

# **The Consumer Financial Protection Bureau Budget: Background, Trends, and Policy Options**

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# The Consumer Financial Protection Bureau Budget: Background, Trends, and Policy Options

The Consumer Financial Protection Bureau (CFPB) was created in the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank, P.L. 111-203). Dodd-Frank specified that the CFPB would be funded outside of congressional appropriations through quarterly transfers from the Federal Reserve as requested by the CFPB. These transfer requests are constrained by an annual employment cost-adjusted funding cap, which increased from \$598 million in FY2013 to \$785 million in FY2024. The cap was initially calculated at \$823 million for FY2025, but this was reduced to \$446 million by language in the P.L. 119-21 (called by some the Working Families Tax Cut Act or the One Big Beautiful Bill Act).

The transfers from the Federal Reserve are not subject to congressional approval, and this degree of independence from Congress has been subject to congressional debate from the start. Congress does have oversight of different aspects of the CFPB, including the budget, with the ability to question the director on the budget during semiannual hearings on the CFPB and annual audits from the Government Accountability Office, with the results reported to Congress. Some other financial regulators are also funded outside of the congressional appropriations. However, those agencies generally cover their costs with funds collected as fees or assessments from other regulated entities or investment income. In 2024, in *CFPB vs. Community Financial Services Association of America (CFSA)*, the Supreme Court ruled that the CFPB's funding structure is constitutional, but that ruling does not preclude further legislation to modify the CFPB's funding or budget.

Overall, CFPB funding requests from the Federal Reserve grew from \$161 million in FY2011 to \$729 million in FY2024 to \$494 million in FY2025, but such requests have been cyclical with changing bureau leadership. The relatively large swings in the CFPB's budget growth may be driven by the unique funding structure of the CFPB in concert with the unilateral control of the director to set much of the budget and spending priorities. All the transfer requests have been below the funding cap, but the difference between the requests and the cap generally declined from \$282 million at its height in FY2018 to \$30 million in FY2023, with a slight uptick to \$56 million in FY2024. Often, the CFPB has not spent the entirety of the funding provided toward its operations, leaving money for *unobligated balances* in the Bureau Fund that it can keep in reserve. The unobligated balances in the Bureau Fund used for general expenses stood at \$217 million in July 2025. Those in the Civil Penalty Fund, collected from enforcement actions and generally used for consumer restitution, totaled \$422 million in FY2025. CFPB budget growth since 2014 has been driven by growth in total employee salaries and benefits as opposed to contractual services or other types of spending. Overall spending and possibly the composition of spending may change under Acting Director Russell Vought and the second Trump Administration. Under Acting Director Vought, the CFPB has drawn down existing "unobligated" funds for FY2025 expenses with a projection from the CFPB that such funds will run out in early 2026. According to an opinion issued by the Department of Justice Office of Legal Counsel, Acting Director Vought has argued that the CFPB cannot currently request funds from the Federal Reserve, meaning that the CFPB would not have funds to functionally operate. Such an argument is disputed in ongoing litigation. Acting Director Vought anticipates preparing a report identifying the "funding needs of the Bureau" and requesting appropriations from Congress.

Congress has a number of different policy options on the CFPB's funding and budget, and several bills have been considered over the years and recent changes enacted. In the 119<sup>th</sup> Congress, P.L. 119-21 reduced the cap on funding that the CFPB can request annually from the Federal Reserve by 46%, from \$823 million under the Dodd-Frank formula in FY2025 to \$446 million. The cap enacted into law accounted for the prior employment cost indexes (meaning the cap grew by roughly 38% from FY2013 to FY2025) and would continue to be adjusted for future years using the employment cost index. Other introduced legislation in the 119<sup>th</sup> Congress would bring the CFPB into the appropriations process for FY2026 and FY2027 (H.R. 654); limit the CFPB's unobligated balances (H.R. 3141); move CFPB salaries to the GS scale, likely decreasing employee compensation (S. 1923); revert CFPB funding cap to that enacted in Dodd-Frank (S. 2429); functionally eliminate the CFPB, without additional appropriations, by changing the funding cap to \$0 (S. 303 and H.R. 814); or directly eliminate the CFPB (H.R. 1603).

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## Introduction

Congress created the Consumer Financial Protection Bureau (CFPB) as an independent bureau within the Federal Reserve System in the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank, P.L. 111-203) to “regulate the offering and provision of consumer financial products or services under the Federal consumer financial laws.”<sup>1</sup> The CFPB was created with several organizational characteristics that provided it with a relatively high degree of independence from both congressional and presidential control.<sup>2</sup> Of particular note—and the subject of this report—is the CFPB’s unique funding structure. In contrast to most federal agencies, and to traditionally insulate the CFPB from congressional and presidential influence, the CFPB budget is not provided by annual congressional appropriations. Instead, the bureau’s funding is distributed quarterly from the Federal Reserve according to the amounts requested by the CFPB director but subject to an overall funding cap adjusted annually by an employment cost index.

In general, Federal Reserve net income is remitted to the Treasury’s General Fund, which is the same source from which most appropriations are drawn. Thus, having the CFPB draw funding from the Federal Reserve has the same budgetary impact as having the CFPB funded from the General Fund but without the annual congressional control of the amount of funding that occurs in the annual appropriations process. Since FY2023, the Federal Reserve has stopped remittances of excess income to the Treasury General Fund because the Fed has operated at a net loss.<sup>3</sup> During the Biden Administration, under previous director Chopra, transfers to the CFPB continued during that time and counted as “deferred assets” on Fed accounts.<sup>4</sup> More recently, under the Trump Administration and Acting Director Russell Vought, the CFPB has drawn down unobligated balances from the Bureau Fund. Moreover, the Department of Justice Office of Legal Counsel (OLC) has issued an opinion that argued that the CFPB may not legally request transfers from the Federal Reserve, because it was operating at a net loss.

Other federal financial regulatory agencies<sup>5</sup> also have funding mechanisms outside of congressional appropriations, as well as other characteristics intended to enhance their day-to-day independence from the President and Congress. In general, this independence is intended to help shield the agencies from political considerations when carrying out their mandates, theoretically freeing them to be guided more fully by technical expertise insulated from outside direction. At the same time, financial policymaking involves both technical expertise and political trade-offs that require democratic input, and independence also generally has the effect of reducing the accountability of agencies to elected officials.<sup>6</sup>

<sup>1</sup> P.L. 111-203, §1011. For more on the CFPB generally, see CRS In Focus IF10031, *Introduction to Financial Services: The Consumer Financial Protection Bureau (CFPB)*, by Karl E. Schneider and David H. Carpenter.

<sup>2</sup> For more on this independence among federal financial regulators, see CRS Report R43391, *Independence of Federal Financial Regulators: Structure, Funding, and Other Issues*, by Henry B. Hogue, Marc Labonte, and Baird Webel.

<sup>3</sup> CRS Insight IN12081, *Why Is the Federal Reserve Operating at a Loss?*, by Marc Labonte.

<sup>4</sup> For a discussion on Federal Reserve deferred assets generally, see Federal Reserve System, *Federal Reserve Banks Combined Financial Statements, As of and for the Years Ended December 31, 2024 and 2023 and Independent Auditors’ Report*, March 12, 2025, p. 22, <https://www.federalreserve.gov/aboutthefed/files/combinedfinstmt2024.pdf>.

<sup>5</sup> For purposes of this report, *federal financial regulators* refers to the Federal Reserve, Office of the Comptroller of the Currency, CFPB, Securities and Exchange Commission, Federal Deposit Insurance Commission, Commodity Futures Trading Commission, Federal Housing Finance Agency, and National Credit Union Administration.

<sup>6</sup> For greater discussion of the CFPB’s general accountability measures and whether they are sufficient or further measures such as congressional appropriations are needed, see Susan Block-Lieb, “Accountability and the Bureau of (continued...) ”

The annual appropriations process provides the President and Congress with the opportunity to review an agency's performance and recalibrate its priorities to better accord with those of elected officials.<sup>7</sup> Congress might influence the activities of agencies by reallocating resources or placing limitations on appropriated funds to better reflect congressional priorities. Through line-item funding, bill text, or accompanying committee report text, Congress can encourage, discourage, require, or forbid specific activities at an agency, including rulemaking. Alternatively, it can adjust an agency's overall funding level or amounts spent on specific activities if it is supportive or unsupportive of the agency's mission or conduct.<sup>8</sup> Congress can still make policy changes by amending authorizing statutes, but the appropriations process provides an annual opportunity to make regular, required changes.

