

The collapse of the U.S. financial system in 2008 set in motion the worst recession since the Great Depression. Eight million Americans lost their jobs, and \$17 trillion in retirement savings and net worth evaporated virtually overnight. The crisis revealed enormous vulnerabilities in our financial system: a lack of transparency that allowed excessive risk-taking to go undetected, regulators who were asleep at the switch, inadequate consumer protections, and a failure by Congress to conduct proper oversight of the financial services industry. This toxic blend of Wall Street abuses and failure by Washington left consumers in the lurch and precipitated the economic downturn from which we are still recovering.

Under Democratic leadership, Congress took decisive action to address the abuses that led to the financial crisis and to protect consumers from bad behavior on the part of Wall Street. The landmark [Dodd-Frank Wall Street Reform and Consumer Protection Act](#), which Congress enacted in July 2010 with my strong support, limits the size and scope of financial institutions, ending the era of "too big to fail"; it establishes tough new rules on risky, unregulated financial instruments like derivatives; and it gives more enforcement and oversight power to the Securities and Exchange Commission. It also restricts banks' ability to gamble with the college and retirement savings of millions of Americans, and it limits the pay and bonus practices that fostered the behavior that brought the system to the brink of failure.

One of the cornerstones of the Dodd-Frank bill was the creation of the [Consumer Financial Protection Bureau \(CFPB\)](#), which officially opened in July 2011. The CFPB has the power to end abusive mortgage lending practices, compel lenders to ensure a borrower's ability to repay, require easy-to-read mortgage contracts, eliminate hidden fees, improve access to credit information, and put an end to manipulative and deceptive schemes in the marketplace.

[I've been fighting for a strong CFPB](#)

because I believe it is vital to our economic security and will help provide the rigorous oversight that was missing in the run-up to the financial crisis.

To help protect consumers against the growing use of unfair practices by the credit card industry, the Democratic Congress also enacted the [Credit Cardholders' Bill of Rights](#), which imposes sensible regulations to end unfair, retroactive interest rate increases on existing balances and strengthens credit card disclosure by requiring card issuers to provide 45-day notice of all interest rate increases or significant fees. One of the central reforms in the legislation was based on legislation I had authored since 2005 that requires credit card companies to disclose the total cost, including interest payments, of paying only monthly minimum payments on ones credit card balance. These requirements give credit card holders a better understanding of the costs of borrowing and help them take control of getting out of debt.

You may have noticed such information on your own credit card bill.

In addition to supporting Wall Street and credit card reform, I have long advocated for increased consumer financial protections to shield consumers from predatory lending. The first bill I authored and steered to passage was the Home Equity Loan Consumer Protection Act, a law that requires lenders to disclose terms, rates and conditions of home equity lines of credit. Because of the law, if the terms and rates disclosed on the home equity loan application change, a consumer can walk away from the plan and is entitled to a refund of fees related to the application. The Act also limits the circumstances under which creditors may terminate or change the terms of a home equity plan after it is opened.

My work to improve consumer protections is not limited to the financial services industry. I have been a long-time advocate for [education and student loan reforms](#) to better protect students from unfair and abusive practices, and I count legislation making student loan interest tax-deductible as one of my proudest achievements in Congress. The previous Congress passed legislation overhauling the student loan system—removing middlemen, and using savings to expand Pell Grants and improve loan terms—and I was proud to support those efforts. Finally, no discussion of Congress' recent work on consumer protection issues is complete without covering the landmark health insurance reform passed in 2010. Find more information on health care reform on my [health care issue page](#)

Related information:

- [Consumer Financial Protection Bureau](#)
- [Securities and Exchange Commission](#)
- [Federal Trade Commission](#)