



**Written Testimony by Protect Borrowers  
at a Public Hearing before the  
Committee on Consumer and Worker Protection  
of the  
New York City Council**

Oversight - Enforcement of the Consumer Protection Law (T2026-0996)

February 23, 2026

Chair Epstein and Members of the Committee:

Protect Borrowers submits this testimony about consumer protection in New York City. Protect Borrowers (formerly Student Borrower Protection Center) is a team of experts, lawyers, and advocates fighting to build an economy where debt doesn't limit opportunity. We investigate financial abuses, take predatory companies to court, and push for policies to protect working people from debt traps. We aim to deliver immediate relief to families while building power and driving systemic change.

New York City has long been a leader in consumer protection and financial empowerment, but its existing laws and resources are insufficient to address current needs. These needs are exacerbated by the federal government's abdication of its consumer protection responsibilities and by the affordability crisis that is sweeping the nation. Protect Borrowers urges the City Council to enhance local laws and resources so that New Yorkers can rely on the city's own protections.

**In the absence of federal oversight, NYC residents and small businesses are vulnerable to unlawful and abusive business practices and corporate power.**

Federal law prohibits unfair methods of competition and unfair or deceptive acts or practices in trade or commerce, and separately prohibits unfair, deceptive, or abusive acts or practices related to consumer financial products or services. These are two very powerful laws with well-established norms and regulations. However, they are primarily enforced by federal agencies, namely the Federal Trade Commission and the Consumer Financial Protection Bureau. Without these two agencies, households and small businesses nationwide do not benefit from these federal protections.

Under the Trump Administration, the FTC and CFPB are both abdicating their responsibilities to enforce these laws, and New Yorkers are paying the price.

During the first year of the second Trump Administration, the FTC has taken a pro-industry and partisan approach to consumer and worker protections. For example, President Trump unlawfully fired two Democratic FTC Commissioners,<sup>1</sup> and appointed Andrew Ferguson as Chair, who as a minority commissioner regularly dissented in the agency's consumer protection decisions and has a much narrower view of the agencies' authority.<sup>2</sup> The FTC chose to abandon defense of a rule banning non-compete provisions that had been challenged by industry,<sup>3</sup> also reopened and set aside consent agreements against companies that were entered into by the previous administration.<sup>4</sup>

The federal government's abdication is even more stark with the CFPB, which the Trump Administration has gutted. The administration is actively trying to close the agency, firing nearly all staff and attempting to cut off its funding, which has resulted in ongoing litigation that will ultimately determine the agency's future.<sup>5</sup> In the meantime, the CFPB has dismissed or terminated the majority of its enforcement actions,<sup>6</sup> pardoned some of the worst corporate offenders responsible for over \$3 billion in consumer harm,<sup>7</sup> and stopped complying with at least 87 statutory mandates.<sup>8</sup> The agency has also summarily rescinded over a decade of

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<sup>1</sup> Kim Phan et al., *Trump Fires the Two Democratic FTC Commissioners: What This Means Going Forward*, Consumer Fin. Servs. Law Monitor (Mar. 21, 2025), <https://www.consumerfinancialserviceslawmonitor.com/2025/03/trump-fires-the-two-democratic-ftc-commissioners-what-this-means-going-forward/>.

<sup>2</sup> *The Federal Trade Commission Bureau of Consumer Protection Under the Second Trump Administration: Top 10 Things to Know About Priorities, Enforcement, and Case Law Developments*, Debevoise & Plimpton (Apr. 29, 2025), <https://www.debevoise.com/insights/publications/2025/04/the-federal-trade-commission-bureau-of-consumer>.

<sup>3</sup> Press Release, *Federal Trade Commission Files to Accede to Vacatur of Non-Compete Clause Rule*, Fed. Trade Comm'n (Sept. 5, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/09/federal-trade-commission-files-accede-vacatur-non-compete-clause-rule>.

<sup>4</sup> Press Release, *FTC Reopens and Sets Aside RYTR Final Order in Response to the Trump Administration's AI Action Plan*, Fed. Trade Comm'n (Dec. 22, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/12/ftc-reopens-sets-aside-rytr-final-order-response-trump-administrations-ai-action-plan>.

<sup>5</sup> *See generally*, Stefanie Jackman et al., *CFPB Complies with Court's Funding Order in NTEU v. Vought*, Consumer Fin. Servs. Law Monitor (Jan. 12, 2026), <https://www.consumerfinancialserviceslawmonitor.com/2026/01/cfpb-complies-with-courts-funding-order-in-nteu-v-vought/>.

<sup>6</sup> Memorandum, *Dismissed/Terminated CFPB Enforcement Actions*, Protect Borrowers & Consumer Fed. of America (July 7, 2025), <https://consumerfed.org/wp-content/uploads/2025/07/CFPB-Pending-Enforcement-Actions-v2-Fellows-2.pdf>.

<sup>7</sup> Memorandum, *Trump-Led CFPB Pardons Repeat Offender Corporations for Violations Causing Over \$3 Billion of Consumer Harm*, Protect Borrowers & Consumer Fed. of America (Mar. 26, 2025), <https://protectborrowers.org/wp-content/uploads/2025/03/Repeat-Offender-CFPB-Pending-Enforcement-Actions.pdf>.