The CFPB's funding is unique among financial regulators and has been controversial since the start of the agency. It has been the subject of numerous bills aimed at changing the funding structure and amount as well as court challenges. For more on the court challenges to the CFPB's budget, see the text box below on page 4. The changes passed under P.L. 119-21, known by some as the Working Families Tax Cut Act or the One Big Beautiful Bill Act, reduced the amount the CFPB could request from the Federal Reserve by roughly 46%, while leaving the specific funding structure intact.<sup>9</sup>

This report first describes the CFPB's funding structure and the history of its funding levels and agency size.<sup>10</sup> It breaks down changes in the CFPB in terms of overall spending levels, number of employees, and funding cap. Additionally, it compares the funding structure and budget trends to other financial regulators. Finally, the report addresses legislation introduced and passed in the 119<sup>th</sup> Congress and some policy options for Congress on the CFPB's funding and budget.

## Overview of CFPB Funding

Dodd-Frank provides that the director of the CFPB is to determine the funding "reasonably necessary to carry out the authorities of the Bureau,"<sup>11</sup> and the Board of Governors of the Federal Reserve is required to transfer this amount to the CFPB subject to a funding cap codified at Title 12, Section 5497, of the *U.S. Code*. For FY2013 and following, Dodd-Frank set the cap at 12% of "the total operating expenses of the Federal Reserve System" in 2009. This amount was then to be adjusted annually based on an index of employment costs. This funding cap was amended in

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Consumer Financial Protection," *Brooklyn Journal of Corporate, Financial and Commercial Law*, 2013; testimony of Brian Johnson, Managing Director, Patomak Global Partners, LLC, in U.S. Congress, House Financial Services Committee, Subcommittee on Financial Institutions and Monetary Policy, 118<sup>th</sup> Cong., April 16, 2024; Conrad Z. Zhong, "A New Way to Fund the Consumer Financial Protection Bureau," *Business Law Journal*, UC Davis School of Law, vol. 18 (November 2017).

<sup>7</sup> For more on the appropriations process, see CRS Report R47106, *The Appropriations Process: A Brief Overview*, by James V. Saturno and Megan S. Lynch.

<sup>8</sup> Members of Congress may still attempt to attach "policy riders" related to unappropriated agencies to appropriation bills, but this tactic has rarely been successful with regard to the CFPB.

<sup>9</sup> See H.R. 557 in the 112<sup>th</sup> Congress, shortly after the establishment of the CFPB, which would have moved CFPB funding to congressional appropriations.

<sup>10</sup> This report does not discuss the CFPB's broader structure or its regulatory authorities. For more generally on the CFPB's structure and a broader overview see CRS In Focus IF10031, *Introduction to Financial Services: The Consumer Financial Protection Bureau (CFPB)*, by Karl E. Schneider and David H. Carpenter. For a broader discussion of financial regulators' independence with regard to funding and leadership, see CRS Report R43391, *Independence of Federal Financial Regulators: Structure, Funding, and Other Issues*, by Henry B. Hogue, Marc Labonte, and Baird Webel. For information on specific CFPB rules, see CRS In Focus IF12751, *The Consumer Financial Protection Bureau (CFPB) Finalizes Rule for a Registry of Nonbank Covered Orders*, by Karl E. Schneider.

<sup>11</sup> 12 U.S.C. §5497(a)(1).

2025 by P.L. 119-21 to be 6.5% of the Fed's 2009 expenses with an annual adjustment from FY2013. The CFPB statute as amended reads with the original text struck through:

**(2) Funding cap**

**(A) In general**

Notwithstanding paragraph (1), and in accordance with this paragraph, the amount that shall be transferred to the Bureau in each fiscal year shall not exceed a fixed percentage of the total operating expenses of the Federal Reserve System, as reported in the Annual Report, 2009, of the Board of Governors, equal to-

- (i) 10 percent of such expenses in fiscal year 2011;
- (ii) 11 percent of such expenses in fiscal year 2012; and
- (iii) ~~12~~ 6.5 percent of such expenses in fiscal year 2013, and in each year thereafter.

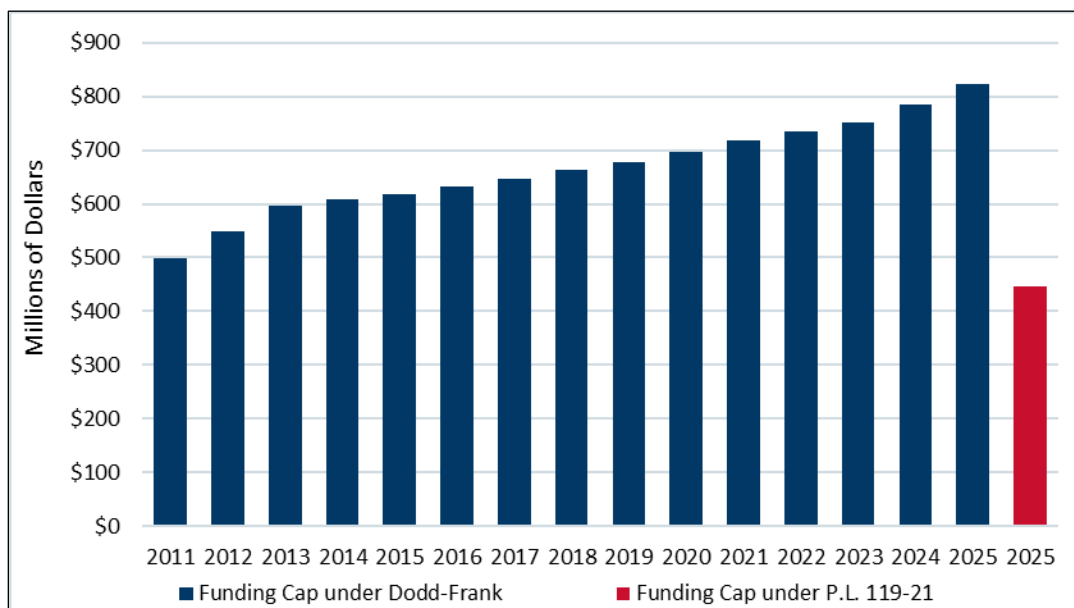
**(B) Adjustment of amount**

The dollar amount referred to in subparagraph (A)(iii) shall be adjusted annually, using the percent increase, if any, in the employment cost index for total compensation for State and local government workers published by the Federal Government, or the successor index thereto, for the 12-month period ending on September 30 of the year preceding the transfer.

The amount referred to as “the total operating expenses of the Federal Reserve System, as reported in the Annual Report, 2009,” was a known amount when Dodd-Frank was enacted in July 2010. The 2009 annual report was published in May 2010 and reported the total operating expenses as \$4.98 billion. Thus, the initial caps were \$498 million for FY2011, \$547.8 million for FY2012, and \$597.6 million for FY2013 (10%, 11%, and 12% of the 2009 figure, respectively). Adjusted for the employment cost measure in the law, the cap was originally projected to increase to \$823 million for FY2025, as reported by the CFPB.<sup>12</sup> Following the P.L. 119-21 changes, the cap adjusted for the employment cost measure from FY2013 forward would be \$446 million for FY2025. The CFPB was authorized in Dodd-Frank to request additional appropriations from Congress in specific amounts until 2014, but the CFPB did not do so, nor has any money been appropriated by Congress for the CFPB since its creation. **Figure 1** shows the funding cap over time, including the original FY2025 cap and the cap following P.L. 119-21.

<sup>12</sup> CFPB, *Annual Performance Plan and Report, and Budget Overview*, February 2024, p. 11, [https://files.consumerfinance.gov/f/documents/cfpb\\_performance-plan-and-report\\_fy24.pdf#page=12](https://files.consumerfinance.gov/f/documents/cfpb_performance-plan-and-report_fy24.pdf#page=12).

**Figure 1. CFPB Funding Cap**  
FY2011-FY2025



**Source:** Data compiled by CRS from CFPB annual financial reports. FY2025 is not a projection as it is calculated using the formula specified in statute. While there has been no formal calculation of the CFPB's new funding cap under P.L. 119-21, this is an estimate using the new formula and CRS calculations.

The statute specifies that the amounts transferred from the Federal Reserve “shall not be subject to review by the Committees on Appropriations of the House of Representatives and the Senate.”<sup>13</sup> These amounts are to be deposited in a separate fund (known as the Bureau Fund) held at a Federal Reserve bank, and the statute specifies that the amounts held in this fund “shall not be construed to be Government funds or appropriated monies.”<sup>14</sup> Although the CFPB is formally a bureau of the Federal Reserve and receives its funding from the Federal Reserve, the Federal Reserve has no control over the CFPB—it operates entirely independently, with the exception of sharing an Office of Inspector General, appointed by the chairman of the Federal Reserve.<sup>15</sup> In addition to the Bureau Fund, a separate Civil Penalty Fund was created to hold penalties assessed by the CFPB and to be used primarily for payments to victims, but it may also be used for consumer education and financial literacy.

<sup>13</sup> 12 U.S.C. §5497(a)(2)(C).

<sup>14</sup> 12 U.S.C. §5497(c)(2).

<sup>15</sup> “The Inspector General of the Board of Governors of the Federal Reserve System and the Bureau of Consumer Financial Protection shall have all of the authorities and responsibilities provided by this Act with respect to the Bureau of Consumer Financial Protection, as if the Bureau were part of the Board of Governors of the Federal Reserve System” (5 U.S.C. §415).



