agencies. He further endorsed making this government-run agency mandatory for all Federal lending programs, including mortgage loans and student loans. Congress has never contemplated CFPB acting as a credit reporting agency, and such an expansion would far exceed the CFPB's current statutory authority. The Dodd–Frank Act gives the CFPB authority to enforce 18 enumerated consumer protection laws, and to regulate, supervise, and enforce "consumer financial protection law"—it does not authorize the CFPB to offer consumer products. Do you agree that the CFPB does not have the authority to establish a credit reporting agency without further legislation?

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[4] *https://files.consumerfinance.gov/f/documents/cfpb-zywicki-written-statement-symposium-abusive.pdf*

A.17. I am not aware of any authority to establish a credit reporting agency without further legislation.

Q.18. Do you believe that the government should expand the CPFB's powers and role to include competing with private enterprise by offering a credit reporting product?

A.18. I have not reviewed any detailed information regarding this proposal. This is a matter for Congress, and, if confirmed, I would make staff available to provide technical assistance on any proposals.

Q.19. *Small Business Data Collection*—Section 1071 of the Dodd–Frank Act directs the CFPB to adopt regulations governing the collection of certain small business lending data. In September 2020, the CFPB released an outline of proposals under consideration and alternatives considered. What is your view of this proposal?

I am concerned about the potential burdens of a significant new collection of information from small businesses. How will you seek to fulfill the purposes of section 1071 while minimizing compliance burden on small businesses and the financial institutions that serve them?

A.19. Across the country, small businesses are facing extinction, and we must do everything we can to ensure they can access credit on fair and competitive terms. I do not want to prejudge any particular proposals, but if confirmed, I am committed to ensuring that the CFPB implements section 1071 of the Dodd–Frank Act. If confirmed, I would review the outline and consult with CFPB staff, and would have ongoing dialogue with Members of the Committee on ways to best implement this requirement.

Q.20. Some stakeholders have suggested that one way to make this collection more efficient would be for the CFPB to establish a database to which small businesses could submit information. Will you consider this alternative as you seek to develop a proposed rule to implement section 1071?

A.20. Yes. If confirmed, I will look forward to working with your office and with CFPB staff to assess ways to streamline data collection.

Q.21. *Section 1033 Rulemaking*—In October 2020, the CFPB published an advance notice of proposed rulemaking (ANPR) pursuant to section 1033 of the Dodd–Frank Act, which provides for consumer access to financial records subject to rules prescribed by the CFPB. The ANPR notes that stakeholders have raised concerns about the current state of the consumer-authorized data access ecosystem, including that not all consumers are able to authorize access to their data in a manner commensurate with the access rights described by section 1033. Do you share these concerns?

What is your view of the current state of consumer access to financial records? What do you consider the most important considerations relevant to this topic?

A.21. Yes, I share these concerns. I believe that consumers should have control over their data and over how their data is used. I am also sensitive to the security and privacy concerns that many stakeholders have regarding this issue. I do not believe we have to choose between consumer choice and security and privacy. I believe

a functioning market enables competitors to provide products to consumers safely and transparently.

Q.22. Do you anticipate that you will advance a notice of proposed rulemaking pursuant to section 1033? If so, how would you prioritize this issue relative to other rulemaking priorities?

A.22. I understand that the comment period recently closed on the Advanced Notice of Proposed Rulemaking regarding section 1033. If I am confirmed, I would like to carefully understand the analysis conducted to date by CFPB staff. I will work with CFPB staff to consider all the comments carefully, and to chart a path forward. I believe this effort is very important, given the critical role of consumer data, and, if confirmed, will update Congress on the CFPB's progress.

Q.23. How will other countries' experience with similar regulations inform the CFPB's work in this area?

A.23. It is important that the United States has vibrant and competitive financial markets, and I believe our policies should recognize the unique features of the American system. At the same time, I believe there are lessons that we can draw from the experiences of other countries, as well as from the states. As an FTC Commissioner, I am in contact with my counterparts both in the states and around the globe, and I look forward to remaining in contact to share experiences and best practices if confirmed.

Q.24. *CFPB Public Statements and Deliberations*—Under former Director Cordray, the CFPB was widely criticized for its use of midnight embargoed press releases announcing rules. Such embargoes were viewed as a way to avoid engaging with stakeholders when releasing important information to the public. Will you commit not to return to this practice?

How will you ensure transparency in the CFPB's communications to the public?

A.24. I commit to making transparency an important goal, and if confirmed, I will carefully review the CFPB's policies and procedures related to press announcements.

Q.25. As you are aware from your experience as an FTC Commissioner, agencies with bipartisan boards conduct meetings in open session during which a diversity of views—including dissenting opinions—are publicly discussed. How will you ensure that the CFPB considers a wide range of stakeholder views as it develops policy and how will you ensure that such views are discussed publicly?

A.25. If confirmed, I will welcome input from all stakeholders, including those who may disagree. I especially support multiple channels for input, including field hearings held outside of Washington, where the agency can hear directly from stakeholders in a public setting. The CFPB must also adhere to the procedures pursuant to the Administrative Procedure Act to solicit public feedback on proposals, where all stakeholders can view public comments.

Public input can help drive sound decision-making, and if confirmed, I look forward to engaging with the people we serve in new and innovative ways.

Q.26. *Enforcement Actions and Regulations*—Mr. Chopra, in examining your public statements over the years while at the CFPB and the FTC, you have routinely advocated for harsher penalties against private companies that you believe were engaged in wrongdoing. In fact, as an FTC Commissioner, you have dissented from numerous cases on the grounds that the FTC's actions were not harsh enough against the private entity. However, it is unclear when, if ever, you would consider an enforcement or other regulatory action against a private company to be too burdensome or harsh toward that private entity. As an FTC Commissioner, have you ever dissented in a case or voted against a rule because you viewed it as too burdensome or harsh against a private company? Please list any cases or rules and the reasons for your view.

A.26. During my time at the FTC, I have raised concerns about the Commission's practice of harshly punishing small actors, while holding larger firms to a different standard. For example, I have noted that in the FTC's enforcement of the Children's Online Privacy Protection Act, the Commission will charge individuals and seek harsh penalties for small companies, but will go easy on larger firms.

In some cases, staff have put forth proposed enforcement actions, and I have supported closing the investigation when I did not believe an action was appropriate. I have also agreed, dependent on the facts, to drop claims and individual defendants.

Q.27. You were involved in setting up the CFPB and served there in a senior capacity for several years during the Obama administration. Has the CFPB undertaken any enforcement actions or issued any rules that you believe were too burdensome or harsh against a private company? Please list any cases and the reasons for your view.

A.27. My primary responsibilities did not involve enforcement or rulemaking, so I was not privy to the underlying facts in the large majority of matters.

Q.28. *Conflicts of Interest*—In an effort to "root out corruption and restore faith and trust in our Government," you argue in your 2018 "Unstacking the Deck" policy paper that "[c]onflicts of interest for senior Government officials should be made public, including all ethics advice received from agency ethics officials that the officeholder is relying upon, as well as any recusals and waivers."[5] If confirmed, will you commit to making publicly available all conflicts of interests involving yourself within two weeks of the conflict being identified by an agency ethics official, including all ethics advice received from agency ethics officials that you are relying upon, as well as any recusals and waivers?

A.28. I understand the importance of transparency and seeking counsel from the CFPB's Designated Agency Ethics Official on issues related to financial conflicts of interest. If confirmed, I would work with CFPB ethics staff to explore this issue further, consistent with existing law and regulation.

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[5] *https://greatdemocracyinitiative.org/wp-content/uploads/2018/05/Unstacked.pdf*

Q.29. *Government Transparency*—In an effort to "root out corruption and restore faith and trust in our Government," you argue in your 2018 "Unstacking the Deck" policy paper for increased transparency in the Federal Government, including with respect to the Freedom of Information Act (FOIA). If confirmed, in what specific ways, if any, do you plan to be more transparent than is currently required by FOIA and other government transparency laws?

In the same paper, you argue that "[o]n a routine basis, agencies should make certain information available [to the public], such as travel expense documentation and executive calendars, to deter the misuse of funds and the fair allocation of stakeholder consultation." Will you commit that, if confirmed, you will make CFPB travel expense documentation and executive calendars available to the public on a routine basis?

A.29. If confirmed, I would like to continue the CFPB's practice of publishing executive calendars, and I would like to explore proactively making other information available. In addition, I would work with CFPB staff to identify ways to further the goal of transparency, consistent with the Bureau's privacy and confidentiality obligations, as well as any other appropriate law and regulation.

Q.30. What other information, if any, will you make available to the public on a routine basis if confirmed to lead the CFPB?

A.30. If confirmed, I would like to consult with CFPB staff and stakeholders to identify opportunities to make additional data sets and information available to the public, such as those identified as part of Governmentwide transparency initiatives, consistent with the Bureau's privacy and confidentiality obligations, as well as any other appropriate law and regulation.

Q.31. *Congressional Oversight*—In your "Unstacking the Deck" policy paper, you indicate that "Congress has long played a critical role in oversight of the executive branch" and that Congress's "ability to shed light on improper conduct [by executive branch officials] is important." Will you commit that, if confirmed, you will timely respond to and fully comply with all congressional information requests, including but not limited to requests for records?

A.31. I believe that Congressional oversight is important. If confirmed, I would work with CFPB staff to be responsive to duly authorized requests from this Committee, consistent with the law and with past practice by previous Directors.

Q.32. You suggest in your "Unstacking the Deck" policy paper that agencies may be overusing, if not abusing, FOIA's exemptions to withhold documents from the public. FOIA's (b)(5) exemption permits agencies to withhold deliberative documents from the public. Congress has a constitutional role in conducting oversight of agencies, and is not subject to FOIA or its exemptions. In light of the views you have expressed, will you commit not to withhold deliberative documents requested by a congressional committee Chairman or Ranking Member?

A.32. Agencies should be responsive to the public and Congress. If confirmed, I would work with CFPB staff to be responsive to duly

authorized requests from this Committee, consistent with the law and with past practice by previous Directors.

Q.33. Do you believe that the CFPB may assert any privileges or other legal justifications to withhold information (whether records or oral testimony) from Congress? If so, please describe all such privileges or other legal justifications. Please answer "yes" or "no."

If you answered "yes" to Question 3, please list every such privilege or other legal justification and provide the legal basis for why you believe the CFPB may use such privilege or legal justification to withhold information from Congress.

In an effort to be open and transparent with Congress and the public, will you commit not to assert any such privilege or legal justification against Congress that you listed above? If not, why not? If so, please identify all such privileges or legal justifications that you will commit to not assert against Congress.

Will you commit that, if confirmed, you will make yourself and any other CFPB employee expeditiously available to provide oral testimony (including but not limited to briefings, hearings, and transcribed interviews) to a Congressional committee on any matter within the committee's jurisdiction upon the request of either the Chairman or Ranking Member? Please answer "yes" or "no." If your answer is "no," please explain why.

A.33. Agencies should be responsive to the public and Congress, and I believe that Congressional oversight is important. If confirmed, I would consult the agency's legal counsel so that the CFPB can be responsive to duly authorized requests from this Committee, consistent with the law and with past practice by previous Directors.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR TESTER FROM ROHIT CHOPRA

Q.1. *Public Service Student Loan Forgiveness*—I have been frustrated by the problems in this program and the lack of information.

How will you ensure proper oversight in the areas of the CFPB's jurisdiction?

A.1. I share your frustration with problems in this program, which was designed to help teachers, first responders, and other public servants. It is critical to ensure loan servicers have policies and procedures in place to prevent these problems before they harm borrowers, and it is important for the CFPB to work closely with the Department of Education on these issues. The CFPB currently supervises nonbank larger participants in the student loan servicing market, and ensuring their compliance with consumer financial protection laws would be a priority if I am confirmed.

Q.2. *Innovations*—In recent years the Consumer Financial Protection Bureau has used a combination of No Action Letter policy, the Compliance Assistance Sandbox, and the Advisory Opinion Program to encourage innovation initiatives. We've also seen each of the Federal prudential regulators launch and/or expand their innovation initiatives to encourage new innovative financial services providers to engage directly with regulators around new product and service offerings.

What role do you envision for your Office of Innovation—particularly in terms of its ability to provide guidance and regulatory certainty to regulated entities regarding innovative product offerings through the Bureau's No Action Letter policy?

How will you ensure adequate protections for consumers and recourse through these initiatives?

A.2. I am a strong believer in promoting competition. In my work at the Federal Trade Commission, I have repeatedly expressed concerns about the difficulties that many new businesses face when it comes to competing against dominant players.

A competitive and innovative financial sector is critical for our economy and our global competitiveness. If confirmed, I would work with CFPB staff to identify all of the ways that the Bureau can further the efforts of promoting a competitive marketplace that incentivizes consumer-friendly innovation.

Q.3. *New Services for Workers*—Sixty-three percent of adults live paycheck to paycheck in this country and are stuck in a cycle of expensive overdraft fees, payday loans and late bill fees, to cover every day essential expenses while waiting for their paycheck to arrive from their employer.

In recent years, there has been an emergence of "earned wage access" services that aim to help individuals access their pay in real-time and reduce reliance on the costly alternatives that can perpetuate the debt cycle.

What do you view the role of the CFPB as these technological innovations emerge?

A.3. I strongly support competitive markets that give consumers more market power and choices. As firms introduce new financial products and services, it will be critical that the Bureau ensures they comply with the law. If confirmed, I would work with CFPB staff to better understand Earned Wage Access products and other aspects of this market.

In addition, I support efforts to give consumers more control over their money by modernizing our payments networks. Consumers should be able to access their money as soon as it is deposited and control when that money is debited in real time.

Q.4. *Housing*—As you and I have discussed, in places like Montana we have unique challenges. For one, our housing market is hot, with people coming to the state for a variety of reasons. That said, we also have a lot of long-time rural homeowners and aspiring homeowners who do not find a standard mold or profile for income and asset verification. The GSEs, USDA, and FHA help, but it's not enough.

What can be done to help ensure that a private market can exist for non-traditional borrowers in states like Montana?

Can the bureau commit to working with lenders AND investors in these mortgages to help increase safe home ownership access?

A.4. It is critical that Americans living in rural communities have access to safe, affordable, and nondiscriminatory financial products and services. Too often, these communities are overlooked by major financial institutions. If confirmed, I fully commit to working with lenders, investors, and other stakeholders to promote an inclusive financial system. In addition, at the FTC I have engaged farmers,

ranchers, and other agricultural producers, and I would like to continue that engagement at the CFPB if confirmed. This will help the Bureau assess where the market is not meeting the needs of rural communities. Across the board, I would ensure, if I am confirmed, that the CFPB always takes into account the impact of its rules on consumers in rural areas.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR WARREN FROM ROHIT CHOPRA

Q.1. Section 1073 of the Dodd–Frank Wall Street Reform and Consumer Protection Act required the CFPB to establish disclosure requirements on remittance transfers. Over the past several years, multiple rules on remittances have been finalized. Please describe how you will approach remittances and seek to eliminate hidden costs and fees for consumers and increase transparency in the remittance market.

