July 31, 2025

Dear Acting Director Vought:

We commend the bureau for acknowledging the flaws in the Personal Financial Data Rights rule promulgated under the Biden administration. **We agree that the Biden open banking rule is unworkable, unlawful, and harmful to consumers and the financial system.**

We urge the bureau to reject price controls for consumer data as you revisit the Personal Financial Data Rights rule.

Congress gave bank customers the right to obtain their own data under 12 USC § 5533. Section 1033 of Dodd Frank was not intended to create an open banking regime whereby banks are compelled to share data free of charge to third parties, fintech firms, data aggregators, or any other commercial actors. Subsection 1033(d) directs the Bureau to "prescribe standards to promote the development and use of standardized formats" for consumers, with no reference to any other applicable party. The Biden administration's interpretation of 1033 grossly oversteps the bounds of the CFPB's rulemaking jurisdiction.

Mandating free data access for data aggregators will not empower consumers. It is a backdoor price control that unfairly subsidizes data middlemen at the expense of banks and credit unions by forcing the expropriation of sensitive data. While these brokers provide innovative solutions to their consumer niche, we do not believe that they should enjoy unfair advantages through mandates placed on other businesses.

Banks and application developers have been negotiating bilateral agreements that enable access to authorized customer data. To enhance security for consumers, banks began moving away from credential-based access and screen scraping and towards tokenized access, commonly through application programming interfaces (APIs). The CFPB's final rule recognizes tokenized access as more secure than credentials or screen-scraping because it relies on unique, non-reusable tokens.

The development and upkeep of APIs for third parties is not without cost. The CFPB acknowledges that the median reported cost of an in-house developer interface per customer is estimated to be $3.37 a year. This cost presents a significant potential burden for large institutions and G-SIBs serving tens of millions of customers, as well as a crushing blow to community banks and credit unions already dealing with high regulatory costs. Banks already spend billions to develop and maintain a secure data-access ecosystem. The Biden interpretation of Section 1033 would subsidize third-party data access at the expense of banks, potentially increasing fees on other consumer financial services to offset lost revenue.

A similar situation played out with the enactment of the Durbin Amendment, which raised costs for consumers on checking accounts and other financial services. **An open banking rule would shift the burden of data access costs onto every bank customer, including non-users of third-party services.**

In the event of a third-party data breach, the finalized rulemaking does not specify which party bears liability and responsibility. If a bank shares data with a third-party that suffers a data leak, the bank could be held responsible even if the consumer authorized credential sharing with the third-party.

The Section 1033 rule was finalized under the Biden administration. Its interpretation of Dodd-Frank channels the left's inclination to regulate the financial sector until it resembles a public utility. By compelling the disclosure of proprietary customer data, the rule disregards fundamental principles upholding contract enforcement and data privacy.

The Biden-era misstep on open banking should not be repeated.

In the interest of consumer data privacy, we urge the CFPB to refrain from reviving the Biden-era price controls while it is considering revisions to the Personal Financial Data Rights rule.

Sincerely,

Grover Norquist
President
Americans for Tax Reform

Lorenzo Montanari
Executive Director
Property Rights Alliance

James Erwin
Interim Director
Shareholder Advocacy Forum

David Williams
President
Taxpayers Protection Alliance

Lisa B. Nelson
Chief Executive Officer
American Legislative Exchange Council

Paul Gessing
President
Rio Grande Foundation

Brent Gardner
Chief Government Affairs Officer
Americans for Prosperity

Ryan Ellis
President
Center for a Free Economy

Brian Norman
State Affairs Director
Goldwater Institute

Phil Kerpen
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American Commitment

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