### Supreme Court Ruling and Prior Litigation

The CFPB's funding structure has been the subject of litigation. Specifically, certain opponents of the funding structure argued that the CFPB's funding structure was unconstitutional because it circumvented Congress' power of the purse in violation of the Appropriations Clause and the separation of powers.<sup>16</sup>

In May 2024, in *CFPB vs. Community Financial Services Association of America (CFSA)*, the Supreme Court rejected this argument, holding that the CFPB's funding structure is constitutional.<sup>17</sup> Relying on the Constitution's text, history, and congressional practice, the Court concluded that the CFPB funding is a valid appropriation, even though it is structured outside of annual congressional control. This 7-2 decision reversed a previous ruling by U.S. Court of Appeals for the Fifth Circuit.<sup>18</sup>

Notwithstanding the Supreme Court's ruling, Congress still has the ability to modify the CFPB's funding structure in the future. Congressional reaction to the decision was mixed, with some hailing the ruling as confirmation that the CFPB is constitutionally funded, while others referred to the ruling as a "setback" and called for legislative action to modify the CFPB's funding structure.<sup>19</sup>

The *CFSA* ruling has not halted other challenges to the CFPB's funding structure. For example, a payday lender, Ace Cash Advance, petitioned a federal court to dismiss a CFPB enforcement action because the CFPB's funding is unconstitutional for different reasons than those addressed by the Supreme Court in *CFSA*. Specifically, Ace Cash Advance alleged that CFPB enforcement actions, which are funded via transfers from the Federal Reserve, are unconstitutional when brought while the Federal Reserve is operating at a net loss. This litigation and others involving similar arguments have been unsuccessful.<sup>20</sup>

## Congressional Oversight

Because of the structure of the CFPB's budget, congressional oversight is limited compared to congressionally appropriated agencies. Some would argue that the independence of the CFPB budget helps preserve its broader independence from Congress and is a key feature of the CFPB's structure. The Government Accountability Office (GAO) conducts annual audits of the CFPB's financial statements to help ensure accuracy and internal control of financial reporting.<sup>21</sup>

Separately in 2014 and 2020, Congress has requested audits by the inspector general for the Federal Reserve and the CFPB regarding different aspects of the CFPB's budget.<sup>22</sup> The permanent

<sup>16</sup> The Appropriations Clause in Article I, Section 9, Clause 7, of the U.S. Constitution states, "No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time." See also Adam J. White, "The CFPB's Unconstitutional Exemption from Congress's Power of the Purse," American Enterprise Institute, April 16, 2024, <https://www.aei.org/research-products/testimony/the-cfpbs-unconstitutional-exemption-from-congresss-power-of-the-purse/>.

<sup>17</sup> *Consumer Financial Protection Bureau v. Community Financial Services Association of America*, 22-448 (2024).

<sup>18</sup> For more on this topic, see CRS Legal Sidebar LSB10891, *Fifth Circuit: CFPB's Funding Authority is Unconstitutional*, by Sean Stiff and David H. Carpenter.

<sup>19</sup> House Financial Services Committee Democrats, "Maxine Waters, Ranking Member, Applauds Supreme Court Decision to Uphold Constitutionality of Consumer Financial Protection Bureau," press release, May 16, 2024, <https://democrats-financialservices.house.gov/news/documentsingle.aspx?DocumentID=411494>; House Financial Services Committee, "McHenry Statement Regarding SCOTUS Ruling on CFPB Funding Structure," press release, May 16, 2024, <https://financialservices.house.gov/news/documentsingle.aspx?DocumentID=409264>.

<sup>20</sup> Kate Berry, "New Wave of Challenges to CFPB's Funding Gains Steam," *American Banker*, August 19, 2024, <https://www.americanbanker.com/news/new-wave-of-challenges-to-cfpbs-funding-gains-steam>. See also *State of Texas vs. Colony Ridge, Inc., et al.*, (United States District Court, Southern District of Texas Houston Division 2024).

<sup>21</sup> For one example of these reports, see GAO, *Financial Audit: Consumer Financial Protection Bureau's FY 2023 and FY 2022 Financial Statements*, GAO-24-106737, November 15, 2023, <https://www.gao.gov/products/gao-24-106737>.

<sup>22</sup> For examples of those responses to congressional requests, see Jackie Ogle et al., *The Bureau's Budget and Funding Processes*, Federal Reserve Office of Inspector General, July 20, 2020, <https://oig.federalreserve.gov/reports/bureau-budget-funding-processes-jul2020.pdf>; Federal Reserve Office of Inspector General, *Response to the January 29, 2014, Congressional Request Regarding the CFPB's Headquarters Renovation Project*, June 30, 2014, <https://oig.federalreserve.gov/reports/cfpb-congressional-request-headquarters-renovation-project-jun2014.pdf>.

CFPB director also requires Senate confirmation, meaning Senators can assess a director's alignment to their own priorities in terms of the budget and other policies during the confirmation process. As a part of its semiannual report to Congress, the CFPB generally includes a justification for and information on its budget requests, but there is no formal review or approval.<sup>23</sup> During the CFPB director's planned testimony in front of the Senate and the House of Representatives related to that report, Members of Congress can and often do ask the director about the CFPB's budget.<sup>24</sup> In previous appropriations bills, Congress has mandated that the CFPB report its transfer requests directly to Congress and make them available on its public website, which it has traditionally done (see Section 746 of P.L. 118-47).<sup>25</sup>

## Overall Trends in the CFPB Budget

Dodd-Frank created the CFPB upon enactment in 2010, with full authorities transferred to the bureau in July 2011. It first posted annual financial reports for FY2011, although a small amount of funding was transferred from the Federal Reserve in FY2010. This section draws from various years' financial reports.<sup>26</sup> This section includes seven different figures:

- **Figure 2** graphs the funding requests from the CFPB to the Federal Reserve.
- **Figure 3** shows the difference between the CFPB's funding requests and the funding cap each year.
- **Figure 4** graphs the amount obligated by the CFPB over time from the Bureau Fund and Civil Penalty Fund. **Figure 5** graphs such changes looking at only the obligated funds from the Bureau Fund, adjusted by the Total Nondefense GDP deflator.
- **Figure 6** and **Figure 7** graph the unobligated balances from the Bureau Fund and the Civil Penalty Fund, respectively.
- **Figure 8** graphs the total number of employees at the CFPB over time.

**Figure 2** shows the funding transferred from the Federal Reserve over time and the projected amounts according to the CFPB's FY2024 budget request. The total amount transferred in a given year does not translate to total spending in that year, and some amounts remain as *unobligated balances* and are usable in future years. Dodd-Frank specifies that the CFPB funds "shall remain available until expended"<sup>27</sup> and "shall not be subject to apportionment for purposes of chapter 15 of title 31 or under any other authority."<sup>28</sup>

The CFPB budget grew from \$32 million in FY2010 to \$518 million in FY2013 as the CFPB began hiring staff and commenced operations. There was a reduction in funding transferred between FY2017 and FY2018, as then-Acting Director Mick Mulvaney chose not to request

<sup>23</sup> For example, see CFPB, *Semi-Annual Report of the Consumer Financial Protection Bureau*, June 4, 2024, pp. 77-79, [https://files.consumerfinance.gov/f/documents/cfpb\\_semi-annual-report\\_2024-06.pdf](https://files.consumerfinance.gov/f/documents/cfpb_semi-annual-report_2024-06.pdf).

<sup>24</sup> U.S. Congress, House Financial Services Committee, *The Semi-Annual Report of the Bureau of Consumer Financial Protection*, committee print, 118<sup>th</sup> Cong., June 14, 2023.

<sup>25</sup> CFPB, "Funds Transfer Requests," <https://www.consumerfinance.gov/about-us/budget-strategy/funds-transfer-requests/>.

<sup>26</sup> These reports can collectively be found on the CFPB website at <https://www.consumerfinance.gov/about-us/budget-strategy/financial-reports/>. For FY2011, the CFPB chose to post the GAO audit of this report, which contained the CFPB report embedded in it. In this case, the page numbers cited in the following footnotes are from the original CFPB reports.

<sup>27</sup> 12 U.S.C. §5497(c)(1).

<sup>28</sup> 12 U.S.C. §5497(c)(3).

funding from the Federal Reserve for the second quarter of FY2018 and instead used unobligated funds.<sup>29</sup> From FY2018 to FY2023, the CFPB's budget requests steadily grew each year with year-to-year increases between \$8 million and \$87 million.

For FY2024, the CFPB received a total of \$729.4 million in transfers from the Fed, compared to its \$785.4 million statutory cap for that year. The CFPB's projected budget estimate under former-Director Chopra for its operations in FY2025 was \$810.6 million. In January 2025, President Trump fired then-Director Chopra, and in February 2025 he designated Russell Vought, director of the Office of Management and Budget, as acting CFPB director.