A.1. When Americans send money using remittance transfers, it is important that they clearly understand the costs and fees associated with these transfers. If confirmed, I would work with CFPB staff to understand changes in the remittance transfer market, particularly in light of COVID–19.

In addition, I understand that virtual currencies might replace certain types of remittance transfer products. If confirmed, I believe it will be important for the CFPB to work with other regulators to understand any shifts in the marketplace and consumer behavior.

Q.2. Acting Director Uejio has indicated that "some companies have been lax in meeting their obligation to respond to complaints," and that "consumer advocates have found disparities in some companies' responses to Black, Brown, and Indigenous communities." Please describe the importance of the complaint database and how you intend to use it to carry out the functions of the Bureau.

A.2. The consumer complaint system that the CFPB administers pursuant to the Dodd–Frank Act is a central part of the Bureau's work. Not only is it a gateway for consumers to seek help when faced with serious problems, it also allows the agency to spot trends within certain institutions and across entire markets.

The CFPB's consumer complaint system can and should inform the work of all the agency's functions. In addition, industry participants and compliance professionals have noted that the complaint dataset is an important source of information to understand consumer experience and address issues before they become systemic. If confirmed, I would work to ensure that the consumer complaint system is robust and responsive.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR VAN HOLLEN FROM ROHIT CHOPRA

Q.1. CFPB employees have raised important concerns about pay disparities at the agency, including pay gaps that disadvantage Black and Hispanic workers. Will you commit to working with CFPB employees and their union to examine and address these issues of pay equity?

A.1. Yes. If confirmed, I would work with CFPB employees and their union to examine these issues.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR SINEMA FROM ROHIT CHOPRA

Q.1. If confirmed, will you move forward with a rulemaking pursuant to Section 1033 of the Dodd–Frank Wall Street Reform and Consumer Protection Act?

A.1. While Section 1033 does not impose a specific deadline, as a general matter, I believe it is important for the CFPB to prioritize the consideration of implementing provisions of the CFPB's authorizing statute. I also support the broader goal of giving consumers greater control of their data. If confirmed, I would consult with CFPB staff and review progress to date on this initiative.

Q.2. In what ways do you believe FinTech can uniquely increase access to credit for consumers? If confirmed, how will you lead the Bureau in a way that protects consumers from predatory practices without stifling innovative technologies?

A.2. I believe that consumers reap major benefits when markets are competitive and companies are competing to deliver the best, most consumer-friendly products and services. If confirmed, I would seek to identify ways to promote competition and innovation, while also ensuring that laws passed by Congress are followed. This would involve close engagement with innovators, regulators, and other stakeholders to ensure we can reap these benefits.

Q.3. The current payments provisions of the CFPB's Small Dollar Rule apply the same standards to debit cards as ACH transactions. Do you think this approach makes sense for debit cards, given that unlike ACH transactions, no fee is assessed when funds are not available? If you think this approach does not make sense, would you consider addressing this challenge if confirmed?

A.3. This matter is currently subject to litigation, but I am aware of the petition for rulemaking on this topic and of the Bureau's response, including the discussion of fees. If confirmed, I would work with CFPB staff to consider whether further action is appropriate.

Q.4. If confirmed, how will you ensure that changes made to the QM Rule and other Bureau actions are done in a way that preserve access to manufactured housing for Arizona families? Will you commit to making changes if warranted?

A.4. Millions of Americans live in manufactured homes, and it is critical that the CFPB take their interests into account when it comes to rulemaking and other policy initiatives in the housing sector. If confirmed, I would work with CFPB staff and your office to ensure this market is well served.

Q.5. Former Director Cordray established an Office of Innovation, which administers the No Action Letter, Trial Disclosure, and Compliance Assistance Sandbox programs. If confirmed, will you maintain support for these programs?

A.5. I am a strong believer in promoting competition. In my work at the Federal Trade Commission, I have repeatedly expressed concerns about the difficulties that many new businesses face when it

comes to competing against dominant players, particularly when it comes to large technology platforms.

A competitive and innovative financial sector is critical for our economy and our global competitiveness. If confirmed, I would work with CFPB staff to identify all of the ways that the Bureau can further the efforts of promoting a competitive marketplace that incentivizes consumer-friendly innovation.

Q.6. If confirmed, how will you approach the issue of cybersecurity, particularly for non-banks? What is the CFPB's role on this issue?

A.6. The Equifax data breach is a clear reminder that nonbank financial institutions hold extremely sensitive data that must be protected. If confirmed, I would closely coordinate with other agencies to determine the best way to promote adequate security practices, consistent with existing law and regulation.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR CRAPO FROM ROHIT CHOPRA

Q.1. The CFPB finalized a rule prohibiting the use of predispute arbitration agreements that prevent consumers from participating in class action lawsuits in July 2017. Critics of the rule noted that the CFPB relied on erroneous assumptions to justify rulemaking. For example, the CFPB's study ignored the pragmatic benefits of arbitration and exaggerated the purported benefits of class action lawsuits.

In October 2017, I worked with my Senate colleagues to repeal the finalized rule. In accordance with the CRA passed to overturn the rule, a new rule may not be issued in "substantially the same form," as the disapproved rule unless specifically authorized by a subsequent law.

Do you believe the Bureau maintains the authority to issue a new rule on arbitration clauses despite the CRA enacted in November 2017?

A.1. Under the Congressional Review Act, 5 U.S.C. §801(b)(2), I understand that the CFPB cannot reissue the arbitration rule in "substantially the same form," and cannot issue a new rule that is "substantially the same." If confirmed, I would ensure that the CFPB follows the law.

Q.2. What specific steps would you take to increase transparency and accountability at the CFPB?

A.2. I believe all government agencies must constantly evaluate ways to be more transparent about their actions and decision-making. In particular, I want to explore additional ways to solicit input from the public and stakeholders.

In addition, section 1016 of the Dodd–Frank Act requires the CFPB to file regular reports to Congress on a host of its activities. I am committed to complying fully with this requirement if confirmed. I would also work with CFPB staff to identify opportunities to make additional information available through these and other reports.

Most importantly, I believe that the CFPB must engage with Congress, and I am committed to identifying ways to deepen that engagement. In addition to testifying before this Committee, I also

hope to directly communicate with Members of the Committee to discuss priorities, concerns, and areas of common ground.

Q.3. Large data breaches, such as the recent Solarwinds hack, have underscored the vulnerabilities in our technological infrastructure. If confirmed to the CFPB, how would you ensure protection of data protected by the Bureau?

A.3. I am committed to privacy and data protection. The CFPB was set up to be a data-driven regulator. I support that approach and recognize that we need to protect consumer privacy in the process. CFPB data collection must operate in compliance with a wide variety of Federal data privacy standards, such as the Privacy Act of 1974. Additionally, section 1022 of the Dodd–Frank Act limits the Bureau's ability to collect personally identifiable financial information from financial institutions subject to the Bureau's jurisdiction, and in particular it prohibits the Bureau from using its market monitoring and rules assessment authorities to obtain records from those financial institutions for purposes of gathering or analyzing the personally identifiable financial information of consumers. The Federal Information Security Modernization Act of 2014 also requires an annual, independent evaluation of the Bureau's information security program.

If confirmed, I would follow these requirements and explore other best practices to protect information obtained by the Bureau.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR SCOTT FROM ROHIT CHOPRA

Q.1. I appreciated our discussion during the hearing about the importance of providing clear and well-articulated rules of the road regulated entities. Well-defined regulations are important, but it is also vital that the CFPB approaches rulemaking process in a way that carefully considers input form market participants and relevant regulatory agencies. The Bureau was created to specifically focus on consumers, it does not preclude the other Federal banking regulators from issuing regulations that benefit consumers.

To that end, will you commit to work with the other Federal regulators to ensure that CFPB regulations are in conformance with the existing regulatory structure?

A.1. I agree that regulators should provide clear rules of the road and consider input from a broad range of stakeholders. I also agree that it critical for regulators to maintain open lines of communication, and I commit to working closely with both state and Federal regulators if confirmed.

Q.2. As a member of both the Banking and HELP Committees, I am interested in a public comment you made saying "There is a lot more to do in student lending". If confirmed, in what ways do you plan to direct the focus of Bureau staff to protect consumers seeking and obtaining Federal student loans?

If confirmed, in what ways do you plan to direct the focus of Bureau staff to protect consumers seeking and obtaining Federal student loans?

A.2. Many students and their families find borrowing for college to be complex and confusing. In the past, the Bureau has launched a

Know Before You Owe effort in partnership with the Department of Education to help families navigate their options and reduce the amount of debt they take on. If confirmed, I am committed to ensuring that the CFPB works closely with the Department of Education to help improve the borrower decision-making process.

Q.3. The CFPB very recently issued an official statement declaring an intent to delay the implementation periods of the QM regulations issued in December 2020 in order to give the incoming Director the opportunity to review and possibly amend those rules. These regulations were initiated because the GSE Patch—that provides for safe lending to over half of the mortgage market—is lapsing. There is considerable anxiety that shelving these rules will cause a market shock.

I understand that the December final rules being postponed have very broad support from industry, consumer, and civil rights advocates because they will allow lenders to expand mortgage credit while maintaining strong consumer protections.

Can you explain the rationale for postponing these rules, as well as changes you intend to undertake in a future rulemaking if confirmed?

A.3. This announcement was issued by the current leadership of the Bureau, and I understand that the Bureau published a notice on March 3, 2021, describing its proposal in more detail.

I do not wish to prejudge any regulatory action, and I understand that Congress and a number of agencies are carefully considering the future of the GSEs. The CFPB's role, as authorized in Dodd–Frank, is to ensure that consumers can access mortgages on affordable and understandable terms. However, I understand it is critical for the CFPB to work with the Federal Housing Finance Agency and others to understand the market.

During the confirmation process, I have had the opportunity to hear the views of many Senators on this topic. I appreciated these discussions, and, if confirmed, would listen to a broad diversity of perspectives to determine what, if any, changes should be proposed.

Q.4. Manufactured housing is the most affordable homeownership option for American families. However, the smaller dollar size of some manufactured home loans and the lack of a secondary mortgage market for personal property home loans creates the need for agencies to use care in writing regulations that impact this market. For example, using pricing as a criteria disadvantages smaller loans—like those of manufactured homes—so sufficient threshold adjustments must be made to preserve the availability of affordable loans for manufactured home buyers and borrowers. The CFPB's QM notice from December recognized that smaller loans require these different thresholds.

As you consider changes to the QM rule and look at other CFPB regulations, can you assure me that you will remain mindful of the impact of agency actions on the availability of financing for manufactured homes, and that you will ensure adjustments are made when needed to preserve liquidity for this important home ownership option?

A.4. Millions of Americans live in manufactured homes, and it is critical that the CFPB take their interests into account when it

comes to rulemaking and other policy initiatives in the housing sector. If confirmed, I would work with CFPB staff and your office to ensure this market is well served.

Q.5. As you know, one of the statutory mandates of the CFPB is to ensure that "markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation." In support of this objective, Former Director Cordray established an Office of Innovation, which administers the No Action Letter (NAL), Trial Disclosure, and Compliance Assistance Sandbox programs. These programs are important to tools to reduce barriers to innovation.

If confirmed, do you intend to maintain and support these programs?

A.5. I am a strong believer in promoting competition. In my work at the Federal Trade Commission, I have repeatedly expressed concerns about the difficulties that many new businesses face when it comes to competing against dominant players.

A competitive and innovative financial sector is critical for our economy and our global competitiveness. If confirmed, I would work with CFPB staff to identify ways that the Bureau can further the efforts of promoting a competitive marketplace that incentivizes consumer-friendly innovation.

Q.6. Last year, President Biden voiced support for a progressive proposal to create a public credit bureau run by the CFPB. Promoters of this radical idea purport that only the Federal Government is equipped to solve systemic challenges of financial inclusion.

I am hugely skeptical of these arguments. Not only have I have rarely seen the Federal Government do something better than private industry, this would also be a massive expansion of government into the lives of private citizens, akin only to what we see in countries like China.

Sound and prudent lending decisions must be based on an individual's actual credit risk and their ability to repay, which are derived from a credit report's objective cataloging of a person's historical financial behavior. A Government-run credit bureau will not magically make consumers better credit risks.

Do you agree that a State-run public credit bureau would be a huge risk to the safety and soundness of the consumer lending markets?

A.6. I have not reviewed any detailed information regarding this proposal. This is a matter for Congress, and, if confirmed, I would make CFPB staff available to provide technical assistance on any proposals.

Q.7. One of the key tenets of the government-run bureau, is that it would require so-called "alternative data" reporting—rental, telco and utility information—to bring more people into the credit mainstream. This is confusing, since credit bureaus currently accept alternative data and have been proponents of bipartisan legislation that I've repeatedly introduced to encourage more alternative data furnishing. Tens of millions of credit invisible Americans have already gained greater access to credit through the use of alternative

data, and companies are investing more every year to bring more people into the credit mainstream.

Can you explain to me how a Government-run bureau established to collect the very same data that private industry already gathers is not the definition of a solution in search of a problem?

A.7. I believe the CFPB's role is to monitor consumer reporting markets and ensure compliance with the Fair Credit Reporting Act and other applicable laws. If Congress wishes to amend these laws, I am committed to making CFPB staff available to provide technical assistance.

Q.8. Do you agree that a better solution is for policymakers to incentivize more alternative data furnishing, rather than try to displace a well-functioning industry?

A.8. I understand that the CFPB has published research on "credit invisibles" that discusses the issue of alternative data furnishing. If confirmed, I would work with CFPB staff and stakeholders to advance the goal of financial inclusion.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR TILLIS FROM ROHIT CHOPRA

Q.1. In 2017, the CFPB filed a lawsuit against 15 securitization trusts—the National Collegiate Student Loan Trusts—seeking to penalize the Trusts, and thereby the underlying investors, for alleged wrongdoing of the loan servicer(s). All market participants, including investors, need to trust that well-meaning government actors and regulators will not abrogate their contractual rights and hold them responsible for unrelated third parties' alleged acts. If market participants cannot trust that transaction documents won't be altered, it calls into question the validity of those contracts and, consequently, the market itself. This uncertainty will result in a reduction in the availability of and/or an increase in the cost of credit for individuals and businesses across the country. In your opinion, do the CFPB's actions threaten the continued healthy functioning of the securitization market or annul investors' contractual rights for the alleged acts of unrelated third parties?

A.1. I believe that well-functioning capital markets are critical to our country's prosperity and competitiveness. It is always important for agencies to understand the impact of their actions on our capital markets. This matter is in active litigation. If confirmed, I would work with CFPB staff to learn more about the status of the litigation and engage with your office on these concerns.

