

# P.L. 119-21, the FY2025 Reconciliation Law, Provisions Related to CFPB Funding

Updated July 16, 2025

On July 3, 2025, Congress passed H.R. 1, commonly referred to as the One Big Beautiful Bill Act, which the President signed into law on July 4, 2025 (P.L. 119-21). This was a [reconciliation bill](#) pursuant to directives included in the FY2025 budget resolution (H.Con.Res. 14). H.Con.Res. 14 included [reconciliation directives](#) to the House Financial Services and Senate Banking Committees to develop and submit changes in laws within their jurisdictions that would reduce the deficit by at least \$1 billion over FY2025-FY2034.

Section 30001 of P.L. 119-21 revised the Consumer Financial Protection Bureau (CFPB) funding cap, reducing it from 12% to 6.5% of the total Federal Reserve FY2009 operating expenses in FY2013. Unlike the prior House-passed version, this funding cap is adjusted using an employment cost index. Accounting for these changes for FY2025, the funding cap under P.L. 119-21 is estimated to be roughly \$446 million, compared to \$823 million under the original formula in the Dodd-Frank Wall Street Reform and Consumer Protection Act (P.L. 111-203), discussed below. [In his original proposal](#), Chairman Tim Scott would have capped this funding at 0%, although the [Senate Parliamentarian reportedly advised that](#) this section did not comply with the [Byrd rule](#). P.L. 119-21 does not include the language that would transfer or otherwise limit the unobligated balances available to the CFPB. [CBO estimated](#) that this provision would save \$2 billion over 10 years. For more on the other provisions passed in Title III of P.L. 119-21, see CRS Insight IN12579, *One Big Beautiful Bill Act (P.L. 119-21), Title III: Committee on Banking, Housing, and Urban Affairs*, coordinated by Karl E. Schneider.

## CFPB Funding Under the Dodd-Frank Act

Rather than being funded through regular appropriations, the CFPB funds its operations through monetary [transfers](#) from the Federal Reserve, as specified by the Dodd-Frank Act. CFPB funding is distributed quarterly from the Federal Reserve to the *Bureau Fund* according to the amounts [requested by the CFPB director, subject to an overall cap](#). Prior to the passage of P.L. 119-21, this funding cap used a statutory formula capping the budget request for FY2013 at 12% of total [Federal Reserve FY2009 operating expenses](#) (\$4.98 billion), which computes to \$598 million. The cap was then adjusted based on an employment cost index for total compensation for state and local government after FY2013. Under this formula, the [FY2025 budget cap was \\$823 million](#).

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For more on the CFPB budget, see CRS Report R48295, *The Consumer Financial Protection Bureau Budget: Background, Trends, and Policy Options*.

## Funding Changes Passed by the House in May 2025

Among other provisions, both the original House-passed version and the provisions enacted into law would have changed CFPB funding but in somewhat different ways. Section 50003 of H.R. 1 as passed by the House on May 22, 2025, would have capped CFPB funding requests for FY2025 and future years at 5% of total Federal Reserve FY2009 operating expenses with an employment cost index adjustment moving forward. This would have translated to \$249 million in FY2025. Section 50003 would have also limited the total unobligated balances that the CFPB could hold in the Bureau Fund to 5% of the revised funding cap (\$12 million) and transferred the remaining balance to the Treasury General Fund. Section 50004 would have limited transfers from Civil Penalty Fund to pay direct victims and transferred the remaining unobligated balance (\$428 million as of April 2025) to the Treasury. In total over 10 years, CBO estimated that these sections would have reduced the deficit by roughly \$3.9 billion.

For more on the funding changes as originally passed by the House in May 2025, see CRS Insight IN12551, *One Big Beautiful Bill Act: Title V, Provisions Related to CFPB Funding*.