Vought indicated that he will not request additional funds from the Federal Reserve for FY2025, as the existing balance of the reserves, he wrote, were "more than sufficient—and are, in fact, excessive" to carry out the duties of the CFPB.<sup>30</sup> Chopra had already requested \$494 million from the Federal Reserve for the first and second quarters of FY2025.<sup>31</sup>

Under Acting Director Vought, the CFPB has drawn down existing "unobligated" funds for FY2025 expenses with a projection from the CFPB that such funds will run out in early 2026.<sup>32</sup> An opinion from the OLC argues that the CFPB "may not legally request funds" from the Federal Reserve because the central bank currently lacks any "combined earnings" and that, therefore, the CFPB would lack a funding source to run its operations.<sup>33</sup> In accordance with this OLC opinion, the CFPB filed a notice with the court overseeing the litigation over its reduction in force (discussed in greater detail below) that Acting Director Vought anticipates preparing a report identifying the "funding needs of the Bureau." However, the filing notes that the CFPB does not know "whether and the extent to which Congress will appropriate funding to pay the expenses of the Bureau" and that, therefore, the CFPB may soon lack sufficient funding to be able to run its operations and comply with the court's orders.<sup>34</sup> As discussed in greater detail below, bills to provide appropriations to the CFPB have never been enacted into law but have frequently been proposed and have previously passed the House.

The legal reasoning of the OLC opinion is contested and previously discussed above. Plaintiffs that have invoked similar arguments in separate litigation challenging the CFPB's funding structure have thus far been unsuccessful.<sup>35</sup> In contrast to the OLC opinion, defendants for the CFPB union associated with the reduction in force argued that "combined earnings" should be

<sup>29</sup> Mick Mulvaney, Acting Director, CFPB, letter to the Hon. Janet Yellen, Chair, Federal Reserve, January 17, 2018, [https://files.consumerfinance.gov/f/documents/cfpb\\_fy2018\\_q2\\_funding-request-letter-to-frb.pdf](https://files.consumerfinance.gov/f/documents/cfpb_fy2018_q2_funding-request-letter-to-frb.pdf).

<sup>30</sup> Russell T. Vought, Acting Director, CFPB, letter to the Hon. Jerome H. Powell, Chairman, Board of Governors of the Federal Reserve System, February 8, 2025, [https://files.consumerfinance.gov/f/documents/cfpb\\_letter-from-frb-to-cfpb\\_2025-02.pdf](https://files.consumerfinance.gov/f/documents/cfpb_letter-from-frb-to-cfpb_2025-02.pdf).

<sup>31</sup> Rohit Chopra, Director, CFPB, letter to the Hon. Jerome Powell, Chair, Board of Governors of the Federal Reserve System, December 19, 2024, [https://files.consumerfinance.gov/f/documents/cfpb-12-19-letter-from-cfpb-to-frb\\_2025-01.pdf](https://files.consumerfinance.gov/f/documents/cfpb-12-19-letter-from-cfpb-to-frb_2025-01.pdf); letter from Rohit Chopra, Director, CFPB, to the Hon. Jerome Powell, Chair, Board of Governors of the Federal Reserve System, October 8, 2024, [https://files.consumerfinance.gov/f/documents/cfpb\\_funds-transfer-request-fy-2025-q1.pdf](https://files.consumerfinance.gov/f/documents/cfpb_funds-transfer-request-fy-2025-q1.pdf).

<sup>32</sup> Vought, letter to Powell, February 8, 2025; *National Treasury Employees Union, et al., v. Russell Vought in his official capacity as Acting Director of the Consumer Financial Protection Bureau, et al.*, 1:25-145 (United States District Court for the District of Columbia 2025).

<sup>33</sup> T. Elliot Gaiser, *Whether the Consumer Financial Protection Bureau May Continue to Draw Funds from the Federal Reserve System Under 12 U.S.C. § 5497 When the Federal Reserve System Is Operating at a Loss*, Department of Justice, Office of Legal Counsel, November 7, 2025, <https://www.justice.gov/olc/media/1417326/dl?inline>.

<sup>34</sup> *Notice of Potential Lapse of Appropriations to Pay the Expenses of the Bureau*, Nat'l Treasury Emp. Union, v. CFPB, 1:25-cv-00381-ABJ, Doc. No. 2144745 (D.D.C. 2025).

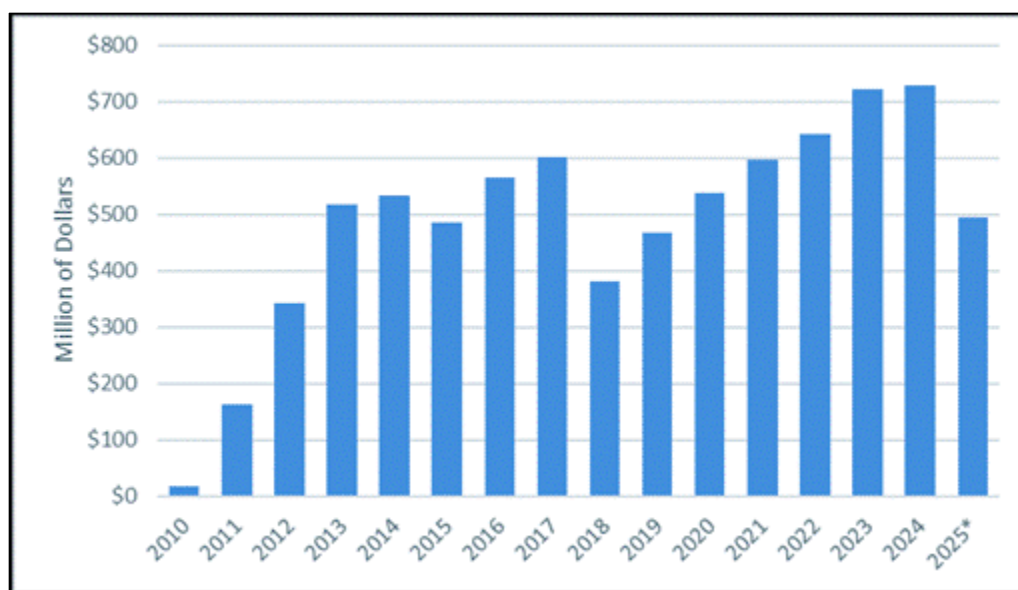
<sup>35</sup> Kate Berry, "New Wave of Challenges to CFPB's Funding Gains Steam," *American Banker*, August 19, 2024, <https://www.americanbanker.com/news/new-wave-of-challenges-to-cfpbs-funding-gains-steam>.

interpreted as everything the Federal Reserve System earns and that this recent OLC opinion is instead aimed at closing CFPB operations.<sup>36</sup>

This argument and the potential associated lack of withdrawals to fund CFPB operations is predicated on the Federal Reserve net income being negative, and it is possible that could change. The Federal Reserve Bank of New York had previously projected that such net income would be positive by 2026. That has not yet happened, although such projections are dated at the time of writing and can shift quickly based on a number of factors.<sup>37</sup>

**Figure 2. CFPB Funding Requests from the Federal Reserve**

FY2010-FY2025



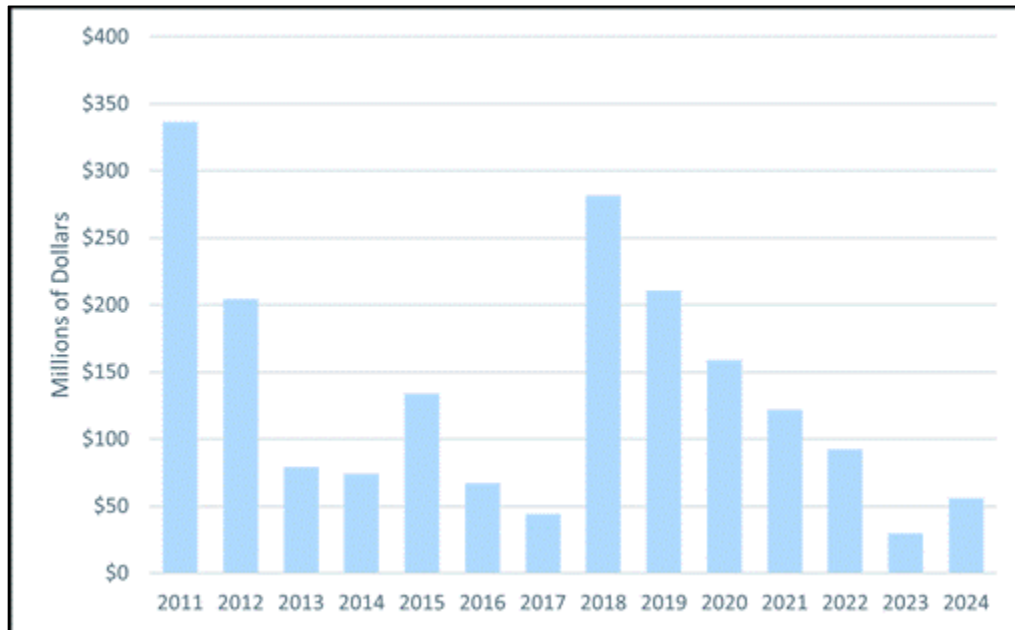
**Source:** CRS. Data from CFPB annual financial reports.