Q.2. The CFPB is currently in litigation with The National Collegiate Master Student Loan Trust and I'm concerned this case may have far-reaching consequences for markets and consumers. From a policy perspective, the Bureau's positions have real consequences for the securitization market and the substantial credit it provides to consumers. As just one example, under the Bureau's vicarious liability theory, GSE-sponsored securitization trusts—i.e., the owners of the majority of residential mortgage debt in the country—would be liable for violations of Federal consumer financial law committed by the servicers with whom they contract. That is a radical upending of the expectations of key players in the largest mar-

ket for consumer financial services in the country. Does the CFPB plan to reconsider this case?

A.2. This matter is in active litigation. If confirmed, I would work with CFPB staff to learn more about the status of the litigation and engage with your office on these concerns.

Q.3. Last year I wrote to former Director Kraninger about the CFPB v. NCSLT matter. I'm concerned the uncertainty this case injects into the market that will likely result in securitization investors requiring higher risk premiums or reducing their participation in the securitization market, which in turn can result in higher interest rates for student borrowers. The net effect of this would be higher borrowing costs and lower credit availability for the very consumers and businesses across the U.S. the Bureau is seeking to protect. Has the Bureau decided how to move forward with this case?

A.3. This matter is in active litigation. If confirmed, I would work with CFPB staff to learn more about the status of the litigation and engage with your office on these concerns.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR KENNEDY FROM ROHIT CHOPRA

Q.1. The CFPB finalized a rule prohibiting the use of predispute arbitration agreements that prevent consumers from participating in class action lawsuits in July 2017. Critics of the rule noted that the CFPB relied on erroneous assumptions to justify rulemaking. For example, the CFPB's study ignored the pragmatic benefits of arbitration and exaggerated the purported benefits of class action lawsuits.

In October 2017, I worked with my Senate colleagues to repeal the finalized rule. In accordance with the CRA passed to overturn the rule, a new rule may not be issued in "substantially the same form," as the disapproved rule unless specifically authorized by a subsequent law.

Do you believe the Bureau maintains the authority to issue a new rule on arbitration clauses despite the CRA enacted in November 2017?

A.1. Under the Congressional Review Act, 5 U.S.C. §801(b)(2), I understand that the CFPB cannot reissue the arbitration rule in "substantially the same form," and cannot issue a new rule that is "substantially the same." If confirmed, I would ensure that the CFPB follows the law.

Q.2. What specific steps would you take to increase transparency and accountability at the CFPB?

A.2. I believe all government agencies must constantly evaluate ways to be more transparent about their actions and decision-making. In particular, I want to explore additional ways to solicit input from the public and stakeholders.

In addition, section 1016 of the Dodd–Frank Act requires the CFPB to file regular reports to Congress on a host of its activities. I am committed to complying fully with this requirement if confirmed. I would also work with CFPB staff to identify opportunities

to make additional information available through these and other reports.

Most importantly, I believe that the CFPB must engage with Congress, and I am committed to identifying ways to deepen that engagement. In addition to testifying before this Committee, I also hope to directly communicate with Members of the Committee to discuss priorities, concerns, and areas of common ground.

Q.3. Large data breaches, such as the recent Solarwinds hack, have underscored the vulnerabilities in our technological infrastructure. If confirmed to the CFPB, how would you ensure protection of data protected by the Bureau?

A.3. I am committed to privacy and data protection. The CFPB was set up to be a data-driven regulator. I support that approach and recognize that we need to protect consumer privacy in the process. CFPB data collection must operate in compliance with a wide variety of Federal data privacy standards, such as the Privacy Act of 1974. Additionally, section 1022 of the Dodd–Frank Act limits the Bureau's ability to collect personally identifiable financial information from financial institutions subject to the Bureau's jurisdiction, and in particular it prohibits the Bureau from using its market monitoring and rules assessment authorities to obtain records from those financial institutions for purposes of gathering or analyzing the personally identifiable financial information of consumers. The Federal Information Security Modernization Act of 2014 also requires an annual, independent evaluation of the Bureau's information security program.

If confirmed, I would follow these requirements and explore other best practices to protect information obtained by the Bureau.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR MORAN FROM ROHIT CHOPRA

Q.1. Congressional policies regarding Indian tribes support prioritizing Indian tribal sovereignty demands and Federal policies which promote tribal self-determination and self-reliance.

The structure of the CFPB places an enormous amount of power and responsibility in one person. In the past, that power has been used against tribal governments to create a roller coaster effect and has done little to advance the principles of self-determination and self-reliance. Information received by my office indicates that little meaningful consultation has been done since the inception of the Bureau between tribes and the CFPB under either Democratic or Republican appointees. Under all Directors to date, tribes often were provided with very little notice of meetings in D.C. which resulted in check-the-box consultations that were rarely meaningful and costly to tribal stakeholders regarding time and travel.

Congress was very clear in the Consumer Protection Act that Congress' clear intent was for tribal and State governments and laws to be placed at parity. The CFPA makes this abundantly clear by including federally recognized Indian tribes in the definition of "State."

The CFPB has entered into MOUs with the Conference of State Banking Supervisors and other state units on the intricacies of co-regulation, cooperation, and training. The CFPB's Department of

Innovation has freely included States into the American Consumer Financial Innovation Network. Disappointingly, to date only one MOU exists with a tribal government and no tribal governments have been allowed to join the American Consumer Financial Innovation Network despite Congress' clear intent that tribes be treated by the Bureau with the same dignity and respect afforded the 50 State Governments, the District of Columbia, and U.S. territories. Further, the CFPB has yet to employ any experts with Indian law expertise and cultural understanding within the Bureau.

Will you commit to rectifying this exclusion during your tenure if confirmed?

A.1. I am committed to ensuring that the views and interests of tribal communities are reflected in CFPB policymaking, and if confirmed, I would work with CFPB staff to ensure that tribes can have their voices heard around key decisions. I also welcome suggestions from your office on how to continuously improve this engagement.

Q.2. The Bureau has not been clear on the use of prohibited bases in pre-application marketing. Social media platforms present a unique challenge for creditors who want to leverage new and effective communication and social networking channels increasingly used by consumers. Would you support the Bureau clarifying ECOA's coverage of pre-application marketing, so that lenders may proactively seek out consumers who might otherwise not know about their products and services?

A.2. Social media has become a key part of American life and American commerce, but it can also facilitate practices that exclude and discriminate. I am committed to vigorous enforcement of ECOA regardless of the medium, and I agree that the Bureau must work with stakeholders and partner agencies to set clear expectations around compliance. If confirmed, I would work with CFPB staff to learn more about the issue of pre-application marketing.

Q.3. The Consumer Financial Protection Act prohibits "abusive" practices, but does not define that term, in contrast to its definition of "unfair" practices. How does an abusive practice differ from an "unfair" one in your mind? Can a practice that does not meet the 3-part standard for unfairness be "abusive," i.e., is an "abusive" act less harmful than an unfair one?

A.3. The Dodd–Frank Act is clear that the CFPB can enforce the prohibition on abusive acts or practices only if they meet criteria laid out in the statute. These criteria are distinct from the statutory standard for unfairness. Whether particular conduct qualifies as abusive or unfair will depend on the facts. State regulators can also enforce this prohibition.

Q.4. What will be the Bureau's consumer protection priorities for student loan borrowers?

A.4. If confirmed, my primary focus would be ensuring that entities subject to Federal consumer financial laws comply with their legal obligations. I believe that the market for student loans should be transparent and competitive, so that consumers can make informed choices about taking on debt. I also believe that consumers should be treated fairly by servicers as they make payments on their

loans, including with respect to any loan modification options available.

Q.5. What can the Bureau do to protect students from loan servicing problems or errors before they occur, rather than after they have happened? Additionally, do you plan to focus on the nonbank actors in the private student loan market that are not subject to the same consumer protection standards (safety, supervision, and compliance) as regulated financial institutions?

A.5. It is critical to ensure loan servicers have policies and procedures in place to prevent these errors before they harm borrowers. The CFPB currently supervises nonbank larger participants in the student loan servicing market, and ensuring their compliance with consumer protection laws would be a priority if I am confirmed.

Q.6. For a growing number of students, a college education is not a 4 year process, but takes 5 or more years, increasing the cost substantially. What can the CFPB do to educate families about this problem, either in coordination with colleges or on its own?

A.6. Many students and their families find borrowing for college to be complex and confusing. In the past, the CFPB has launched a Know Before You Owe effort in partnership with the Department of Education to help families navigate their options and reduce the amount of debt they take on. If confirmed, I am committed to ensuring that the CFPB works closely with the Department of Education and other stakeholders to help improve the borrower decision-making process.

Q.7. Since 2012, the CFPB has been collecting from banks detailed account-level data on credit card customers and other borrowers.

How is this information used by the Bureau and how are consumers being protected from the misuse/breach of this data?

Are you aware of any CFPB actions, such as rulemakings or enforcement actions, that could not have been made without the use of This information, for example if the Bureau relied instead on other sources of the information, or on periodic rather than monthly data submissions?

Will you consider ways to reduce the volume of account level data you collect?

A.7. The CFPB was set up to be a regulator that monitors markets and bases its policymaking on data and evidence. I support that approach and recognize we need to protect consumer privacy in the process. CFPB data collection must operate in compliance with a wide variety of Federal data privacy standards, such as the Privacy Act of 1974. Additionally, section 1022 of the Dodd–Frank Act limits the Bureau's ability to collect personally identifiable financial information from financial institutions subject to the Bureau's jurisdiction. In particular, it prohibits the Bureau from using its market monitoring and rules assessment authorities to obtain records from those financial institutions for purposes of gathering or analyzing the personally identifiable financial information of consumers. The Federal Information Security Modernization Act of 2014 also requires an annual, independent evaluation of the Bureau's information security program.

If confirmed, I would follow these requirements and explore other ways to protect information obtained by the Bureau.

Q.8. The Consumer Financial Protection Act obligates the CFPB to coordinate its examinations of financial institutions with bank regulators, yet banks continue to undergo compliance examinations from as many as four different regulators, and experience unproductive duplication and unnecessary costs.

Will you work to enhance coordination perhaps by relying on the work of bank regulators?

Are there other ways that the excessive and duplicative burdens on both banks and regulators could be reduced?

A.8. As an FTC Commissioner, I have developed working relationships with banking supervisors throughout the United States, and I believe coordination across agencies is not only required by the Dodd–Frank Act but prudent as a matter of course. If confirmed, I would continue to work closely with other regulators as appropriate, including other Federal agencies on the FFIEC, to identify procedures that may be duplicative.

Q.9. Over the last several years, short-term, small dollar products structured as "Earned Wage Access" products have provided a tools for workers to access cost effective and quick financial assistance based off their earned, but not yet paid, wages. State lawmakers have increased their engagement in the debate around the appropriate structure of these products. Last year, the CFPB weighed in and issued an advisory opinion on these products.

Given that 40 percent of Americans can't meet a $400 emergency expense (according to the Federal Reserve), what is your general view of consumer credit accessibility?

Do you think it's beneficial to preserve a safe and regulated marketplace for small consumer loans to meet the needs of consumers with less-than-perfect credit?

As you approach issues around short-term, small dollar credit, and more specifically, earned wage access products, what are your views on the appropriate regulatory framework and what are your plans with respect to the CFPB's 2020 Advisory Opinion on the topic?

As our Nation's consumers reel from the COVID–19 pandemic, responsible access to credit is more important now than ever, especially for low-income communities. What will you do under your Directorship to ensure consumers still have access to credit?

A.9. Access to consumer credit is critical. I believe the CFPB should support a competitive and responsible small-dollar lending market in which businesses compete to provide consumers with affordable credit. If confirmed, I would work with CFPB staff to consider all aspects of this market. I would also work with CFPB staff to better understand Earned Wage Access products and other aspects of this market.

In addition, I support efforts to give consumers more control over their money by modernizing our payments networks. Consumers should be able to access their money as soon as it is deposited and control when that money is debited in real time.

Q.10. When the CFPB was established, Congress intended it to be insulated from the politics of the day and Presidential whims. Now—because of the U.S. Supreme Court's Seila Law decision—the Director is removable for any reason and serves at the pleasure of the President. In fact, we are now considering your nomination because the previous Director resigned—at the request of the President—just 2 years into a 5-year term.

Do you think this instability is good for regulated entities or consumers?

Do you agree the CFPB should be led by a Commission, or should the Bureau's leadership continue to see-saw between political parties and regulatory philosophies?

A.10. I agree that consistency and predictability are important both to consumers and regulated entities. As to the structure of the CFPB, that is a matter for Congress to decide.

RESPONSES TO WRITTEN QUESTIONS OF SENATOR CRAMER FROM ROHIT CHOPRA

Q.1. The CFPB has at times been accused of issuing press statements with sensationalized and misleading headlines. What will you do to ensure accurate fact-based communication?

A.1. Statements by government agencies should be clear, accurate, and aimed at informing the public. If confirmed, I will work to ensure that the CFPB's statements meet these important goals.

Q.2. The Dodd–Frank Act mandated the collection of small business loan applications under Section 1071. The CFPB is currently working on that rule, which would require a significant and new collection of information. One way to make this collection faster and more efficient would be to have the CFPB set up a database that small business owners could submit the data to. They would then be provided with a number which they could give to a lender each time they applied for a loan. This would make it easier on both small business owners and lenders. Would the CFPB be open to such a database?

A.2. Across the country, small businesses are facing extinction, and we must do everything we can to ensure they can access credit on fair and competitive terms. If confirmed, I look forward to working with your office and with CFPB staff to assess this proposal.

Q.3. Many consumer lenders subject to the CFPB's jurisdiction are licensed by or operating under State laws governing consumer finance—a comprehensive statutory and regulatory regime dating to the 19th century and predating virtually all Federal banking laws.

What is your view of the validity and efficacy of State regulation of consumer credit?

A.3. I believe states play a crucial role in safeguarding our financial system against risks to consumers and our economy. Without commenting on any specific regulation, I believe Government policymaking must be grounded in market realities, and I look forward to working with my State counterparts on these shared goals if confirmed.

Q.4. Will you as, a matter of course, pledge to consult State regulators before undertaking meaningful policy changes that override the intent and findings of State legislatures or regulatory agencies?

A.4. As an FTC Commissioner, I am in regular contact with State attorneys general and financial regulators, and I commit to continuing that practice if confirmed.

Q.5. Based on the very real possibility that a regulation may have the unintended consequence of eliminating products that benefit consumers, do you recognize an obligation as Director of the CFPB to exercise restraint in promulgating a rulemaking? Given this impact, what steps will you undertake to:

Consider the costs and benefits to consumers and affected financial services industries;

Consult with other regulators, including State regulators;

Provide an opportunity for affected persons to comment on and object to the rulemaking; and

Evaluate the effect of the rulemaking on the availability of credit and financial inclusion to working American families?

A.5. It is critical that regulatory actions be grounded in data. If confirmed, I would ensure that the costs and benefits of rules—including their impact on the availability of credit—are considered, consistent with the Dodd–Frank Act's requirements. In addition, I am committed to consulting with other regulators, including State regulators, and to providing stakeholders an opportunity to weigh in.