<sup>8</sup> Memorandum, *Statutory Requirements for Continuous Operations of the CFPB*, Protect Borrowers & Consumer Fed. of America (Feb. 13, 2025), <https://protectborrowers.org/wp-content/uploads/2025/02/CFPB-Statutory-Requirements-2.13.25.pdf>.

guidance and interpretive rules,<sup>9</sup> deprioritized its work related to certain topics such as medical debt and student loans,<sup>10</sup> and announced that its examiners—who are charged with auditing companies for compliance with applicable consumer protections—must make a “humility pledge” to each company before commencing an exam.<sup>11</sup> The cumulative effect of these actions has already caused an estimated \$18 billion in costs for working families.<sup>12</sup>

Available data make clear that this federal abdication is affecting New Yorkers. Based on publicly available data from the CFPB’s consumer complaint database, the number of complaints filed by NYC residents increased by 63 percent in 2025 relative to 2024, totalling 184,830 in 2025.<sup>13</sup> At the same time that the number of complaints to the CFPB increased across the city, the

Complaint Volume	2024	2025	Percent Change
<b>Bronx</b>	31,133	53,232	70.98%
<b>Kings</b>	35,965	54,761	52.26%
<b>New York</b>	14,873	24,518	64.85%
<b>Queens</b>	26,981	45,339	68.04%
<b>Richmond</b>	4,480	6,980	55.80%
<b>Total</b>	113,432	184,830	62.94%

number of complaints from NYC that were resolved and included relief to consumers fell by approximately 10 percentage points.<sup>14</sup>

<sup>9</sup> Consumer Fin. Prot. Bureau, *Interpretive Rules, Policy Statements, and Advisory Opinions; Withdrawal*, 90 Fed. Reg. 20084 (May 12, 2025), <https://www.federalregister.gov/documents/2025/05/12/2025-08286/interpretive-rules-policy-statements-and-advisory-opinions-withdrawal>.

<sup>10</sup> Alan S. Kaplinsky et al., *CFPB rescinds enforcement, supervisory priority documents, outlines new priorities for 2025*, Consumer Fin. Monitor (Apr. 17, 2025), <https://www.consumerfinancemonitor.com/2025/04/17/cfpb-rescinds-enforcement-supervisory-priority-documents-outlines-new-priorities-for-2025/>.

<sup>11</sup> Press Release, *CFPB’s Supervision Division Releases New ‘Humility Pledge,’* Consumer Fin. Prot. Bureau (Nov. 21, 2025), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-supervision-division-releases-new-humility-pledge/>.

<sup>12</sup> Memorandum, *Trump’s Consumer Financial Protection Agenda—or Lack Thereof—Has Already Cost Americans More Than \$18 Billion*, Protect Borrowers & Consumer Fed. of America (June 24, 2025), <https://protectborrowers.org/wp-content/uploads/2025/06/MEMO-The-Cost-of-Trumps-CFPB-.pdf>.

<sup>13</sup> Analysis on file with Protect Borrowers.

<sup>14</sup> Analysis on file with Protect Borrowers.

<b>Percent of Closed Complaints with Consumer Relief</b>	<b>2024</b>	<b>2025</b>	<b>Percentage Point Change</b>
<b>Bronx</b>	52.55%	42.85%	9.70
<b>Kings</b>	51.74%	41.36%	10.38
<b>New York</b>	49.79%	40.26%	9.53
<b>Queens</b>	51.57%	41.70%	9.87
<b>Richmond</b>	51.01%	41.70%	9.31
<b>Total</b>	51.64%	41.74%	9.90

It is therefore clear from the Trump Administration's own announcements and its own data that it is not working to protect the interests of households and small businesses, across the country and here in New York City.

**NYC must take every possible step to fill this void**

New York City residents are struggling with an affordability crisis, which is only made worse when they are cheated and taken advantage of by unscrupulous businesses. Their cry for help is reflected in the nearly 200,000 complaints from New York City to the CFPB made in 2025, which likely undercounts affected consumers and which does not reflect small businesses in need. The City can and must act.

One simple and immediate step that the City can take is to fill the oversight and accountability void left by the Trump Administration. To do this, it must do two things.

First, the City must enact a municipal law equivalent to the FTC’s and CFPB’s protections around unfairness, deception, and abuse, and must make this law privately enforceable. By mirroring the federal standards, the new law would not create a new standard of conduct with which businesses would have to comply. By making the law privately enforceable, the new law would address limitations in public enforcement and resources. Much like how New Yorkers’ federal protections should not depend on whether the federal government chooses to enforce them, New Yorkers’ local protections should not depend on whether the City has the resources and personnel sufficient to investigate and prosecute every violation.

Second, the City must adequately fund the Department of Consumer and Worker Protection. DCWP is well positioned to identify, investigate, and prosecute companies taking advantage of

New Yorkers, which its track record makes clear. However, it needs more enforcement attorneys, investigators, inspectors, and other staff in order to meet the growing need in the city.

Although the state has authority to protect New Yorkers against unlawful conduct similar to the FTC's and the CFPB's, the attorney general is responsible for the entire state and she does not have the resources to meet the enormous need across the city.

Together, a privately enforceable law and a robust DCWP are two policy commitments that the City can make to protect its households and small businesses.

## **Conclusion**

The unparalleled abdication of responsibility by the Trump Administration and the growing affordability crisis are resulting in an unprecedented moment for New York City. Although it will take many different policy interventions and investments to resolve these crises, one thing the City can do is commit to consumer protection. Strengthening local laws and ensuring that those laws can be meaningfully enforced will make a tangible difference in the local economy and in everyday New Yorkers' lives.

*Please contact Winston Berkman-Breen, Legal Director with Protect Borrowers, at [winston@protectborrowers.org](mailto:winston@protectborrowers.org), if you have any questions or would like to discuss this issue further.*