**Figure 3** shows the difference between the funding cap displayed in **Figure 1** and the actual funding requested by the CFPB in **Figure 2**. This difference was greatest in FY2011, as the CFPB was in its infancy. This difference spiked again in FY2018 as a result of the quarter without a CFPB funding request. Following FY2018, this difference declined until FY2023, when the difference stood at \$30 million. In FY2025, the difference was projected to be \$12.5 million under the previous Administration and a funding cap that was not modified by the FY2025 reconciliation act. The budget has substantially changed under the current Administration, but no new projections have been released.

<sup>36</sup> National Treasury Employees Union, et al., v. Russell Vought in his official capacity as Acting Director of the Consumer Financial Protection Bureau, et al., 1:25 148 (United States District Court for the District of Columbia 2025).

<sup>37</sup> Federal Reserve Bank of New York, *Open Market Operations During 2024*, <https://www.newyorkfed.org/medialibrary/media/markets/omo/omo2024-pdf.pdf>.

**Figure 3. Difference Between CFPB Funding Cap and Request**  
FY2011-FY2024

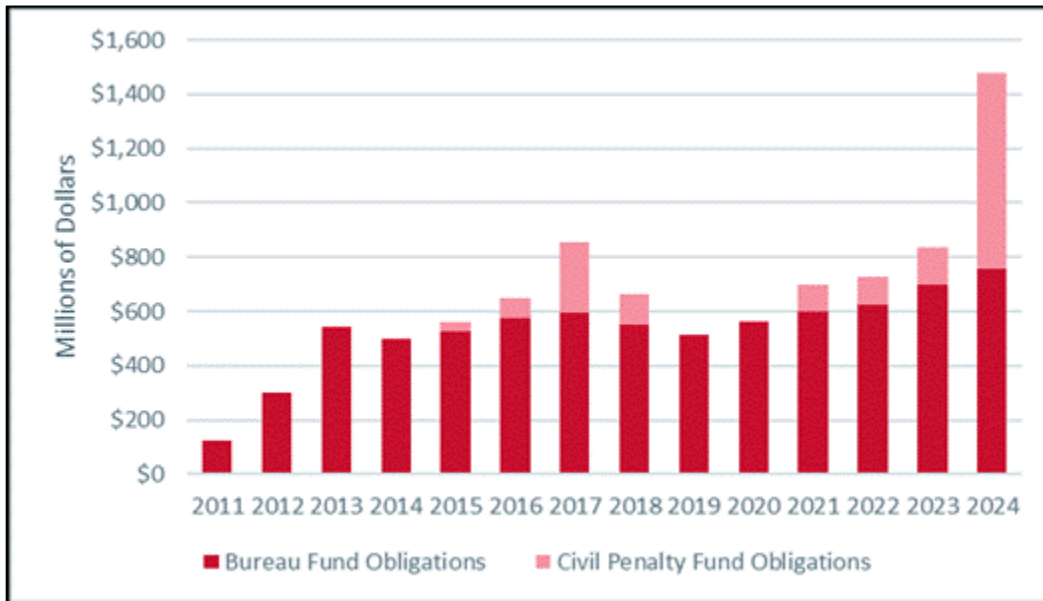


**Source:** CRS. Data from CFPB annual financial reports.

**Figure 4** shows the funding obligated by the CFPB over time. For the first few years, and then again in 2019 and 2020, practically all obligations were incurred by the Bureau Fund. For FY2024, the spike in Civil Penalty Fund obligations was related to “distributions to harmed consumers and related contract administrative and support services,”<sup>38</sup> according to the CFPB.

<sup>38</sup> CFPB, *Financial Report of the Consumer Financial Protection Bureau: Fiscal Year 2024*, November 14, 2024, [https://files.consumerfinance.gov/f/documents/cfpb\\_financial-report-fy-2024.pdf](https://files.consumerfinance.gov/f/documents/cfpb_financial-report-fy-2024.pdf).

**Figure 4. CFPB Obligated Funding**  
FY2011-FY2024

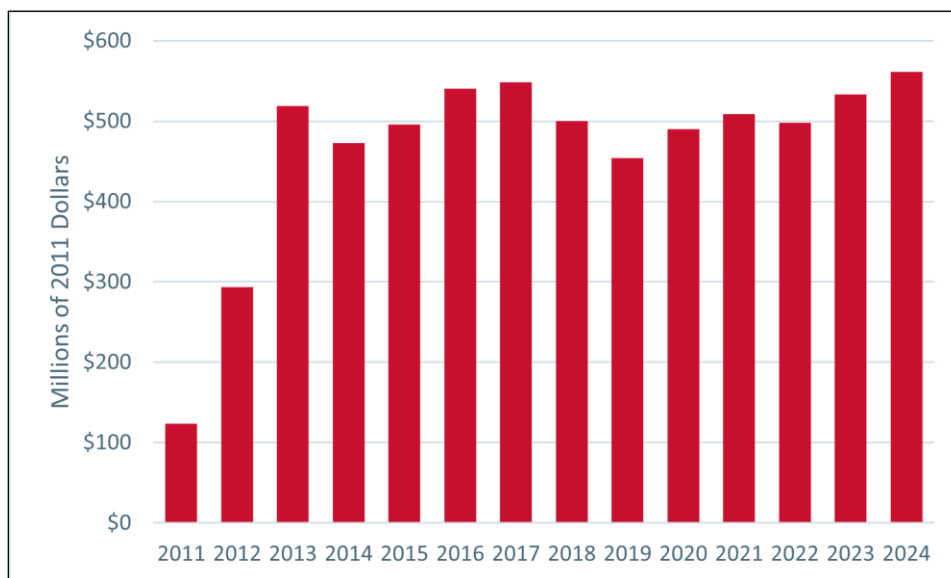


**Source:** CRS. Data from CFPB annual financial reports.

**Figure 5** adjusts the Bureau Fund obligations using a deflator for growth in total nondefense outlays to adjust for rising salaries and other costs.<sup>39</sup> The result is that the increases in obligations from FY2019 to FY2024 are more measured compared to earlier years. Using this measure, obligations surpassed FY2017 levels only in FY2024.

<sup>39</sup> Office of Management and Budget, “Table 10.1—Gross Domestic Product and Deflators Used in the Historical Tables: 1940-2029,” available for download at [https://www.whitehouse.gov/wp-content/uploads/2024/03/hist10z1\\_fy2025.xlsx](https://www.whitehouse.gov/wp-content/uploads/2024/03/hist10z1_fy2025.xlsx).

**Figure 5. Bureau Fund Obligations, Adjusted for 2011 Dollars**  
FY2011-FY2024



**Source:** CRS. Data from CFPB annual financial reports and adjusted using a deflator created by the Office of Management and Budget.

The CFPB's unobligated funds are split into two different funds—those from enforcement actions known as the Civil Penalty Fund and those from unobligated balances from the Federal Reserve balances referred to as the Bureau Fund.

**Figure 6** depicts the amount in the Bureau Fund. As discussed above, the unobligated balances from the Bureau Fund are immediately available to the CFPB and can be used to pay CFPB expenses. There was a \$120 million decrease between FY2017 and FY2018, as then-Acting Director Mulvaney chose not to request a Federal Reserve transfer and instead drew down the unobligated balance. Since then, the unobligated balance has steadily grown and stood at \$350 million in April 2025. Acting Director Vought has drawn down the Bureau Fund for FY2025 expenses.<sup>40</sup> As of July 2025, this fund stood at \$217 million. Dodd-Frank specifically authorizes investment of prior year unused amounts in the Bureau Fund with investment returns being credited to the fund.<sup>41</sup>

<sup>40</sup> Vought, letter to Powell, February 8, 2025.

<sup>41</sup> 12 U.S.C. §5497(b)(3).



**Figure 6. Bureau Fund Unobligated Balances**

FY2011-FY2024, FY2025:Q3



**Source:** CRS. Data from CFPB annual financial reports. \*Data for FY2025:Q3 as of July 21, 2025, and according to OMB SF 133.

**Figure 7** depicts the amount in the Civil Penalty Fund collected from financial institutions in response to enforcement actions. The CFPB received a particularly large civil penalty payment of \$1.7 billion in FY2023 from Wells Fargo, which is reflected in the growth in unobligated balances in FY2023.<sup>42</sup> These unobligated balances are generally paid out to consumers. After compensating victims of direct enforcement actions, which is often done through direct consumer redress, the CFPB can generally utilize penalties from one firm for victims of another enforcement action or for consumer education and financial literacy. For example, the CFPB recently ordered large payments from the Civil Penalty Fund to victims of credit repair companies.<sup>43</sup> These distributions caused the decline in the Civil Penalty Fund from the end of FY2024 to FY2025:Q3.