Q.6. In today's world, every business is subject to a myriad of regulations, whether Federal, State, or local. While designed to protect consumers, all regulations have attendant costs and burdens. These burdens often prevent businesses from investing in employees, expanding workforces, opening new locations, enhancing infrastructure, and innovating for the benefit of consumers and businesses. It can also result in unintended consequences for consumers, including increased fees and constrained choice. If confirmed, will you commit to adhering to a robust cost-benefit analysis of proposed regulations? What in your view constitutes a cost-benefit analysis as part of a rulemaking process?

A.6. I believe it is important for policymakers to take account of the potential benefits and costs to consumers and businesses of any rule, including the potential impact on access to credit. Any analysis should be rigorous, robust, and grounded in data.

Q.7. How will the CFPB evaluate State-level provisions before proposing new rules that may conflict with or preempt existing state laws, or add unduly onerous requirements?

Can you ever envision adopting—or at least studying—a model based on a state approach, rather than creating a new, untested regulatory framework?

Similarly, how will the CFPB coordinate with State officials on the Bureau's assessments of financial institutions and related enforcement actions to ensure the greatest possible efficiency of the Bureau's supervision programs?

A.7. States play a vital role in protecting consumers in financial markets, and Federal regulators must consider how their efforts

align with those of states. Examining existing State models can be useful. If confirmed, I would coordinate closely with my State counterparts, who are on the front lines of detecting and combatting risks to our financial system.

Q.8. The COVID–19 pandemic has had a disproportionate and devastating impact on small businesses. As a result, it will be imperative that your rulemaking processes be especially sensitive to the burden that increased regulations impose on these backbones of the American economy. Will you commit to us that you will bring an appropriate level of attention to the needs of small businesses and implement measures to ensure that regulations do not destroy this critical element of our economy?

What do you view to be the requirements for the CFPB with regards to considering the impact of its rulemakings on small business? What will be the role of the SBREFA process in rulemakings moving forward, and how will that differ from what has or hasn't been done in the past by the bureau?

A.8. Small businesses are facing extinction, and I commit to keeping their interests front of mind if confirmed. Regulations should be focused on combatting the biggest harms, ensuring a level playing field, and promoting competition and innovation, including by new entrants. While I am not familiar with all of the details of previous approaches used internally in CFPB rulemaking, I would ensure that CFPB regulations take the interests of small businesses into account and comply with SBREFA.

Q.9. The Bureau has a stated goal of transparency and the avoidance of lobbying and other ex parte influences. If confirmed, how would you ensure the CFPB does not fall victim to regulatory capture, whether by consumer advocacy groups or industry, mindful that both sides have their own motivations and interests in the rulemaking process?

How much involvement and input do you view consumer groups will have in the CFPB's rulemaking process moving forward? Will they be able to provide draft language and edits, as they apparently have done in the past? Will industry be allowed equal involvement and input?

Under your leadership, will the Bureau commit to making public all meeting notes and email communications to and from third parties relating to rulemaking development?

A.9. It is critical that regulators hear from a diverse set of stakeholders, and if confirmed, I am committed to maintaining open lines of communication with all stakeholders. All stakeholders should be able to weigh in with their views, and the CFPB must make the ultimate determination based on the best available evidence. I am also committed to full compliance with transparency requirements, including the CFPB's ex parte communication policy.

Q.10. Differences of opinion exist within the halls of Congress and at other regulators where opinions are shared in a public setting. This public forum does not exist at the CFPB. What will you do to protect the dissenting opinions of those who disagree and how will their opinions be heard?

A.10. If confirmed, I would welcome input from all stakeholders, including those who may disagree. I especially support multiple channels for input, including field hearings held outside of Washington, where the agency can hear directly from stakeholders in a public setting. The CFPB must also adhere to the procedures pursuant to the Administrative Procedure Act to solicit public feedback on proposals, where all stakeholders can view public comments.

Public input can help drive sound decision-making, and I look forward to engaging with the public in new and innovative ways.

Q.11. Midnight embargoed press releases announcing rules were not constructive or seen as a helpful way to engage stakeholders when releasing important information. It was the opinion of many as an unnecessary political tactic that garnered mistrust. Will you pledge to bring more transparency to the rulemaking process and not release rules or other major announcements in the dead of night?

A.11. I commit to making transparency an important goal, and if confirmed, I will carefully review the CFPB's policies and procedures related to press announcements.

Q.12. Past Directors have stated the CFPB is a data driven organization which uses facts as the basis for rulemakings, supervisory proceedings, and enforcement actions. What will you do under your tenure to ensure Bureau actions are well-founded in facts and data?

A.12. I share the view that the CFPB's decision-making should be grounded by data and rigorous analysis. It is important that the CFPB undertake an interdisciplinary approach in analyzing data, and I would solicit the views of all of the agency's staff if confirmed.

Q.13. Will you commit to releasing all the facts and data that are used to support your decisions during the rulemaking and enforcement process?

A.13. Transparency is critical. I believe the public should understand the basis for government actions. If confirmed, I would work with CFPB staff to understand how we can ensure, consistent with the law, that the CFPB is being transparent.

ADDITIONAL MATERIAL SUPPLIED FOR THE RECORD

LETTERS SUBMITTED IN SUPPORT OF NOMINEE GARY GENSLER

AFL-CIO

LEGISLATIVE ALERT

March 9, 2021

The Honorable Sherrod Brown, Chairman
The Honorable Pat Toomey, Ranking Member
U.S. Senate Committee on Banking, Housing, And Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Chairman Brown and Ranking Member Toomey:

On behalf of the AFL-CIO, I am writing to urge you to vote to confirm Gary Gensler to the U.S. Securities and Exchange Commission. The retirement savings of working people need strong investor protections. Mr. Gensler has a well-deserved reputation as an effective regulator who will put interests of working people – whose pension plans and individual retirement savings make them the real "Main Street" investors – ahead of Wall Street.

Gary Gensler's qualifications to serve as the next chair of the SEC are impeccable. As a professor at the MIT Sloan School of Management, he is a leading expert on financial technology and public policy issues. As the former chair of the Commodity Futures Trading Commission, Mr. Gensler took decisive action to regulate the opaque world of derivatives markets that contributed to the 2007-2008 Wall Street financial crisis. While other regulators delayed, the CFTC under Mr. Gensler's leadership completed most of its required rules under the Dodd–Frank Wall Street Reform and Consumer Protection Act. And earlier in his career as a senior advisor to Senator Paul Sarbanes, Mr. Gensler helped draft the Sarbanes-Oxley Act to address the corporate accounting scandals of the Enron and Worldcom era.

In light of his extensive knowledge and experience, Gary Gensler is the ideal candidate to lead the SEC as its next chair. He knows that fulfilling the SEC's investor protection mandate is essential to maintaining fair, orderly, and efficient markets and for promoting capital formation. For these reasons, I urge you to vote for his confirmation.

Sincerely,

William Samuel
Director, Government Affairs

March 1, 2021

The Honorable Sherrod Brown
Chairman
Senate Committee on Banking, Housing & Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Patrick J. Toomey
Ranking Member
Senate Committee on Banking, Housing & Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Members of the U.S. Senate Committee on Banking, Housing, and Urban Affairs,

On behalf of the undersigned 41 organizations, we are writing in strong support of the nomination of Gary Gensler as the next Chair of the Securities and Exchange Commission. The work of the SEC is critical to everyday Americans. It is the lead regulator of U.S. securities markets that provide capital for business as well as investment savings for families to provide for retirement and their children's education. The public counts on fair, just, and effective SEC market regulation to support corporate accountability, protect investors, ensure company's access to funding for growth, and prevent financial instability. Under the right leadership, the Commission should also play a critical role in ensuring that public companies and investors integrate climate related risks into their decisions. Every American who works for a company that issues debt or equity, or invests their savings in such securities, has a stake in strong and effective leadership at the SEC.

Mr. Gensler would bring an unparalleled depth of experience and knowledge to the position of SEC chair. He began his career by learning Wall Street from the inside at Goldman Sachs, where he became the youngest partner in the firm's history and gained experience in mergers and acquisitions and fixed income trading. However, after leaving Goldman Sachs in the late 1990s, over the last two decades he has devoted himself to public service and academia,

including at the U.S. Treasury Department, as the Chair of the Commodity Futures Trading Commission, and in his current position researching and teaching at MIT.

When President Obama nominated Mr. Gensler as chair of the CFTC, some of our organizations had doubts about his commitment to reform of Wall Street due to his background as an investment banker. However, those doubts were dispelled as we observed his leadership on effective regulation of the derivatives markets, first by engaging productively with Congress in ways that strengthened the Dodd-Frank Act and then working tirelessly to implement that legislation at the CFTC.

Mr. Gensler's record at the CFTC speaks for itself. The CFTC is the smallest and most underfunded major financial regulator but was given one of the largest new responsibilities under the Dodd-Frank Act as the lead regulator of previously unregulated over-the-counter swaps markets. Under Mr. Gensler's leadership, the CFTC led the way in finalizing and implementing difficult new financial regulations. When he left his chairmanship of the CFTC in early 2014, the CFTC had finalized over 80% of the 60 rules it was charged with completing, almost all with bipartisan support on the Commission. Other regulators had completed fewer than half of their assigned rules.[1] These were thorny and complex rules governing multi-trillion dollar markets with billions in profits at stake. Mr. Gensler was subjected to a constant flow of personal attacks and criticism for working to finalize strong rules. But he was undaunted.

The SEC is sorely in need of a leader with Mr. Gensler's knowledge, energy, and willingness to pursue significant new rules and reforms, even in the face of opposition from powerful interests that benefit from an unfair, unsafe, or abusive status quo. SEC-regulated entities including broker-dealers, credit rating agencies, and securitization markets were at the center of the 2008 financial crisis. Yet the agency has engaged in much less fundamental reconsideration of its regulatory framework since the crisis than other major financial regulators. The March 2020 financial market disturbances, which necessitated a major Federal Reserve bailout, were also significantly related to issues in SEC-regulated debt markets and in the activities of private funds such as hedge funds which act within SEC-regulated markets. Equity markets rules are also in serious need of fundamental reform. The growth of private markets, in which companies can grow to enormous size without meeting core disclosure and governance requirements for public companies, is an extremely disturbing development that threatens to fundamentally undermine both corporate accountability and the ability of investors to trade equities in a transparent and liquid market. The recent stock market volatility and the growth of retail brokerages like Robin Hood also underline the need for better protection of both retail investors and retirement savers.

Action is also needed on the problems that have come to light in the "alternative investment" space, which includes hedge funds and private equity. From 2008 to 2017 total alternative assets under management (AUM) grew from $3.1 trillion to $8.8 trillion, and analysts expect it to

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[1] [1] Polk, Davis. "Dodd-Frank Progress Report January 2014," n.d., 15, https://www.davispolk.com/sites/default/files/Jan2014_Dodd.Frank_.Progress.Report_0.pdf

reach $14 trillion by 2023.[2] Since the Commission began regulating private equity fund managers after the passage of Dodd-Frank, it has twice issued warnings to investors that the managers were charging inappropriate fees and expenses. The SEC must bring enforcement actions to hold accountable firms responsible for overcharging investors, many of which are pension plans investing to provide for the retirement security of working class people. It must also enforce and improve fiduciary obligations and disclosure requirements for alternative investment managers.

The SEC must also address the pressing issue of climate risk regulation in the financial sector. Today, investors simply do not have the information they need to understand either the contribution of specific investments to climate change or the financial risk posed by climate change to the performance of a company or an investment. Ensuring that climate-related risks are fully incorporated into financial disclosures and decision making in SEC-regulated financial markets will be yet another demanding task on the agenda of the next SEC chair.

The need for strong regulatory reforms at the SEC is long standing, but the last four years have only increased their urgency. In recent years SEC rules have been significantly weakened in key areas ranging from private market fundraising to investor protection to oversight of global derivatives markets. A new SEC Chair will thus face the dual challenge of reversing dangerous recent deregulation and leading a large agency in fundamentally updating and strengthening its rules for a rapidly changing market environment.

Taken together, these demands constitute a tremendous challenge to the next SEC chair. We believe that Mr. Gensler has demonstrated that he has the knowledge, energy, drive, commitment to the public interest and courage to meet this challenge. We urge you to vote to confirm him.

Sincerely,

20/20 Vision
Adrian Dominican Sisters, Portfolio Advisory Board
AFL-CIO
Alliance for Retired Americans
American Economic Liberties Project
American Family Voices
American Federation of State, County and Municipal Employees (AFSCME)
Americans for Financial Reform
Businesses for a Livable Climate
Call to Action Colorado
CatholicNetwork.US
Center for Economic and Policy Research
Center for Popular Democracy

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[2] Preqin, "The Future of Alternative Investments," October 2018, https://docs.preqin.com/reports/Preqin-Future-of-Alternatives-Report-October-2018.pdf

Congregation of St. Joseph
Consumer Action
Consumer Federation of America
Dana Investment Advisors
Daughters of Charity, Province of St. Louise
Economic Policy Institute
Financial Accountability and Corporate Transparency (FACT) Coalition
Fund Democracy
Harrington Investments, Inc.
Interfaith Center on Corporate Responsibility
International Brotherhood of Teamsters
Media Voices for Children
Mercy Investment Services, Inc.
Northwest Coalition for Responsible Investment
OIP TRUST
Open Markets Institute
Public Citizen
Public Investors Advocate Bar Association
Publish What You Pay--United States
Rapid Shift Network
Roumell Asset Management, LLC
Service Employees International Union
Strategic Organizing Center (formerly CtW)
Strong Economy For All Coalition
The Institute for Agriculture and Trade Policy
THE ONE LESS FOUNDATION
U.S. PIRG
UNITE HERE

March 1, 2021

The Honorable Sherrod Brown
Chairman
Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, DC 20510

The Honorable Patrick Toomey
Ranking Member
Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, DC 20510

Dear Chairman Brown and Ranking Member Toomey:

The American Securities Association (ASA)[1] is pleased to support the nomination of Gary Gensler to be Chairman of the U.S. Securities and Exchange Commission (SEC). Mr. Gensler is highly qualified to lead the SEC and we urge members to support his nomination. His previous experience in both the public and private sector will serve investors well during this important period for America's capital markets and our economy.

The ASA has actively engaged with Congress and the SEC to promote policies that further the SEC's tripartite mission to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. As our economy and the capital markets continue to recover in the wake of the COVID-19 pandemic, we believe it is important for the SEC to focus on its core mission and maintain its independence from partisan politics. It is our hope and expectation that Mr. Gensler will be a strong, independent voice for America's working families, retirees, and savers who invest in our markets for a better future.

I have personally known Mr. Gensler for over ten years, and I worked very closely with him on the implementation of the Dodd-Frank Act while we both served the American public at the U.S. Commodity Futures Trading Commission. While he is a person of immense intellectual acumen, he is also pragmatic, reasonable, and open to listening to all points of view as he develops policy. I have always found him to be honest and forthright in our discussions and very eager to engage in a constructive way on the specifics of highly detailed policies that impact our capital markets. For these reasons, the ASA supports his nomination.