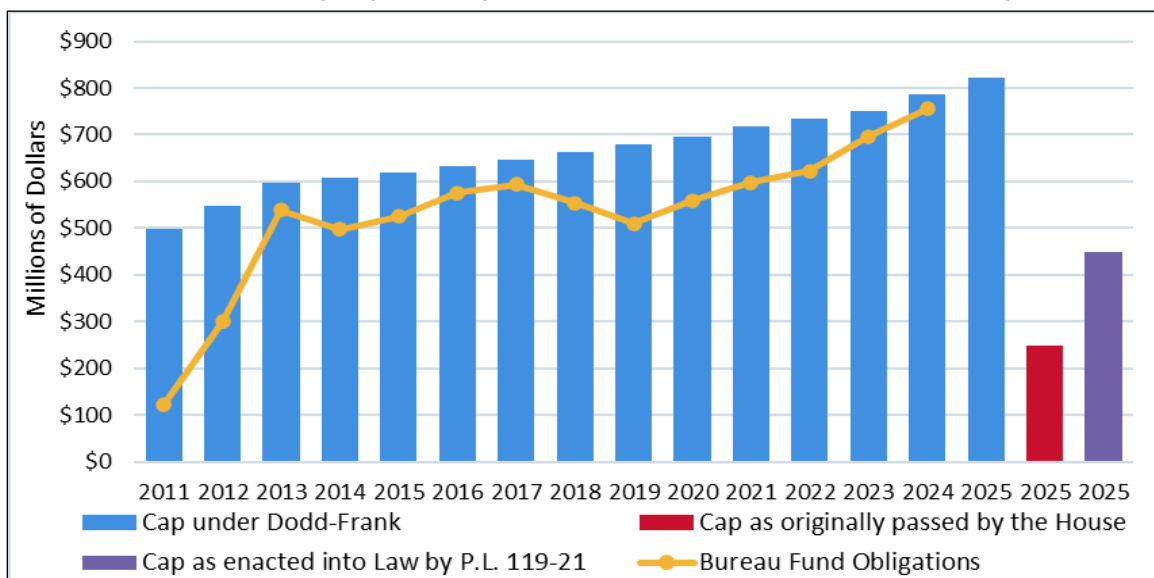
## CFPB Funding Changes as Enacted into Law

Section 30001 of P.L. 119-21 revised the CFPB funding cap, reducing the 12% figure in current law that capped FY2013 funding to 6.5% of the Federal Reserve FY2009 operating expenses. Unlike the prior legislation that passed the House in May 2025, the cap enacted into law accounted for the prior employment cost indexes (meaning the cap grew by roughly 38% from FY2013 to FY2025) and, similar to the original House proposal, would continue to be adjusted for future years using the employment cost index. This change decreased the funding cap in FY2025 to \$446 million as depicted in **Figure 1**, compared to the cap under Dodd-Frank (\$823 million) and the provision as originally passed by the House in May 2025 (\$249 million).

During Senate consideration of H.R. 1, an amendment (S.Amdt. 2414) was offered to strike Section 30001, which would have kept the CFPB funding cap to that enacted under Dodd-Frank. The amendment fell on a point of order raised pursuant to Section 302(f) of the Congressional Budget Act of 1974 (codified at 2 U.S.C. §633(f)) after a motion to waive the point of order (requiring the support of three-fifths of Senators) failed.

**Figure 1. CFPB Funding Cap and Bureau Fund Obligations**

Under Dodd-Frank, as Originally Passed by the House in H.R. 1 and as Enacted into Law by P.L. 119-21

**Sources:** Data compiled by CRS from CFPB annual financial reports and using the information from the committee text.

Since the CFPB's creation, the transfers from the Federal Reserve have been the sole source of funding for the CFPB's general operations. Acting CFPB Director Russell Vought, however, [has specifically indicated](#) (albeit before the Senate Banking Committee proposal had been released) that he would not be requesting additional funding for FY2025.

The CFPB's statute did contain another potential source of general funding. [Dodd-Frank authorized appropriations](#) for the CFPB for FY2011-FY2014, although [no money was actually appropriated for these years](#). Some previous legislation that would have removed the possibility of Federal Reserve transfers, including [appropriations measures that were reported to the House](#), would have provided appropriated funds to replace Federal Reserve funds for the general operations of the CFPB. While there are no appropriations provided in P.L. 119-21, Chairman Scott noted [in a separate committee memo](#) that this change "does not affect the Bureau's existing ability to request funds from Congress."

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