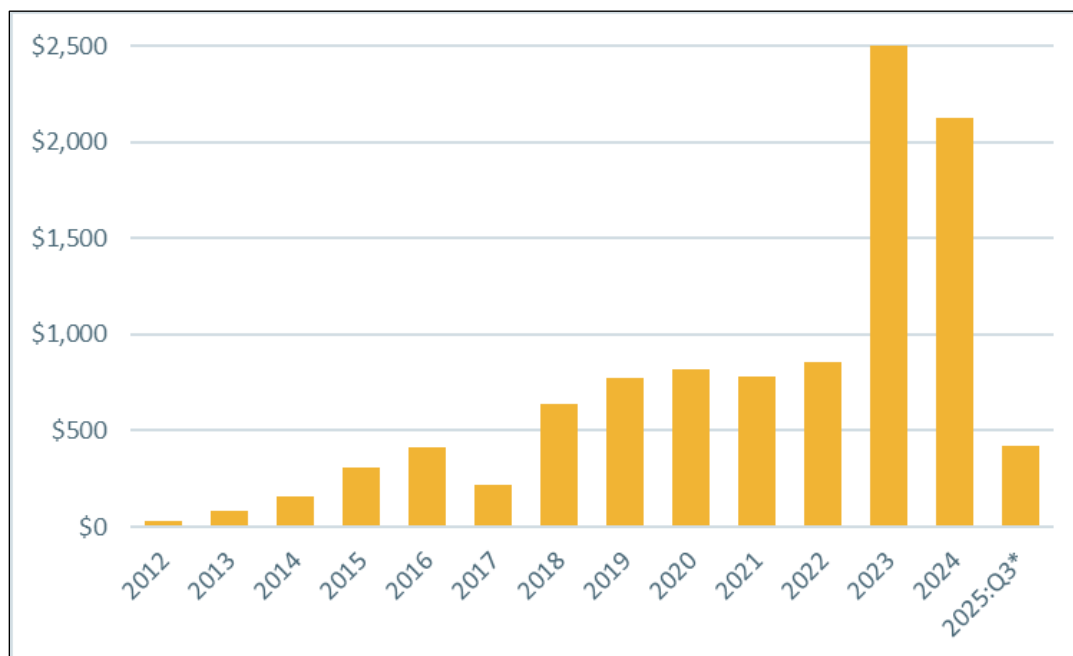
<sup>42</sup> CFPB, “CFPB Orders Wells Fargo to Pay \$3.7 Billion for Widespread Mismanagement of Auto Loans, Mortgages, and Deposit Accounts,” press release, December 20, 2022, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-orders-wells-fargo-to-pay-37-billion-for-widespread-mismanagement-of-auto-loans-mortgages-and-deposit-accounts/>. In FY2025, the CFPB will distribute \$1.8 billion to consumers allegedly harmed by credit repair companies.

<sup>43</sup> See CFPB, “CFPB Announces Return of \$1.8 Billion in Illegal Junk Fees to 4.3 Million Americans Harmed in Massive Credit Repair Scheme,” press release, December 5, 2024, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-announces-return-of-1-8-billion-in-illegal-junk-fees-to-4-3-million-americans-harmed-in-massive-credit-repair-scheme/>.



**Figure 7. Civil Penalty Fund Unobligated Balances**

FY2012-FY2024, FY2025:Q3



**Source:** CRS. Data from CFPB annual financial reports.

\*Data for FY2025:Q3 as of July 21, 2025, and according to OMB SF 133.

**Figure 8** shows the number of CFPB employees over time. The CFPB’s full-time equivalent employee count was 663 at the end of FY2011.<sup>44</sup> This rose to 970 employees the next year.<sup>45</sup> While the CFPB was created as a new agency, some of these employees were transferred from the other regulators that had previously been responsible for enforcing consumer financial protection laws that were now under the purview of the CFPB. As of July 2011, roughly half of the 500 staff hired in the previous year were transferred from other agencies.<sup>46</sup> By FY2024, the CFPB reported 1,758 employees.<sup>47</sup>

Acting Director Vought has attempted to reduce the CFPB’s staff from roughly 1,700 to 200 in an attempt to “right size” the agency.<sup>48</sup> This is the subject of ongoing litigation.<sup>49</sup> This reduction in workforce would substantially decrease the CFPB’s budgetary needs and could impact some of its operations.

<sup>44</sup> CFPB, *Growing Our Human Capital: Annual Report to Congress*, December 2012, p. 6, [https://files.consumerfinance.gov/f/201212\\_cfpb\\_human\\_capital\\_1067.pdf](https://files.consumerfinance.gov/f/201212_cfpb_human_capital_1067.pdf).

<sup>45</sup> CFPB, *Financial Report of the Consumer Financial Protection Bureau: Fiscal Year 2012*, p. 37, [https://files.consumerfinance.gov/f/201211\\_cfpb\\_financial-report-fy-2012.pdf](https://files.consumerfinance.gov/f/201211_cfpb_financial-report-fy-2012.pdf).

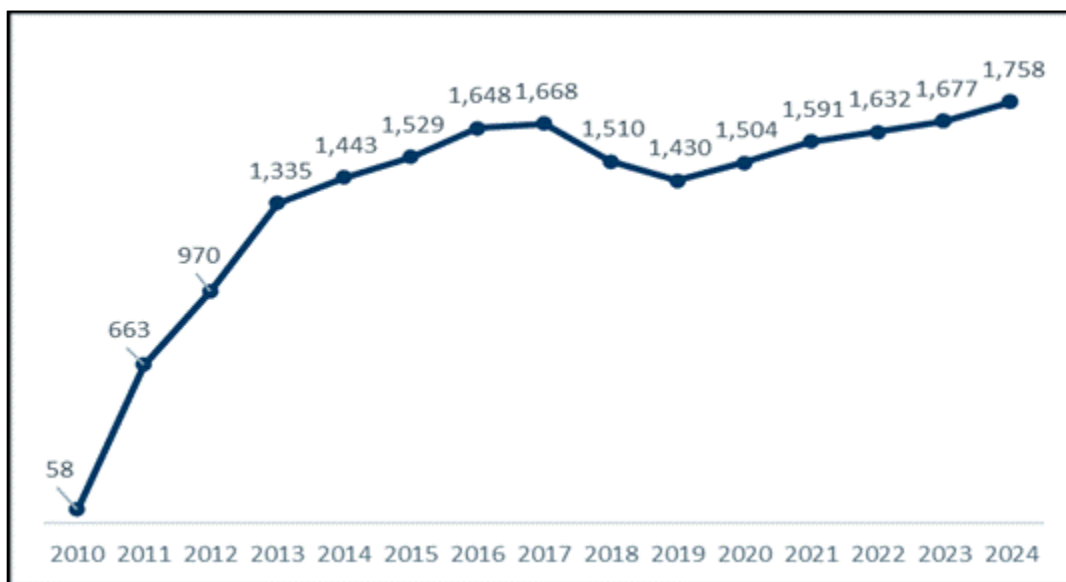
<sup>46</sup> CFPB, “CFPB Issues Report on Agency Progress,” July 18, 2011, <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-issues-report-on-agency-progress/>.

<sup>47</sup> CFPB, *Financial Report of the Consumer Financial Protection Bureau: Fiscal Year 2024*, November 14, 2024, p. 8, [https://files.consumerfinance.gov/f/documents/cfpb\\_financial-report-fy-2024.pdf](https://files.consumerfinance.gov/f/documents/cfpb_financial-report-fy-2024.pdf).

<sup>48</sup> *National Treasury Employees Union, et al., v. Russell Vought in his official capacity as Acting Director of the Consumer Financial Protection Bureau, et al.*, 1:25 109 4 (United States District Court for the District of Columbia 2025).

<sup>49</sup> *National Treasury Employees Union, et al., v. Russell Vought in his official capacity as Acting Director of the Consumer Financial Protection Bureau, et al.*, 1:25 (United States District Court for the District of Columbia 2025).