The ASA is particularly eager to work with Mr. Gensler and the Commission on several issues critical to maintaining confidence in our capital markets, including:

[1] The ASA is a trade association that represents the retail and institutional capital markets interests of regional financial services firms who provide Main Street businesses with access to capital and advise hardworking Americans how to create and preserve wealth. The ASA's mission is to promote trust and confidence among investors, facilitate capital formation, and support efficient and competitively balanced capital markets. This mission advances financial independence, stimulates job creation, and increases prosperity. The ASA has a geographically diverse membership base that spans the Heartland, Southwest, Southeast, Atlantic, and Pacific Northwest regions of the United States.

American Securities Association
1455 Pennsylvania Ave. NW, Suite 400
Washington, D.C. 20004

AmericanSecurities.org
@amersecurities

202.621.1784

american securities association
America's Voice for Main Street's Investors

- Protecting the personal information of retail investors by eliminating the collection of their personally identifiable information (PII) by the Consolidated Audit Trail (CAT);
- Maintaining Regulation Best Interest (Reg BI) as the national standard of care for broker-dealers when providing investment advice;
- Holding Wall Street accountable by examining whether "naked" short selling is happening, reviewing stock lending practices, and proposing reforms to Reg SHO;
- Working together on disclosure, investor choice, and bond classification related to environmental, social and governance matters for public companies;
- Implementation of the Holding Foreign Companies Accountable Act to prohibit U.S. listings of fraudulent companies controlled by the Chinese Communist Party (CCP); and
- Developing and implementing a capital formation agenda that increases participation and access for all Americans while helping small and middle market businesses raise capital they need to grow and create jobs.

We thank the Banking Committee for its swift action to hold a nomination hearing for Mr. Gensler and look forward to working on these and other issues with Congress and the SEC in the coming years.

Sincerely,

Christopher A. Iacovella

Christopher A. Iacovella
Chief Executive Officer
American Securities Association

Cc: Members of the Committee on Banking, Housing, and Urban Affairs

American Securities Association
1455 Pennsylvania Ave. NW, Suite 400
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AmericanSecurities.org
@amersecurities

202.621.1784

February 26, 2021

The Honorable Sherrod Brown
Chairman
Committee on Banking, Housing
and Urban Affairs
U.S. Senate
Washington, D.C. 20510

The Honorable Patrick J. Toomey
Ranking Member
Committee on Banking, Housing
and Urban Affairs
U.S. Senate
Washington, D.C. 20510

Dear Chairman Brown, Ranking Member Toomey, and Members of the Committee:

I am writing on behalf of the Consumer Federation of America to express our strong support for Gary Gensler's nomination as Chair of the Securities and Exchange Commission (SEC). Mr. Gensler combines a Wall Street insider's market expertise with an unwavering commitment to the public interest and the skills of a seasoned regulator. These traits make him ideally suited to fulfill the important responsibilities of SEC Chair.

The incoming SEC Chair faces a daunting list of pressing issues. After decades of relentless expansion of private offering exemptions, a trend that took on new momentum in the previous administration, the health of our public markets is in serious decline. While the number of IPOs has risen dramatically in recent years, that rise is driven almost entirely by the growth in special purpose acquisition companies (SPACs), which have provided spectacular windfalls for insiders while performing very poorly for most investors. Meanwhile, companies are able to grow to enormous size in the private markets without the transparency, accountability, and discipline that public markets bring, post-Enron reforms to both auditor oversight and auditor independence are in shambles, shareholder rights have been seriously eroded, investors' demands for more comparable and reliable information on companies' environmental, social, and governance practices remain un met, and retail investors who rely on investment professionals for advice and recommendations remain vulnerable to conflicted advice.

As a result, the SEC faced a challenging agenda before the recent frenzied trading in GameStop and other "meme" stocks revealed both serious vulnerabilities in our markets and gaps in our regulations. As a result, an evaluation of rules governing options trading, payment for order flow, market manipulation, short selling, trade settlement, broker-dealer capital requirements, and the application of broker-dealer sales practice rules to the psychological nudges built into retail-oriented trading apps join a growing list of pressing issues facing the incoming SEC Chair. Action on those issues will be essential to restoring the stability of the markets on which the wellbeing of both issuers and investors depends.

It will take an individual of extraordinary energy, commitment, and expertise to manage that burgeoning workload and deliver the reforms that the markets, and the moment, demand. As he proved during his tenure as Chair of the Commodity Futures Trading Commission (CFTC), Mr. Gensler is ideally suited to the job. Working with a tiny staff and a modest budget at the CFTC, he managed to out-perform other much larger, better funded regulatory agencies in completing the technically complex, politically challenging rulemakings mandated by the Dodd-Frank Act. Even more impressive, he managed to get bipartisan support for a large majority of those rules without sacrificing his commitment to effective regulations. During his tenure at the CFTC, Mr. Gensler also demonstrated that he understands the importance of backing thoughtful regulations with tough enforcement.

As recent events have so dramatically demonstrated, the public's faith in the integrity of our capital markets hangs by a thread. If investors lose faith in our markets, or if issuers conclude that our markets are too unpredictable to serve as a reliable source of capital, our economy will suffer. Mr. Gensler has the expertise, experience, and public interest commitment necessary to oversee a careful review our regulations, identify weaknesses, and craft a regulatory response that is both workable and effective. We therefore urge you to approve his nomination without delay so that he can quickly set about the challenging task before him.

Respectfully submitted,

Barbara Roper

Barbara Roper
Director of Investor Protection

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

NEIL L. BRADLEY
EXECUTIVE VICE PRESIDENT &
CHIEF POLICY OFFICER

1615 H STREET, NW
WASHINGTON, DC 20062
(202) 463-5310

March 8, 2021

TO THE MEMBERS OF THE SENATE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS:

The U.S. Chamber of Commerce supports the nomination of Gary Gensler to serve as Chair of The U.S. Securities and Exchange Commission (SEC). Mr. Gensler's previous positions in the public and private sector and in academia have prepared him to fulfill the mission of the SEC and enact policies that encourage economic growth.

Mr. Gensler has demonstrated a capacity to be an effective policymaker during his tenure in government. He previously served as Chair of the Commodity Futures Trading Commission and has held senior roles at the U.S. Treasury Department as Under Secretary for Domestic Finance and Assistant Secretary for Financial Markets.

Mr. Gensler has the credentials to uphold the SEC's tripartite mission of investor protection, fair and efficient capital markets, and capital formation. His experience will be critical to ensuring businesses, especially small and emerging growth companies, are able to access needed capital so that they can grow and help enable a robust economic recovery. During his confirmation hearing, Mr. Gensler demonstrated a strong understanding of "materiality" for disclosure of information in public company disclosures through multiple references to *TSC Industries, Inc. v. Northway, Inc.*

The Chamber has a history of working constructively with Mr. Gensler, including on issues where we may disagree, and expect he will be a balanced leader of the SEC and strong supporter of competitive capital markets.

Sincerely,

Neil L. Bradley

NASAA

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.
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March 1, 2021

The Honorable Sherrod Brown
Chairman
Senate Committee on Banking, Housing & Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Patrick J. Toomey
Ranking Member
Senate Committee on Banking, Housing & Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

Re: Nomination of Gary Gensler to be Chair of the U.S. Securities and Exchange Commission

Dear Chairman Brown and Ranking Member Toomey:

On behalf of the North American Securities Administrators Association (NASAA),[1] I write to express support for the nomination of Gary Gensler to be Chairman of the U.S. Securities and Exchange Commission (SEC). The nomination of an experienced former regulator with the track record of Mr. Gensler signals that the Administration expects the agency to hold those who harm investors accountable for their wrongdoing and pursue a regulatory agenda that prioritizes investor protection.

State securities regulators and the SEC have a long history of working together to provide a robust regulatory environment for businesses to grow and to protect the investors who fuel that growth. This partnership is crucial to achieving our shared goal of protecting investors, maintaining market integrity, and facilitating capital formation.

Mr. Gensler's tenure at the Commodity Futures Trading Commission (CFTC) demonstrated that he is an energic and effective regulator. In fact, during his roughly five years leading the agency, he earned a reputation as one of the most effective CFTC leaders in policing the financial markets, including by conducting a major crackdown on abuses in setting benchmark interest rates. Further, his largely successful pursuit of bipartisan rulemakings helped instill new disciplines and rules for governing the multi-trillion-dollar derivatives market, including the 2010 Dodd-Frank reforms enacted in response to the 2008 financial crisis.

Mr. Gensler's record at the CFTC, and subsequently, as the Chairman of the Maryland Financial Consumer Protection Commission, demonstrate that he will focus the SEC on its traditional investor protection role. This is critical, given the abundance of issues the SEC presently confronts that directly implicate "Mom and Pop" investors, including but not limited to the scope and size of the private offering framework, and the implementation and potential revision of Regulation Best Interest.

[1] The oldest international organization devoted to investor protection, the North American Securities Administrators, Inc. was organized in 1919. Its membership consists of the securities administrators in the 50 states, the District of Columbia, Canada, Mexico, Puerto Rico and the U.S. Virgin Islands. NASAA is the voice of securities agencies responsible for grass-roots investor protection and efficient capital formation.

Based on Mr. Gensler's qualifications, experience working in the capital markets and as a financial regulator, and his record as a champion of effective investor protection and well-regulated financial markets, NASAA looks forward to continued cooperation with our federal counterparts under his leadership. We urge the Committee to vote to confirm him.

Sincerely,

Lisa Hopkins
NASAA President
General Counsel and Senior Deputy Commissioner of Securities, West Virginia

215 Pennsylvania Avenue, SE • Washington, D.C. 20003 • 202/546-4996 • www.citizen.org

March 1, 2021

Sherrod Brown, Chair
Patrick Toomey, Ranking Member
Distinguished Senators of the Committee
Senate Banking Committee
538 Dirksen Office Building
Washington D.C. 20510

Via email

Dear Senators,

On behalf of more than 500,000 member and supporters of Public Citizen, we offer our enthusiastic support for the nominations of Gary Gensler to serve as chair the Securities and Exchange Commission (SEC), and Rohit Chopra to serve as director of the Consumer Financial Protection Bureau CFPBB).

Both candidates boast proven records of consumer protection and confronting powerful forces in the financial sector with clear headed policies that serve average Americans.

For too long through too many presidential administrations, the SEC chair has worked more to promote Wall Street than individual investors, despite the fact that investor protection is the agency's primary goal. The agency has worked to reduce disclosure, even as disclosures constitute the vascular system of responsible investment decisions. The agency has reduced enforcement, and even waived mandatory penalties for companies that have pled guilty to serious crimes. And successive SEC chairs have ignored petitions for needed rules, such as the disclosure of corporate political spending, a key issue for over 1.2 million investors and members of the public who have weighed in with the agency. And the door to these chairs was largely closed to public interest advocates

We believe Gary Gensler can reverse this harmful trajectory. As chair of the Commodity Futures Trading Commission (CFTC), he promulgated and completed important rules to implement the Dodd-Frank Wall Street Reform and Consumer Protection Act even as other agencies, notably the SEC, slow-walked or ignored these mandates. He brought important enforcement cases, such as for massive LIBOR manipulation. And he opened his door to public interest advocates.

Mr. Gensler began his career at Goldman Sachs, becoming one of the youngest partners in the company's history. Ordinarily, Public Citizen argues that a background working for Wall Street should count as a demerit on the resume of a nominee for financial oversight. However, with his success at the CFTC, he proved that a Wall Street banker can marshal that background to better understand the tricks and traps that can ensnare consumers of financial products. And unlike many who spin through the revolving door from Wall Street to Washington, Gensler left government for academia, along with a post in a Maryland financial reform initiative. He did not leverage his prior government position for a lucrative private sector position.

In short, we believe Mr. Gensler is well positioned to fulfill the SEC''s primary mandate, namely, to protect investors. The challenges are legion. Too much capital is diverted to private markets. Public markets remain vulnerable to manipulation, as evidenced by the recent GameStop episode. Frauds undoubtedly abound and must be met with stern enforcement. Improved environmental, social and governance (ESG) disclosures are critical, such as for climate change, political spending, country by country tax reporting, and human capital. We believe Mr. Gensler will meet these and other challenges with expertise, transparency and zeal. We ask the Committee and the full Senate to confirm his nomination to chair the SEC.

Rohit Chopra brings parallel experience fighting for average consumers and will be an ideal director of the Consumer Financial Protection Bureau (CFPB). After Congress created the CFPB as one of the hallmarks of the Dodd-Frank Act, the agency's first director Richard Cordray proved a strong consumer champion. Under his leadership, the agency conducted rigorous examinations of financial institutions, engaged in responsible enforcement, and returned billions of dollars in restitution to millions of harmed investors. Under the Trump administration, however, many of these initiatives were reversed or weakened and the agency failed to fulfill even basic examinations. It stepped away from enforcing compliance with the Military Lending Act altogether and engaged in much less enforcement. The few enforcement actions it bothered to pursue gave little restitution to victims.

Fortunately, Mr. Chopra served as one of Mr. Cordray's chief lieutenants. As the CFPB's student loan ombudsman, he fought predatory lenders and abusive student loan servicing practices. He helped secure millions in restitution for victims of services and debt collectors as well as unscrupulous for-profit colleges.

Also impressive, Mr. Chopra has and does serve as a progressive force as commissioner of the Federal Trade Commission (FTC). Often in a minority opinion, he has called for tougher remedies for misconduct by corporations, more aggressive use of the Commission's enforcement and rulemaking powers, and a forward-looking approach to digital rights, privacy, and technology in assessing mergers. To his credit, the FTC brought a case against a car dealer for illegal racial discrimination, a first for the agency. Late last year, Mr. Chopra also voted with the Republican Chairman of the FTC to bring a historic antitrust case against Facebook that could result in the breakup of the tech giant.

Mr. Chopra will restore the CFPB to the agency that Congress intended, one committed to consumer protection. We ask the committee and the Senate to confirm his nomination.

For questions, please contact Lisa Gilbert at lgilbert@citizen.org, or Bartlett Naylor at bnaylor@citizen.org.

Sincerely,

Public Citizen

February 26, 2021

The Honorable Sherrod Brown
Chair
Banking, Housing and Urban Affairs Committee
United States Senate
Washington, DC 20510

The Honorable Patrick Toomey
Ranking Member
Banking, Housing and Urban Affairs Committee
United States Senate
Washington, DC 20510

Dear Chair Brown and Ranking Member Toomey:

On behalf of US SIF: The Forum for Sustainable and Responsible Investment, I write in support of the nomination of Gary Gensler to chair the Securities and Exchange Commission (SEC). Mr. Gensler's experience as a financial regulator will serve the SEC well, particularly as it responds to the evolving investment landscape.

