

The Warren-Cummings Partnership: Working Together to Help the Middle Class

This week, Senator Elizabeth Warren, Ranking Member of the Subcommittee on Economic Policy, and Rep. Elijah E. Cummings, Ranking Member of the House Committee on Oversight and Government Reform, launched a new Middle Class Prosperity Project to examine economic policies that threaten gains made by the middle class and to identify proposals to strengthen the middle class and ensure that it remains the engine of America's economic growth. Cummings and Warren have worked together before on initiatives to help the middle class and protect consumers, including on the following efforts:

- **Combating Illegal Foreclosures:** In November 2013, Warren and Cummings launched an investigation of illegal foreclosures and other abuses by mortgage servicers. They sought information from the Federal Reserve and the Office of the Comptroller of the Currency about their Independent Foreclosure Review, and they investigated the settlement that prematurely ended these entities' investigation of mortgage servicer abuses.
- **Strengthening Oversight of Enforcement Actions at the Fed:** In February 2014, Cummings and Warren pressed the new Chair of the Board of Governors of the Federal Reserve System, Janet Yellen, to establish new policies requiring the Board to vote on major enforcement actions rather than delegating to staff members authority to enter into settlements. Former Chairman Ben Bernanke indicated previously that the Board had voted on only 11 of the nearly 1,000 formal enforcement actions taken by the Federal Reserve in the last decade. Chair Yellen responded that she would work with the Board to ensure they are "fully involved" in these decisions going forward.
- **Investigating Non-Bank Mortgage Servicing Industry:** In October 2014, Warren and Cummings asked the Government Accountability Office (GAO) to investigate threats to consumers arising from the growth in non-bank mortgage servicing. Although their share of the mortgage servicing market grew by 300% from 2011 to 2013, non-bank servicers are not subject to the same regulatory requirements as banks, including requirements to maintain capital reserves. GAO has accepted the request and is undertaking the study this year.
- **Examining Data Breaches in Financial Sector:** In November 2014, Cummings and Warren sent letters to 16 banks, investment firms, and other financial service providers requesting information about recent data breaches. Congressional staff members have been meeting with these financial entities to learn about their cyber security practices and the cyber threats they face, and the Oversight Committee has now added cyber-security to its investigative priorities for the 114th Congress.
- **Investigating Swaps Trading Practices:** In January 2015, Warren and Cummings sought information from Bank of America, JPMorgan Chase, Citibank, and Goldman Sachs about how they will alter their swaps trading practices in order to understand taxpayers' potential liabilities after Congress repealed a key section of the Dodd-Frank Wall Street Reform and Consumer Protection Act that would have limited the swaps transactions banks could make with federally insured funds.
- **Investigating Leak of "Market Moving Information":** In February 2015, Cummings and Warren sent a letter to Scott Alvarez, the General Counsel of the Federal Reserve Board, seeking information about his internal investigation into a leak of "market moving information" from a Federal Open Market Committee meeting in September 2012.
- **CFTC Commissioner's Possible Conflicts of Interest:** In February 2015, Warren and Cummings sought information related to potential conflict of interest concerns stemming from the prior employment of CFTC Commissioner J. Christopher Giancarlo with the financial services firm GFI, Inc.