**Figure 8. CFPB Employees**  
FY2010-FY2024



**Source:** CRS. Data from CFPB annual financial reports.

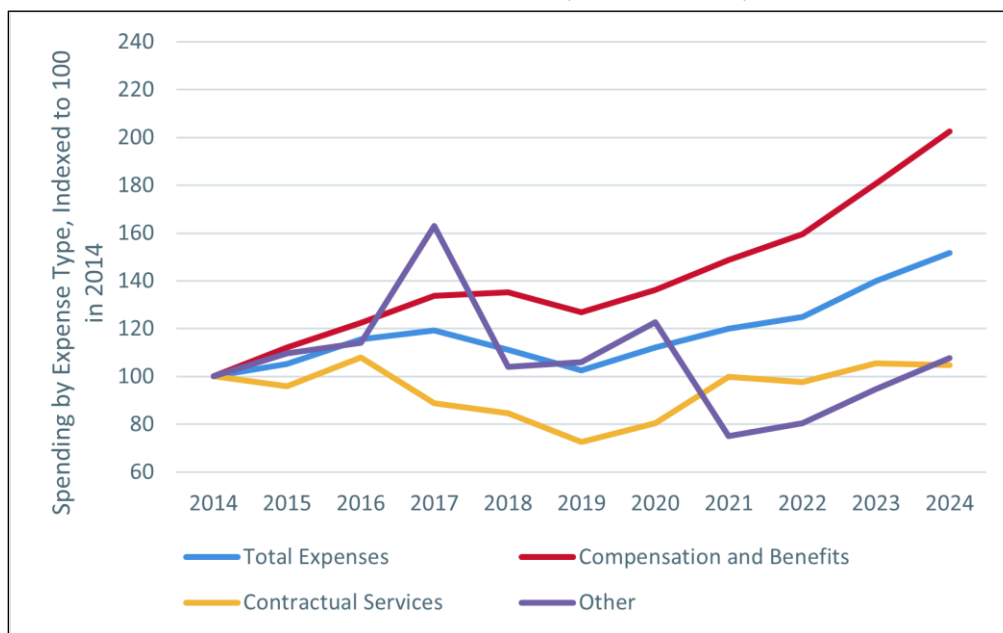
## Changes in CFPB Spending by Type and Division

**Figure 9** breaks down CFPB spending by expense category. Broadly, this figure distinguishes these categories into three different groups: compensation and benefits for employees, contractual services, and other types of spending—such as equipment, rents, supplies, and travel. In FY2024, 64% of total spending was on compensation and benefits, 28% on contractual services, and 8% on other expenses. Additionally, this figure features “Total Expenses,” showing the growth in total CFPB spending adjusted using a deflator for growth in total nondefense outlays to adjust for rising salaries and other costs.

Relative to FY2014 spending for these three spending categories, spending on salaries and benefits increased roughly 100% by FY2025 (58% adjusted for overall spending inflation) and has driven the overall growth in spending during this time period. Contracting spending was roughly flat from FY2014 to FY2024. Other expenses declined during this time period.

**Figure 9. Growth in CFPB Spending by Type**

Indexed to 100 in FY2014 (FY2014-FY2024)

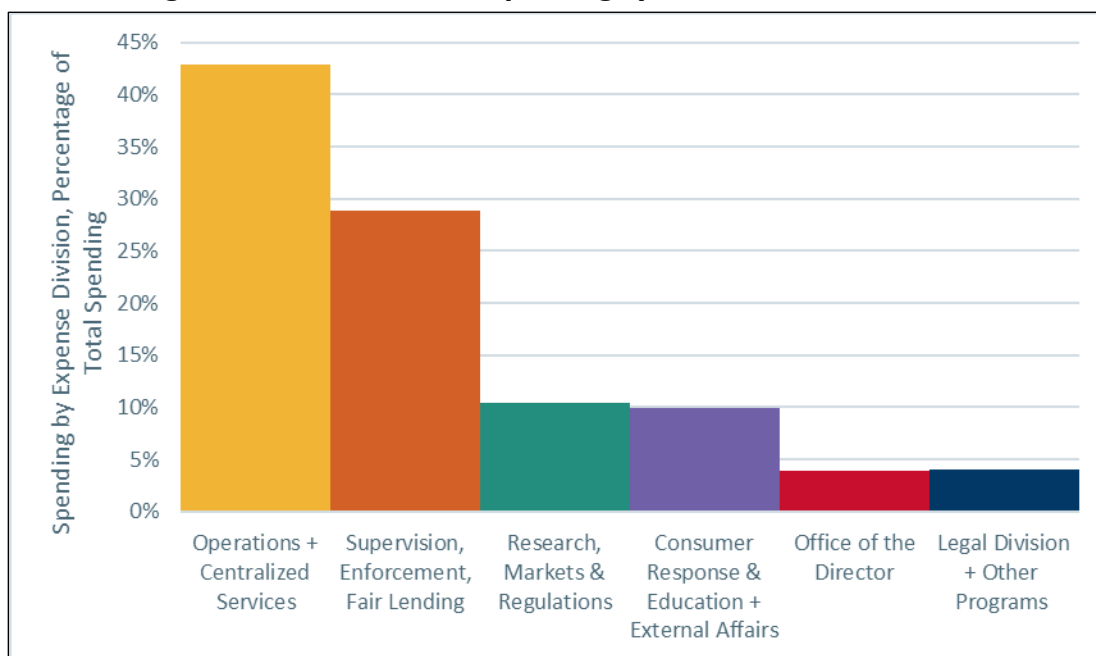


**Source:** CRS. Data from CFPB annual financial reports.

In FY2023, the CFPB reported spending by eight different divisions, which this report further categorizes into six categories to ensure consistency over time with similar themes.<sup>50</sup>

**Figure 10** shows the distribution of these different divisions by share of total spending in FY2024, the most recent fiscal year at the time of this report. The Operations and Centralized Services division represents the highest share of CFPB spending, followed by the Supervision, Enforcement, and Fair Lending division, which together account for just over 70% of total spending.

<sup>50</sup> The Operations division maintains the CFPB's physical infrastructure, technology, and human capital. For the purposes of analysis, this is combined with centralized services, which provides administrative and operations services to all the other divisions. The Supervision, Enforcement, and Fair Lending division focuses on the supervision of financial institutions to ensure compliance with and enforce federal law. The Research, Markets, and Regulations division largely focuses on the rulemaking function of the CFPB while also monitoring markets for potential compliance risk and publishing related consumer finance research. The Consumer Response and Education division provides financial literacy and education programs and runs the CFPB complaint portal. For the purposes of this analysis, it is combined with External Affairs, which focuses on CFPB relations with external stakeholders. The Office of the Director includes the director, other political appointees, and associated support staff. There are a few other smaller components of the CFPB, including the Legal Division and "Other Programs."

**Figure 10. Distribution of Spending by Division, CFPB: FY2024**

**Source:** CFPB, *CFO Update Through the Fourth Quarter of Fiscal Year 2024*, January 3, 2025, p. 2, [https://files.consumerfinance.gov/f/documents/cfpb\\_cfo-update-for-q4-fy-2024\\_2025-01.pdf](https://files.consumerfinance.gov/f/documents/cfpb_cfo-update-for-q4-fy-2024_2025-01.pdf). Compiled by CRS.

**Figure 11** depicts these changes over time after indexing CFPB spending to 100 in FY2014, when CFPB overall spending began roughly leveling out. Of note:

- The Office of the Director had the highest indexed growth during this time period. Recent directors have tended to hire additional politically appointed advisors in the Office of the Director. The move toward relying on non-Senate-confirmed political appointees has at times drawn criticism.<sup>51</sup>
- This initial budget growth largely happened from FY2018 to FY2020, as the CFPB entered a transition period with Acting Director Mulvaney and permanent Director Kraninger.
- From FY2021 to FY2024, this spending nearly doubled again under Director Rohit Chopra, who similarly hired political advisers.
- Spending in the Research, Markets, and Regulations (RMR), Legal Division and Other Programs, and Consumer Response and Education/External Affairs divisions more than doubled from FY2014 to FY2024 but exhibited different growth patterns.
  - RMR spending accelerated from FY2022 to FY2024 with nearly an 80% increase during that time period. This might be a reflection of the CFPB's above-average number of rules or other forms of policy guidance under Director Chopra.
  - Spending in the Consumer Response and Education and External Affairs divisions grew rapidly between FY2017 and FY2018. The spending in this