Sustainable investment has become a core strategy for investors all over the world. Since 1995, when the US SIF Foundation first measured US sustainable investment assets at $639 billion, assets have increased 25-fold, at a compound annual growth rate of 14 percent. From 2018 to 2020, assets grew from $12.0 trillion to $17.1 trillion, a 42 percent increase. More than 33 percent – or 1 in 3 dollars – of all professionally managed assets in the United States consider environmental, social and governance (ESG) factors.[1]

Mr. Gensler has a unique opportunity to remove recent roadblocks put in place by the SEC, such as changes in the shareholder resolution process and the use of proxy advisors. He can also ensure that staff has expertise in investor's use of ESG data and move forward greatly needed ESG disclosure by companies.

US SIF urges the Senate to confirm Mr. Gensler to the SEC and begin this important work immediately. Thank you for your consideration.

Sincerely,

Lisa Woll
CEO

[1] US SIF Foundation's 2020 *Report on US Sustainable and Impact Investing Trends*, www.ussif.org/trends

1660 L Street NW Suite 306 Washington, DC 20036 p (202) 872-5361 www.ussif.org

March 1, 2021

The Honorable Sherrod Brown
Chairman
Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, DC 20510

The Honorable Patrick Toomey
Ranking Member
Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, DC 20510

Dear Chairman Brown and Ranking Member Toomey:

The American Securities Association (ASA)[1] is pleased to support the nomination of Gary Gensler to be Chairman of the U.S. Securities and Exchange Commission (SEC). Mr. Gensler is highly qualified to lead the SEC and we urge members to support his nomination. His previous experience in both the public and private sector will serve investors well during this important period for America's capital markets and our economy.

The ASA has actively engaged with Congress and the SEC to promote policies that further the SEC's tripartite mission to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. As our economy and the capital markets continue to recover in the wake of the COVID-19 pandemic, we believe it is important for the SEC to focus on its core mission and maintain its independence from partisan politics. It is our hope and expectation that Mr. Gensler will be a strong, independent voice for America's working families, retirees, and savers who invest in our markets for a better future.

I have personally known Mr. Gensler for over ten years, and I worked very closely with him on the implementation of the Dodd-Frank Act while we both served the American public at the U.S. Commodity Futures Trading Commission. While he is a person of immense intellectual acumen, he is also pragmatic, reasonable, and open to listening to all points of view as he develops policy. I have always found him to be honest and forthright in our discussions and very eager to engage in a constructive way on the specifics of highly detailed policies that impact our capital markets. For these reasons, the ASA supports his nomination.

The ASA is particularly eager to work with Mr. Gensler and the Commission on several issues critical to maintaining confidence in our capital markets, including:

[1] The ASA is a trade association that represents the retail and institutional capital markets interests of regional financial services firms who provide Main Street businesses with access to capital and advise hardworking Americans how to create and preserve wealth. The ASA's mission is to promote trust and confidence among investors, facilitate capital formation, and support efficient and competitively balanced capital markets. This mission advances financial independence, stimulates job creation, and increases prosperity. The ASA has a geographically diverse membership base that spans the Heartland, Southwest, Southeast, Atlantic, and Pacific Northwest regions of the United States.

American Securities Association
1455 Pennsylvania Ave. NW, Suite 400
Washington, D.C. 20004

AmericanSecurities.org
@amersecurities

202.621.1784

american securities association
America's Voice for Main Street's Investors

- Protecting the personal information of retail investors by eliminating the collection of their personally identifiable information (PII) by the Consolidated Audit Trail (CAT);
- Maintaining Regulation Best Interest (Reg BI) as the national standard of care for broker-dealers when providing investment advice;
- Holding Wall Street accountable by examining whether "naked" short selling is happening, reviewing stock lending practices, and proposing reforms to Reg SHO;
- Working together on disclosure, investor choice, and bond classification related to environmental, social and governance matters for public companies;
- Implementation of the Holding Foreign Companies Accountable Act to prohibit U.S. listings of fraudulent companies controlled by the Chinese Communist Party (CCP); and
- Developing and implementing a capital formation agenda that increases participation and access for all Americans while helping small and middle market businesses raise capital they need to grow and create jobs.

We thank the Banking Committee for its swift action to hold a nomination hearing for Mr. Gensler and look forward to working on these and other issues with Congress and the SEC in the coming years.

Sincerely,

Christopher A. Iacovella

Christopher A. Iacovella
Chief Executive Officer
American Securities Association

Cc: Members of the Committee on Banking, Housing, and Urban Affairs

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March 2, 2021

The Honorable Sherrod Brown
Chairman
U.S. Senate Committee on Banking, Housing, & Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Patrick Toomey
Ranking Member
U.S. Senate Committee on Banking, Housing, & Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Brown and Ranking Member Toomey:

The Center for American Progress ("CAP") is pleased to submit the following statement for the record for today's confirmation hearing. CAP is an independent nonpartisan policy institute that is dedicated to improving the lives of all Americans, through bold, progressive ideas, as well as strong leadership and concerted action.

With the nominations of Gary Gensler and Rohit Chopra, President Biden has signaled a new era for financial regulation and consumer protection. These are two experienced regulators who will bring steady hands to important agencies at a critical time and will turn the page on four years of letting big business run the show in Washington.

As a former chairman of the Commodity Futures Trading Commission, Gary Gensler has a track record of being a tough but fair regulator who puts the interests of investors, consumers, and the broad economy first. His deep experience at the U.S. Treasury Department, combined with his industry and regulatory expertise, makes him the ideal candidate to lead the Securities and Exchange Commission.

Rohit Chopra has been a stalwart defender of consumers throughout his career. As Director of the Consumer Financial Protection Bureau, he will work tirelessly to protect them from exploitation in the financial marketplace. His leadership at the Bureau is more necessary than ever, given the damage done to consumer protections under the Trump administration and the precarious financial situation many consumers across the country find themselves in during this pandemic.

Thank you for your consideration.

Sincerely,

Andres Vinelli /s/
Vice President, Economic Policy
Center for American Progress

LETTERS SUBMITTED IN SUPPORT OF NOMINEE ROHIT CHOPRA

February 26, 2021

The Honorable Charles Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Sherrod Brown
Chairman
U.S. Senate Committee on
Banking, Housing and Urban Affairs
534 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Patrick Toomey
Ranking Member
U.S. Senate Committee on
Banking, Housing and Urban Affairs
534 Dirksen Senate Office Building
Washington, DC 20510

*Via email to Jan_Singelmann@banking.senate.gov

Dear Majority Leader Schumer, Minority Leader McConnell, Chairman Brown, and Ranking Member Crapo:

As top consumer protection officials in each of our states, we are writing to urge the United States Senate to swiftly confirm Federal Trade Commissioner Rohit Chopra to serve as the next director of the Consumer Financial Protection Bureau. Washington needs a financial regulator who knows the scale of the challenges we face and has a clear-eyed view of the tools and actions needed to protect American families. Commissioner Chopra's proven track record fighting to protect American families makes him an exceptional choice to lead the federal consumer bureau.

Commissioner Chopra recognizes the critical role states play in protecting consumers, and he has developed close relationships with bipartisan Attorneys General across the United States. Last year, for example, the FTC joined 48 states in challenging Facebook's illegal monopolization.[1] The FTC has also joined with state enforcement officials to oppose hospital mergers that pose a threat to competition, creating new risks to public health and the economy.[2]

As a member of the FTC, Commissioner Chopra has fought for consumers across the economy by demanding accountability for tech company abuses,[3] identifying new tools to battle racial discrimination,[4] combating fraud and deceptive marketing,[5] and standing up for Americans'

[1] https://www.ftc.gov/news-events/press-releases/2020/12/ftc-sues-facebook-illegal-monopolization
[2] https://www.ftc.gov/news-events/press-releases/2020/02/ftc-commonwealth-pennsylvania-challenge-proposed-merger-two-major
[3] https://www.ftc.gov/public-statements/2019/07/dissenting-statement-commissioner-rohit-chopra-regarding-matter-facebook
[4] https://www.ftc.gov/public-statements/2020/10/remarks-commissioner-rohit-chopra-national-fair-housing-alliance-2020
[5] https://www.ftc.gov/public-statements/2020/10/statement-commissioner-rohit-chopra-regarding-report-congress-protecting

privacy rights, including by opposing federal preemption of state protections.[6] For example, Chopra pressed the FTC to take a more expansive approach to protecting consumers' privacy, including through rulemaking and through more muscular enforcement across the marketplace.[7] Chopra also worked alongside commissioners of both parties to advance strong new rules and tougher enforcement against companies that falsely claim their products are Made in the USA,[8] a practice that harms consumers and honest businesses.[9]

Commissioner Chopra is more than just a top consumer protection official— he is an expert in his own right, fluent in the problems facing American families and the functions the financial regulator he has been tapped to lead. For more than four years, Chopra was responsible for directing the CFPB's work in the $1.7 trillion dollar student loan market, working collaboratively with the state enforcement community to develop and prosecute some of the most consequential consumer protection cases in the past decade. These cases include efforts to halt predatory lending by the largest operators of for-profit colleges and partnerships with attorneys general of both parties to bring the first enforcement actions against student loan debt relief scams.[10]

During his tenure at the CFPB, Chopra focused on abuses by financial companies that preyed on members of the military and veterans. Under his leadership, Chopra raised the first warnings about a scheme to overcharge tens of thousands of active duty servicemembers with student debt, ultimately leading the U.S. Department of Justice and the FDIC to take action and return more than $60 million to these military borrowers.[11] These early actions would serve as a roadmap for the student lending and loan servicing enforcement that followed, both by the CFPB and by a bipartisan coalition of state attorneys general.

The COVID pandemic and the attendant economic fallout have left hundreds of millions of American consumers newly vulnerable to abuse by big businesses and small scams across the financial sector. With Chopra at the helm of the CFPB, we believe that the consumer bureau will be well-positioned to work hand in glove with the state law enforcement community to address the enormous challenges facing American families and our economy.

For these reasons, we urge you to swiftly confirm Rohit Chopra to lead the Consumer Financial Protection Bureau.

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[6] https://www.ftc.gov/public-statements/2021/01/statement-commissioner-rohit-chopra-matter-everalbum-paravision
[7] https://www.ftc.gov/system/files/documents/public_statements/1577067/p065404dpipchoprastatement.pdf
[8] https://www.ftc.gov/public-statements/2020/12/statement-commissioner-rohit-chopra-matter-chemence
[9] https://www.ftc.gov/news-events/press-releases/2020/03/williams-sonoma-inc-settles-ftc-agrees-stop-making-overly-broad; https://www.ftc.gov/system/files/documents/public_statements/1577107/p074204musachoprastatementrev.pdf
[10] https://www.consumerfinance.gov/about-us/newsroom/written-testimony-of-rohit-chopra-before-the-committee-on-the-budget/; https://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-to-end-student-debt-relief-scams/
[11] https://www.consumerfinance.gov/data-research/research-reports/the-next-front-student-loan-servicing-and-the-cost-to-our-men-and-women-in-uniform-3/; https://www.justice.gov/opa/pr/justice-department-reaches-60-million-settlement-sallie-mae-resolve-allegations-charging

Regards,

Karl A. Racine
District of Columbia Attorney General

Jeff Landry
Louisiana Attorney General

Ellen F. Rosenblum
Oregon Attorney General

Phil Weiser
Colorado Attorney General

William Tong
Connecticut Attorney General

Kathleen Jennings
Delaware Attorney General

Clare E. Connors
Hawaii Attorney General

Kwame Raoul
Illinois Attorney General

Tom Miller
Iowa Attorney General

Aaron M. Frey
Maine Attorney General

Brian Frosh
Maryland Attorney General

Maura Healey
Massachusetts Attorney General

Keith Ellison
Minnesota Attorney General

Aaron D. Ford
Nevada Attorney General

Hector Balderas
New Mexico Attorney General

Letitia James
New York Attorney General

Josh Stein
North Carolina Attorney General

Josh Shapiro
Pennsylvania Attorney General

Peter F. Neronha
Rhode Island Attorney General

T.J. Donovan
Vermont Attorney General

Mark R. Herring
Virginia Attorney General

Robert W. Ferguson
Washington Attorney General

Joshua L. Kaul
Wisconsin Attorney General

March 1, 2021

Dear Senator:

The 138 undersigned consumer, civil rights, community, housing, labor, small business, and other public interest groups write to express our strong support for the nomination of Federal Trade Commissioner Rohit Chopra as the next Director of the Consumer Financial Protection Bureau (CFPB or Bureau).

Commissioner Chopra is exactly the type of leader we need to serve as the next CFPB director. His commitment to consumer protection, effectiveness at using the tools of government to serve the public interest, and willingness to challenge powerful corporate interests when necessary are exactly what the Bureau needs to fulfill its crucial consumer protection mission. He is dedicated to ensuring a fair and equitable financial marketplace for all consumers and will restore the CFPB's efforts to address racial inequities and fair lending violations. Commissioner Chopra will lead the Bureau in looking beyond fair lending to identify and root out unlawful conduct that disproportionately impacts communities of color and other vulnerable populations.

The CFPB is the only financial regulator whose primary focus is protecting consumers. It has an incredibly important job that includes stopping financial rip-offs, fighting discrimination, ending predatory lending, halting debt collection abuses, and holding companies accountable when they break the law and harm customers. The CFPB's role is particularly critical during this time as many consumers experience acute economic distress because of the ongoing COVID-19 pandemic, which is leaving millions of families unable to pay for basic needs. Commissioner Chopra will be effective at marshalling all of the Bureau's tools to help families survive and rebuild.

Commissioner Chopra's experience makes him particularly well-suited to lead the CFPB. In his role as the CFPB's student loan ombudsman, he shined a spotlight on the problems faced by student loan borrowers and worked to address concerns, promote transparency and increase accountability. Under his leadership as ombudsman, the CFPB cracked down on unscrupulous lenders and abusive student loan servicing practices and obtained millions of dollars in refunds for borrowers harmed by loan servicers, debt collectors, and predatory for-profit schools. He amplified the need for more refinance and modification options in the private student loan market, which led to lower interest rates and extended repayment plans becoming available at several private student lenders, including Wells Fargo, the second-largest private student lender

by origination volume. As the Special Adviser to the Secretary of Education, he continued to work on improving student loan servicing, reducing defaults, and strengthening enforcement in the student lending space.

At the Federal Trade Commission (FTC), Commissioner Chopra has continued to stand up for consumers and promote a fair marketplace through vigorous enforcement that protects families and honest businesses from those that break the law. He has pushed for tough remedies against lawbreaking companies, especially repeat offenders. Commissioner Chopra has worked to reverse the FTC's reliance on no-money, no-fault settlements, insisting that corporations that repeatedly violate the law should face consequences for the harm they cause. He led the FTC's work in taking on the problem of merchant cash advances, and pushed the FTC to take on auto lending, debt collection and credit reporting abuses. During his tenure, the FTC brought its first case charging an auto dealer for illegal racial discrimination under the Equal Credit Opportunity Act, which resulted in a $1.5 million judgment and the establishment of a fair lending program at the dealership.

A CFPB recommitted to its mission can make a huge difference in the lives of families across the country. We are confident in Commissioner Chopra's ability to lead the Bureau's work to end practices that trap people in debt, amplify racial inequality, and exploit people's financial vulnerability. We believe that Commissioner Chopra's extensive consumer protection record, government experience, and commitment to civil rights and racial justice make him well-suited to lead the CFPB. We strongly urge you to support his prompt confirmation.

Sincerely,

Americans for Financial Reform
20/20 Vision
Accion Opportunity Fund
Accountable.US
Action Center on Race & the Economy
Alaska PIRG
American Economic Liberties Project
American Family Voices
Appleseed Foundation
Arizona PIRG
Arkansans Against Abusive Payday Lending
Beyond Housing
California Reinvestment Coalition
CALPIRG
CAMEO - California Association for Micro Enterprise Opportunity
CASH Campaign of Maryland
Center for Community Progress
Center for Digital Democracy

Center for Economic Integrity
Center for Responsible Lending
CFORM-Covenant Community Development Corporation
Coalition on Human Needs
coasap
COHHIO
Community Loan Fund of the Capital Region, Inc.
Connecticut Fair Housing Center
ConnPIRG
Consumer Action
Consumer Credit and Budget Counseling, Inc d/b/a National Foundation for Debt Management
Consumer Federation of America
Consumer Federation of California
Consumers for Auto Reliability and Safety
CoPIRG
Credit Builders Alliance
CWA Local 1081
Debthelper.com
Delaware Community Reinvestment Action Council, Inc.
Dr. Michael Hutchins Impact on Wildlife Fund
Empire Justice Center
Faith in Action
Family Farm Action
Florida PIRG
Florida Silver Haired Legislature
Georgia PIRG
Greater Kansas City Housing Information Center
Grounded Solutions Network
Hispanic Federation
HomeFree-USA
Homeownership Council of America
Housing and Education Alliance
HPP Cares CDE
Human Development Services of Westchester, Inc.
Illinois PIRG
Indiana PIRG
Indivisible
Insight Center for Community Economic Development
Iowa PIRG
Jacksonville Area Legal Aid, Inc.
La Casa De Don Pedro
Liberation in a Generation
Local Initiatives Support Corporation (LISC)
Main Street Alliance

Maryland Consumer Rights Coalition
Maryland PIRG
Massachusetts Communities Action Network
MASSPIRG
Miami Valley Community Action Partnership
Miami Valley Fair Housing Center, Inc.
Mid-Pinellas Coalition of Neighborhood Associations (MP-CONA) Florida
Missouri Faith Voices
Mobilization for Justice
MontPIRG
MoPIRG
Morningstar Urban Development Inc.
Mountain State Justice
MoveOn
National Association of Consumer Advocates
National CAPACD
National Community Reinvestment Coalition (NCRC)
National Community Stabilization Trust
National Council of Asian Pacific Americans (NCAPA)
National Fair Housing Alliance
National Housing Law Project
National Housing Resource Center
National Partnership for Women & Families
National Urban League
National Women's Law Center
NCPIRG
NeighborWorks Blackstone River Valley
New Jersey Appleseed Public Interest Law Center
New Jersey Citizen Action
NHPIRG
NID Atlanta Metro Regional Office
NJPIRG
NMPIRG
North Carolina Justice Center
Northfield Community LDC
Ohio PIRG
Open Markets Institute
Oregon PIRG (OSPIRG)
Parkview Services
PennPIRG
PIRG in Michigan (PIRGIM)
Prosperity Now
Public Citizen
Public Good Law Center

Public Justice
Public Justice Center
Real Estate Education And Community Housing Inc
Rensselaer County Housing Resources, Inc.
Residential Resources, Inc.
Revolving Door Project
RIPIRG
Rockaway Development & Revitalization Corporation
Rockland Housing Action Coalition
Rural Community Assistance Corporation
S.C. Appleseed Legal Justice Center
Small Business Majority
St. Johns Housing Partnership
Strategic Organizing Center (formerly CtW)
Texas Appleseed
TexPIRG
The Greenlining Institute
The Leadership Conference on Civil and Human Rights
The One Less Foundation
Troy Rehabilitation and Improvement Program, Inc.
U.S. PIRG
United Way of Southern Cameron County
Ventura County Community Development
Vermont Public Interest Research Group
Virginia Citizens Consumer Council
VOICE-OKC
WASHPIRG
Wilshire Baptist Church (Dallas) Christian Advocacy Committee
WISPIRG
Woodstock Institute
WV Citizen Action Group
X-Lab

Generation Progress
1333 H Street, NW 10th Floor
Washington, DC 20005

March 1, 2021

Senate Banking Chairman Sherrod Brown
Ranking Member Pat Toomey
Senate Office Building
United States Senate
Washington, DC 20510

Generation Progress (GP) is a national advocacy and education organization that promotes progressive solutions to the political and social issues that matter to young people between the ages of 18 and 35. We strive to uplift the voices and leadership of young people across the country to ensure that their perspectives and needs are represented in policy-making spaces at all levels of government. GP has an online network of more than 150,000 people and uses an equity and justice framework, prioritizing racial justice, gender justice, and LGBTQ equity across our work.

Generation Progress also houses the Higher Ed, Not Debt campaign and has worked on the issue of student debt for more than eight years. Higher Ed, Not Debt is one of the first multi-year, multi-organization campaigns to work on college affordability and the student debt crisis.

Generation Progress would like to submit the following statement in favor of the nomination of Rohit Chopra as director of the Consumer Financial Protection Bureau.

Rohit Chopra joined the Center for American Progress in 2015 as a senior fellow to work on issues facing young people and the economy, including the impact of growing student debt burdens. He is a champion for student loan borrowers and a fierce defender of American consumers. Chopra will restore the Consumer Financial Protection Bureau's founding mission to protect Americans from bad actors who seek to exploit them. His lengthy track record of fighting for the rights of student loan borrowers and for-profit college victims, including in his past work at Generation Progress as a CAP senior fellow, makes him an ideal candidate for this position—and someone who young Americans can trust to advocate for our generations.

Sherrod Brown
Chairman
U.S. Senate Committee on Banking, Housing and Urban Affairs

Patrick J. Toomey
Ranking Member
U.S. Senate Committee on Banking, Housing and Urban Affairs

Dear Chairman Brown and Ranking Member Toomey:

The undersigned labor unions, representing more than 16 million members across multiple sectors of our economy, write to express our strong support for the confirmation of Federal Trade Commissioner and former Consumer Financial Protection Bureau Student Loan Ombudsman Rohit Chopra to serve as the next director of the CFPB. Chopra has been a constant champion for workers and their families, and his leadership has helped to bridge partisan divides on issues that have resulted in improvements in the lives of millions of Americans.

As a commissioner at the FTC, he has identified and addressed long-simmering problems plaguing the labor market, by employing new or long-dormant tools to deliver results. He has urged the FTC, and other regulators, to address the abuses in the growing "gig economy"; illegal wage-fixing by employers; and noncompete clauses in employment contracts, which ban employees from leaving to work for a competitor at potentially higher wages.[1] He has also worked alongside commissioners of both parties to initiate new rules and ensure tougher enforcement against companies that falsely claim their products are "made in the USA."[2]

He has also been a consistent advocate for broadening the scope of how regulators should police markets for anticompetitive conduct that harms workers. "Our approach must change," Chopra wrote in a dissent to a no-consequences settlement with respondents charged with blatant wage-fixing in 2019.[3] It was in response to his sustained focus on the ways in which market concentration affected workers and the labor market that the FTC began to take action on these matters. Earlier this month, he joined with commissioners of both parties as the FTC unanimously approved an action to sanction Amazon for stealing nearly $62 million of delivery drivers' tips—nearly one-third of their tips—before slashing drivers' minimum pay by more than 15 percent, relative to what the company had previously promised.[4] This settlement could spark

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[1] https://www.ftc.gov/system/files/documents/public_statements/1544564/chopra_-_letter_to_doj_on_labor_market_competition.pdf

[2] https://www.ftc.gov/system/files/documents/public_statements/1585386/x160032chemencechopraconcurrence.pdf

[3] https://www.ftc.gov/system/files/documents/public_statements/1552484/171_0134_your_therapy_source_dissentingstatementchopra.pdf

[4] https://www.ftc.gov/system/files/documents/public_statements/1587003/20200102_final_rchopra_statement_v2.pdf

a new era for FTC action in protecting workers from harm, and it highlights that fighting for workers' rights knows no ideology or political party.

Chopra has also demonstrated vision and leadership when dissecting consumer financial policy to identify and develop solutions to problems that working families are encountering. While serving as the CFPB's first student loan ombudsman, he was among the first federal officials to sound the alarm about the spillover effects of student debt on young workers and their ability to save for retirement, secure housing or start small businesses.[5] Growing from his work with young consumers, the CFPB discovered systemic issues that cost veterans, public service employees and former for-profit-college students tens of thousands of dollars, and worked collaboratively with federal regulators and a bipartisan coalition of state attorneys general to address these issues and secure restitution for the harm caused by predatory actors across the student loan system.

America remains gripped by a once-in-a-century public health crisis and a deepening recession, with unemployment rates remaining stubbornly high and millions of workers unsure of when they'll safely be able to return to work. This will undoubtedly leave tens of millions of American families suddenly vulnerable to abuse by financial institutions and relief scam companies across the financial sector, which often target the most vulnerable populations. We need strong leadership at the helm, as more households are likely to turn to credit to make ends meet, and as some employers continue to explore new consumer products to introduce to their employees, such as paycheck advance services, that will fall both directly and indirectly under the purview of the next CFPB director. Chopra's extensive background as a regulator, together with his expertise in consumer finance policy and his track record of being able to bring stakeholders together to address these issues, demonstrate his extraordinary qualifications for the role of director of the CFPB.

For all these reasons, we urge you to confirm Rohit Chopra to serve as the next director of the CFPB.

Sincerely,

AFL-CIO
AFSCME
AFT
CWA
NEA
SEIU
UFCW
Unite Here

[5] https://files.consumerfinance.gov/f/201305_cfpb_rfi-report_student-loans.pdf

March 2, 2021

Chairman Sherrod Brown
U.S. Senate Committee on Banking, Housing, and Urban Affairs
Washington, DC 20510

Ranking Member Patrick J. Toomey
U.S. Senate Committee on Banking, Housing, and Urban Affairs

Washington, DC 20510

Dear Chairman Brown and Ranking Member Toomey:

We, the undersigned consumer, civil rights, racial justice, labor, community, housing, small business and other public interest organizations, write to support President Biden's nomination of FTC Commissioner Rohit Chopra to serve as Director of the Consumer Financial Protection Bureau (CFPB). Collectively, our organizations represent millions of Americans in 34 states and Washington D.C.

We have seen firsthand the tremendous difference that a strong and well-run CFPB makes in people's everyday lives—and what happens when predatory financial companies are left unregulated. As you know, the pandemic has led to great financial hardship for so many Americans, and laid bare deep racial inequities built into our economy. It is critical that the next CFPB Director is someone who both understands people's financial struggles and can work effectively with industry and other stakeholders to ensure a safe and sound consumer financial system. We are confident that Commissioner Chopra is that person, and that he will serve as CFPB Director with the utmost integrity and commitment to consumer financial protection.

In 2010 the Dodd-Frank Wall Street Reform and Consumer Protection Act established the CFPB as the nation's first agency tasked solely with protecting consumers in the financial services realm. We support Commissioner Chopra because he has the experience and qualifications needed to lead the Bureau in fulfilling its statutory purpose of "ensuring that all consumers have access to markets for consumer financial products and services and that markets for consumer financial products and services are fair, transparent, and competitive." He will ably pursue the CFPB's core objective of ensuring that "consumers are protected from unfair, deceptive or abusive acts and practices and from discrimination."

Commissioner Chopra served in the leadership at the Bureau when it was first established and was instrumental in building an agency that is driven by research, data, and public input, and that captures the experiences and needs of a range of stakeholders. He helped create a rigorous rulemaking process that included transparent, fair and thorough deliberations before rules were proposed. The process included not only standard comment periods, but also frequent meetings

and field hearings across the country. The combination of data analysis and broad-based stakeholder input enabled the Bureau to issue responsive and effective regulations, engage in meaningful enforcement actions, and provide relevant consumer education tools
As Assistant Director at the Bureau and its first Student Loan Ombudsman, Commissioner Chopra distinguished himself as an effective public servant and strong regulator. He investigated reports and complaints from student loan borrowers harmed by predatory lenders and for-profit colleges and trade schools. He helped give a voice to tens of millions of Americans struggling under the weight of student debt, and he delivered results. By 2017, his work had contributed to enforcement actions and new policies that returned more than $750 million to student loan borrowers and improved key aspects of the student loan repayment process for millions more. As FTC Commissioner, Commissioner Chopra has continued to be a champion for consumers, fighting hard to ensure that big companies, including financial technology (fintech) companies, are held accountable to the public and comply with privacy and antitrust laws.

The undersigned organizations represent a wide range of missions and constituencies. Every day we work with thousands of people suffering extreme financial hardship because of unfair, deceptive, and abusive acts and practices and discrimination, such as bank redlining, predatory lending and abusive debt collection. We see Black and Brown Americans who have been systematically denied access to essential financial services for generations, now targeted for predatory financial products and services, including fintech "innovations" that trap them into destructive cycles of debt.

Americans deserve a CFPB Director with Commissioner Chopra's demonstrated record of holding the banking and financial services industry publicly accountable, ensuring redress to people aggrieved by harmful consumer financial practices, and engaging in effective rulemaking, supervision, and enforcement. In the CFPB's first five years, many of us worked with student loan borrowers who received vital compensation through CFPB settlements with predatory for-profit schools that defrauded them. Housing counselors among us especially appreciated and have widely disseminated the CFPB's excellent community education material and can attest to the importance of CFPB regulations that have protected homeowners and communities from predatory mortgage lending. The Bureau's enforcement actions to crack down on illegal debt collection reverberated throughout the industry. Of course, the country continues to face profound racial and economic inequities and abuses throughout our financial system. A strong CFPB Director is needed to tackle the many challenges that lie ahead.

We urge you to approve the nomination of Rohit Chopra to be the next Director of the Consumer Financial Protection Bureau, where he will ensure that the agency is responsive and effective, and that it fulfills its clear public interest mandate.

Respectfully,
New Jersey Citizen Action

New Economy Project

Alaska PIRG

Arizona PIRG

Association for Neighborhood and Housing Development

California Reinvestment Coalition

CALPIRG

Connecticut Citizen Action Group (CCAG)

ConnPIRG

Consumers for Auto Reliability and Safety

CoPIRG

CWA Local 1081

Delaware Community Reinvestment Action Council, Inc.

Florida PIRG

Fordham Law School Feerick Center for Social Justice

Georgia PIRG

Illinois PIRG

Indiana PIRG

Iowa PIRG

Maryland Consumer Rights Coalition

Maryland PIRG

MASSPIRG

Missouri Faith Voices

MontPIRG

MoPIRG

NCPIRG

New Jersey Appleseed PILC

NHPIRG

NJPIRG

NMPIRG

Ohio PIRG

Oregon PIRG (OSPIRG)

PennPIRG

PIRG in Michigan (PIRGIM)

Policy Matters Ohio

Progressive Leadership Alliance of Nevada

Public Good Law Center

Queens Volunteer Lawyers

Region 9 UAW Housing Corp

RIPIRG

S.C. Appleseed Legal Justice Center

Texas Appleseed

TexPIRG

The One Less Foundation

Tzedek DC

Virginia Citizens Consumer Council

Virginia Organizing

VOICE

WASHPIRG

West Virginians for Affordable Health Care

WISPIRG

WV Citizen Action Group

Woodstock Institute

February 5, 2021

The Honorable Sherrod Brown, Chairman
The Honorable Pat Toomey, Ranking Member
U.S. Senate Committee on Banking, Housing, and Urban Affairs
Room SD-534 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Brown and Ranking Member Toomey:

The National Military Family Association has long advocated for the quality of life and financial wellbeing of those who have served our Nation and their families. For that reason, we are writing in support of current U.S. Federal Trade Commissioner Rohit Chopra to be the next Director of the U.S. Consumer Financial Protection Bureau (CFPB).

Typically, our Association does not comment on nominations, but we feel so strongly about Commissioner Chopra's nomination that we have made an exception.

Throughout his career, Commissioner Chopra has worked to safeguard financial protections for service members, veterans, military families, and survivors. While a Student Loan Ombudsman at the CFPB, Commissioner Chopra authored a report, *The Next Front: Student Loan Servicing and the Cost to our Men and Women in Uniform* that identified violations of deployed service members' rights under the Servicemember Civil Relief Act (SCRA). This report led to compliant in 2014 by the U.S. Department of Justice alleging Navient (formerly Sallie Mae) had violated the SCRA over ten years by failing to provide service members the six percent interest rate cap for loans incurred prior to their military service. The complaint resulted in Navient's $60 million dollar settlement to service members and veterans.

Most importantly throughout his career, Commissioner Chopra has maintained clear and open channels of communication with military and veterans service organizations (MSOs/VSOs). He has coordinated numerous roundtables with MSOs and VSOs to understand the concerns we hear from service members, veterans, military families, and survivors, which in turn have informed policies and regulations. He listens first, then acts.

We urge the Committee to move quickly to confirm Commissioner Chopra. We cannot think of a more qualified individual to lead this important agency.

The National Military Family Association is the leading nonprofit dedicated to serving the families who stand behind the uniform. Since 1969, NMFA has worked to strengthen and protect millions of families through its advocacy and programs. We provide spouse scholarships, camps for military kids, and retreats for families reconnecting after deployment and for the families of the wounded, ill, or injured. NMFA serves the families of the currently serving, retired, wounded, or fallen members of the Army, Navy, Marine Corps, Air Force, Coast Guard, Space Force and Commissioned Corps of the USPHS and NOAA.

Very respectfully,

Ashish S. Vazirani
Executive Director & CEO

2800 Eisenhower Avenue, Suite 250, Alexandria, VA 22314 t 703.931.6632 f 703.931.4600 w www.MilitaryFamily.org

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March 2, 2021

The Honorable Sherrod Brown
Chairman
U.S. Senate Committee on Banking, Housing, & Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Patrick Toomey
Ranking Member
U.S. Senate Committee on Banking, Housing, & Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Brown and Ranking Member Toomey:

The Center for American Progress ("CAP") is pleased to submit the following statement for the record for today's confirmation hearing. CAP is an independent nonpartisan policy institute that is dedicated to improving the lives of all Americans, through bold, progressive ideas, as well as strong leadership and concerted action.

With the nominations of Gary Gensler and Rohit Chopra, President Biden has signaled a new era for financial regulation and consumer protection. These are two experienced regulators who will bring steady hands to important agencies at a critical time and will turn the page on four years of letting big business run the show in Washington.

As a former chairman of the Commodity Futures Trading Commission, Gary Gensler has a track record of being a tough but fair regulator who puts the interests of investors, consumers, and the broad economy first. His deep experience at the U.S. Treasury Department, combined with his industry and regulatory expertise, makes him the ideal candidate to lead the Securities and Exchange Commission.

Rohit Chopra has been a stalwart defender of consumers throughout his career. As Director of the Consumer Financial Protection Bureau, he will work tirelessly to protect them from exploitation in the financial marketplace. His leadership at the Bureau is more necessary than ever, given the damage done to consumer protections under the Trump administration and the precarious financial situation many consumers across the country find themselves in during this pandemic.

Thank you for your consideration.

Sincerely,

Andres Vinelli /s/
Vice President, Economic Policy
Center for American Progress

March 1, 2021

The Honorable Sherrod Brown
Chairman
Senate Committee on Banking, Housing, and Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Patrick Toomey
Ranking Member
Senate Committee on Banking, Housing, and Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Brown and Ranking Member Toomey,

The Responsible Business Lending Coalition (RBLC), a consortium of nonprofit and for-profit lenders, investors, and small business advocates, writes in support of Federal Trade Commissioner Rohit Chopra's nomination as the next Director of the Consumer Financial Protection Bureau (CFPB).

Members of our coalition came together in 2015 with a shared commitment to innovation in small business lending as well as serious concerns regarding the rise of irresponsible lending practices. Together, we created the Small Business Borrowers' Bill of Rights, the first cross-sector consensus on the rights small business owners deserve. Since then, we have worked with nonprofit lenders, fintechs, and small business advocates to increase transparency and responsible practices in small business financing.

During his tenure as Federal Trade Commissioner, we had the privilege of working with Chopra to foster a healthier and fairer small business financing marketplace. Chopra led the Federal Trade Commission's efforts to combat deceptive lending practices and products, and prior to that, he was an advocate for consumers and students as the Assistant Director and Student Loan Ombudsman at the CFPB. With his experience and demonstrated leadership, we believe he will lead the CFPB with confidence, tenacity, and a resolute commitment to upholding consumer protections.

We recommend the Senate move quickly in confirming Rohit Chopra's nomination as Director of the Consumer Financial Protection Bureau. Amidst a dire public health and economic crisis, strong and effective leadership is needed at the helm of our nation's financial watchdog.

Thank you for your time and consideration.

Sincerely,

The Responsible Business Lending Coalition

Members include: Accion Opportunity Fund, Community Investment Management, Funding Circle, LendingClub, Opportunity Finance Network, Small Business Majority, StreetShares, and the Aspen Institute

CC: Senate Majority Leader Charles Schumer and Senate Minority Leader Mitch McConnell

February 26, 2021

Sherrod Brown
Chairman
U.S. Senate Committee on Banking, Housing and Urban Affairs

Patrick J. Toomey
Ranking Member
U.S. Senate Committee on Banking, Housing and Urban Affairs

Dear Chairman Brown and Ranking Member Toomey:

The 34 undersigned organizations representing students and student loan borrowers are writing to urge the swift confirmation of FTC Commissioner and former Student Loan Ombudsman Rohit Chopra to serve as the next Director of the Consumer Financial Protection Bureau. For more than a decade, Chopra has served as a fierce advocate for students, student loan borrowers, and their families. His clarity of vision and demonstrated track record as a regulator make him an extraordinary selection.

As a Commissioner at the FTC, Chopra has articulated a bold vision for how to regulate predatory actors across the higher education sector—urging muscular enforcement and championing a role for government as the protector of the most vulnerable students, many of whom have been preyed upon by schools and companies that exploit the pursuit of the American Dream.[1] As advocates for these students and millions of others, we believe Commissioner Chopra is uniquely qualified to lead the CFPB and do what is right for all consumers.

Chopra's leadership as a member of the Federal Trade Commission is only the latest role in a long career as an advocate and regulator focused on protecting students and student loan borrowers. Chopra served as the CFPB's first student loan ombudsman, where he was among the first government officials to warn about the far-reaching effects of student debt on the economy and on society.[2] In this role Chopra also fought to force private student lenders to treat borrowers fairly and offer affordable loan payments to those in financial distress.[3]

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[1] https://www.ftc.gov/public-statements/2019/12/statement-commissioner-rohit-chopra-matter-university-phoenix-inc; https://financialservices.house.gov/uploadedfiles/hhrg-116-ba00-wstate-choprar-20190926.pdf
[2] https://www.banking.senate.gov/download/chopra-testimony-6-25-13
[3] https://www.consumerfinance.gov/about-us/blog/struggling-private-student-loan-borrowers-still-searching-for-help/

Under his leadership, the Bureau repeatedly faced down the largest companies in the student loan market. For example, Chopra led an effort that spurred the Department of Justice and the FDIC to hold Sallie Mae and Navient accountable for overcharging tens of thousands of active duty servicemembers by denying them protections earned through their military service.[4] Similarly, Chopra helped establish the first federal supervision of the student loan servicing industry—subjecting private-sector financial services firms, including the largest government contractors, to routine oversight as they handled loan payments for tens of millions of people.[5] Collectively, these efforts have returned tens of millions of dollars to students and student loan borrowers and strengthened industry practices affecting millions of people.

Chopra also served as an early and frequent critic of the role for-profit colleges play in driving the nation's student debt crisis. As student loan ombudsman, Chopra led the CFPB in its effort to hold accountable failed for-profit college chains Corinthian Colleges and ITT Tech.[6] As an outgrowth of this work, Chopra also pressed the Obama administration to deliver debt relief to hundreds of thousands of students defrauded by these predatory schools—work that the Biden administration has pledged to finally see through to completion.

The next CFPB Director will inherit an enormous set of consumer protection challenges left behind by an administration that prioritized the interests of financial companies over American families. This includes a specific set of challenges facing students and student loan borrowers. For example, the student loan industry continues to trample on borrowers' rights, violating a wide range of federal and state consumer laws in the process. Similarly, a newly resurgent for-profit college industry has exploited the COVID-19 pandemic to recruit newly vulnerable students with empty promises of a brighter future. At the same time, new financial firms tout "innovative" products that may discriminate against borrowers of color and exacerbate the structural barriers to equity and opportunity that have long plagued the American economy.

On each of these enormous challenges and on many others, Chopra's leadership promises a better future for students, student loan borrowers, and their families. For these reasons, we strongly urge you to quickly confirm Rohit Chopra to serve as the next Director of the Consumer Financial Protection Bureau.

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[4] https://www.justice.gov/opa/pr/justice-department-reaches-60-million-settlement-sallie-mae-resolve-allegations-charging

[5] https://www.consumerfinance.gov/about-us/newsroom/written-testimony-of-rohit-chopra-before-the-committee-on-the-budget/

[6] https://www.consumerfinance.gov/about-us/newsroom/cfpb-secures-480-million-in-debt-relief-for-current-and-former-corinthian-students/; https://www.consumerfinance.gov/about-us/newsroom/cfpb-sues-for-profit-college-chain-itt-for-predatory-lending/

Sincerely,

Americans for Financial Reform Student Borrower Protection Center

Alliance for Youth Action
American Federation of Teachers AFL-CIO
Campaign for America's Future
Center for Responsible Lending
Coalition for Social Justice
Community Service Society of New York
Consumer Action
Democrats for Education Reform
Education Reform Now
Empire Justice Center
Fosterus
Generation Progress
Hildreth Institute
Housing and Economic Rights Advocates
Housing and Family Services of Greater New York
IMPACCT Brooklyn
Mobilization for Justice
National Association for College Admission Counseling
National Association of Consumer Advocates
National Association of Consumer Bankruptcy Attorneys (NACBA)
National Community Reinvestment Coalition
National Education Association
New Economy Project
Ohio Student Association
Project on Predatory Student Lending
Public Good Law Center
Robert Shireman, Higher Education Director, The Century Foundation
Rockland Housing Action Coalition, Inc.
Student Debt Crisis
Student Defense
U.S. Public Interest Research Group (PIRG)
Woodstock Institute

February 10, 2021

The Honorable Sherrod Brown, Chairman, U.S. Senate Committee on Banking, Housing, and Urban Affairs
Room SD-534 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Patrick J. Toomey, Ranking Member, U.S. Senate Committee on Banking, Housing, and Urban Affairs
Room SD-534 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Brown and Ranking Member Toomey:

The undersigned Military and Veteran Service Organizations write to share our perspective on current U.S. Federal Trade Commissioner Rohit Chopra's nomination to be the next Director of the U.S. Consumer Financial Protection Bureau (CFPB).

During his time in public service, Commissioner Chopra has consistently dedicated time and effort to the concerns of active duty servicemembers, their families, their survivors, and veterans. He has met regularly with Military and Veteran Service Organizations and offered his help on issues of concern to us.

As former Student Loan Ombudsman at the CFPB, Mr. Chopra's work contributed to tens of thousands of servicemembers being compensated a collective $60 million for violations of their legal rights. Mr. Chopra wrote a report, "The Next Front? Student Loan Servicing and the Cost to our Men and Women in Uniform," that helped uncover key violations of deployed active duty servicemembers' rights under the Servicemember Civil Relief Act (SCRA).[1] His report led to a 2014 complaint by the U.S. Department of Justice, alleging that Navient (formerly Sallie Mae) had violated the SCRA over a ten-year period, by failing to provide members of the military the 6 percent interest rate cap to which they were entitled for loans that were incurred before their military service began. In 2015, Navient began paying a $60 million dollar settlement to servicemembers and veterans.[2]

While at the U.S. Education Department, Mr. Chopra was instrumental in securing regular meetings for Military and Veteran Service Organizations with the Secretary of Education. His focus on standing up for servicemembers and veterans continued during his time at the Federal Trade Commission. His statement in favor of the University of Phoenix settlement, a record $191 million fine, focused on his commitment to defending the rights of those that we represent.[3]

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[1] Rohit Chopra and Hollister Petraeus, *The Next Front? Student Loan Servicing and the Cost to Our Men and Women in Uniform* (October 18, 2012), https://files.consumerfinance.gov/f/201210_cfpb_servicemember-student-loan-servicing.pdf.

[2] United States Department of Justice Press Release (May 28, 2015), https://www.justice.gov/opa/pr/nearly-78000-service-members-begin-receiving-60-million-under-department-justice-settlement.

[3] Statement of Commissioner Rohit Chopra, *In the Matter of University of Phoenix Commission File Number 1523231* (December 10, 2019), https://www.ftc.gov/system/files/documents/public_statements/1557180/152_3231_statement_of_commissioner_rohit_chopra_0.pdf.

We hope this perspective may be helpful as you consider his nomination.

Sincerely,

Blue Star Families

Iraq and Afghanistan Veterans of America

PsychArmor

Chief Advocacy Officer
Non Commissioned Officers' Assn of the US

Tragedy Assistance Program for Survivors

Veterans Education Success

Veterans for Common Sense

cc: The Honorable Charles Schumer, Majority Leader, The Honorable Mitch McConnell, Minority Leader