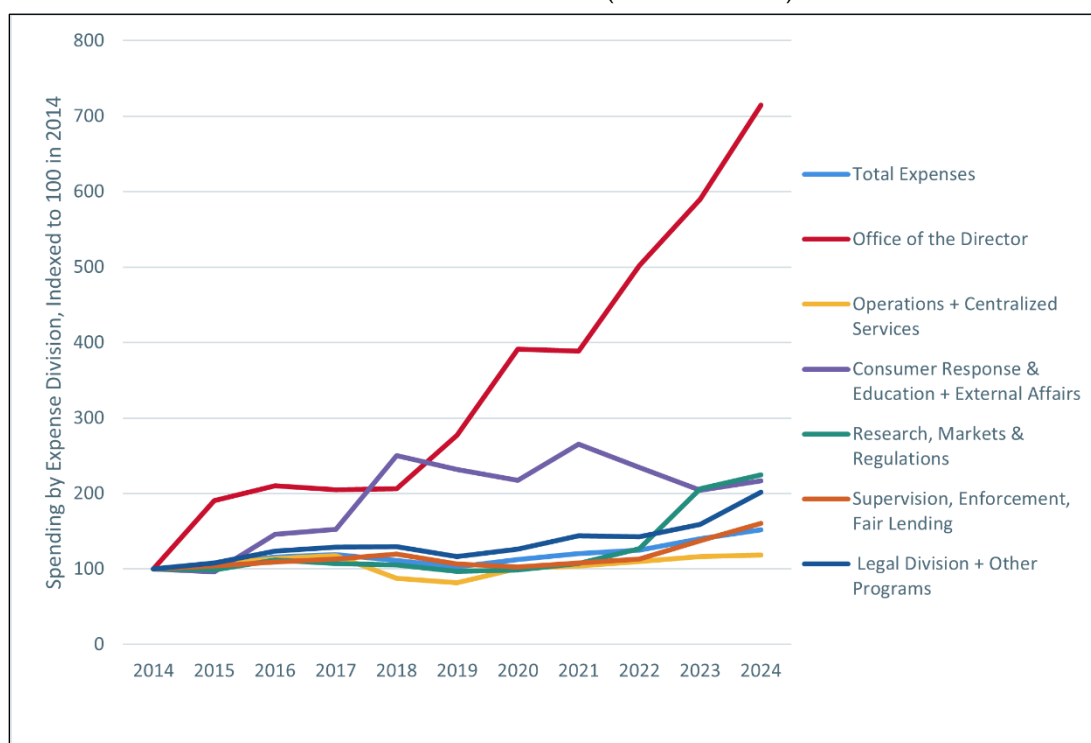
<sup>51</sup> Eric Katz, "Biden Employs Aggressive Strategy to Sideline Top Career Officials at Consumer Protection Bureau," *Government Executive*, June 14, 2021; Ali Rogin, "Big Salaries for Political Appointees at Agency Where Mulvaney Pledged to Cut Costs," *ABC News*, April 10, 2018.

category declined from FY2021 to FY2023, the only category with declining spending during this time. There was a 6% increase in spending from FY2023 to FY2024 in this category.

- Increases in spending among the remaining divisions was more modest from FY2014 to FY2024.
- The Supervision, Enforcement, and Fair Lending division featured 17% spending growth from FY2023 to FY2024, reflecting an increase in the number of enforcement attorneys, among other positions.<sup>52</sup>

**Figure 11. Growth in CFPB Spending by Division**

Indexed to 100 in FY2014 (FY2014-FY2024)



Source: CFPB financial reports. Data compiled by CRS.

## Comparison to Other Regulators

### Funding Source

Most financial regulators generate income and their budgets from various sources, particularly fees or assessments on entities that they oversee. For example, the Office of the Comptroller of the Currency (OCC) and Federal Housing Finance Agency (FHFA) primarily generate income from fees levied on regulated entities, whereas the Federal Deposit Insurance Corporation (FDIC) and National Credit Union Administration (NCUA) primarily generate income from deposit insurance premiums. The Federal Reserve is unique in that its income is primarily derived from

<sup>52</sup> Kate Berry, “CFPB Plans to Hire 50% More Enforcement Attorneys, Support Staff,” *American Banker*, October 5, 2023.

securities—mainly Treasury securities and mortgage-backed securities—that it purchased in the conduct of monetary policy. It also earns interest on loans and charges market prices for market services it offers (e.g., check clearing). The two financial regulators that do not largely raise their own revenues are the Commodity Futures Trading Commission (CFTC) and the CFPB. The CFTC’s funding is appropriated from Treasury’s general revenues, while, as noted earlier, the CFPB’s funding is transferred from the Federal Reserve’s revenues.

Even when an agency’s funding comes primarily from fees or assessments, however, the spending of these funds may be subject to congressional approval, as is the case for the Securities and Exchange Commission (SEC). Other financial regulators have more autonomy to determine their own budgets, typically subject to some general language regarding proportionality of budget and mission. For example, the OCC “may collect an assessment, fee, or other charge ... as the Comptroller determines is necessary or appropriate to carry out the responsibilities of the Office.”<sup>53</sup> Even for such agencies, however, Congress may limit the size of the overall budget, as detailed above with the CFPB’s authorizing statute.

Most financial regulators are not subject to the regular congressional appropriation and authorization processes, as described in **Table 1**. The two financial regulators whose funding is determined primarily through the appropriations process and require periodic reauthorization are the CFTC and the SEC.<sup>54</sup> Different funding structures across regulators with similar missions have led to congressional proposals to make funding structures more uniform, as funding methods are a major determinant of the agency’s independence.<sup>55</sup> The agency spending represents the funding for the entire agency, and often these feature different missions, meaning this overall spending has limited comparability.

**Table 1. Financial Regulatory Agency Funding**

Regulator	Agency Spending (\$mil) Spending Type	Subject to Annual Appropriations/ Periodic Reauthorization	Primary Revenue Source
Commodity Futures Trading Commission	\$441, Gross Costs (FY2024)	Yes/Yes, latest authorization expired Sept. 30, 2013.	Treasury’s General Fund per congressional appropriation.
Consumer Financial Protection Bureau	\$748, Bureau Fund Program Costs (FY2024)	No/No	Transfer from Federal Reserve System limited to 12% of the Fed’s operating expenses.

<sup>53</sup> 12 U.S.C. §16.

<sup>54</sup> The SEC is funded through the Financial Services and General Government (FSGG) appropriations bill. The CFTC funding is split, appearing in the FSGG bill in the Senate and the Agriculture appropriations bill in the House. The FDIC (for its inspector general) and NCUA (for the Community Development Revolving Loan Fund Program) also receive minor funding through the FSGG bill.

<sup>55</sup> See, for example, H.R. 10 in the 115<sup>th</sup> Congress, which would have brought the FDIC, FHFA, NCUA, OCC, and non-monetary policy functions of the Federal Reserve into the appropriations process. The bill passed the House on June 8, 2017, but was not taken up by the Senate.

Regulator	Agency Spending (\$mil) Spending Type	Subject to Annual Appropriations/ Periodic Reauthorization		Primary Revenue Source
Federal Deposit Insurance Corporation	\$2,485, Expenditures (FY2024)	No/No		Deposit insurance premiums determined by FDIC in order to meet a reserve ratio set by FDIC (with a statutory minimum of 1.35% of insured deposits).
Federal Housing Finance Agency	\$407, Gross Program Costs (FY2024)	No/No		Fees and assessments on regulated institutions. Amounts determined by FHFA.
Federal Reserve	\$8,198, Operating Expenses (CY2024)	No/No		Income on securities and loans held by Federal Reserve. The Federal Reserve also charges fees to cover the costs of business services it offers.
National Credit Union Administration	\$375, Operating Budget (CY2024)	No/No		Deposit insurance premiums determined by NCUA in order to meet a reserve ratio set by NCUA (with a statutory minimum of 1.2% of insured deposits).
Office of the Comptroller of the Currency	\$1,336, Total Program Costs (FY2024)	No/No		Fees on regulated institutions. Amounts determined by OCC.
Securities and Exchange Commission	\$3,128, Total Program Costs (FY2024)	Yes, except for \$100 million reserve fund/Yes, latest authorization expired Dec. 31, 2015.		Fees and assessments on regulated entities. Amounts set to meet congressional appropriation.

**Sources:** CFTC, *FY 2024 Agency Financial Report*, p. 37, <https://www.cftc.gov/About/CFTCReports/index.htm>; CFPB, *Financial Report of the Consumer Financial Protection Bureau Fiscal Year 2024*, November 14, 2024, p. 94, [https://files.consumerfinance.gov/f/documents/cfpb\\_financial-report-fy-2024.pdf](https://files.consumerfinance.gov/f/documents/cfpb_financial-report-fy-2024.pdf); FDIC, *FDIC Annual Report 2024*, p. 67, <https://www.fdic.gov/financial-reports/2024-annual-report-full-report.pdf>; FHFA, *FHFA FY 2024 Performance and Accountability Report*, p. 79, <https://www.fhfa.gov/document/fhfa-fy-2024-performance-and-accountability-report>; Federal Reserve, *2024 Annual Report*, p. 140, <https://www.federalreserve.gov/publications/files/2024-annual-report.pdf>; NCUA, *2024 NCUA Annual Report*, March 18, 2025, p. 2, <https://ncua.gov/files/annual-reports/annual-report-2024.pdf>; OCC, *2024 Annual Report*, p. 49, <https://www.occ.treas.gov/publications-and-resources/publications/annual-report/files/2024-annual-report.html>; SEC, *Fiscal Year 2024 Agency Financial Report*, p. 73, <https://www.sec.gov/files/sec-2024-agency-financial-report.pdf>. This table is adapted from page 30 of CRS Report R43391, *Independence of Federal Financial Regulators: Structure, Funding, and Other Issues*, by Henry B. Hogue, Marc Labonte, and Baird Webel.

**Notes:** FY = fiscal year. CY = calendar year. The FDIC (for its inspector general) and NCUA (for the Community Development Revolving Loan Fund Program) also receive minor funding through appropriations. Agency spending does not include claims for deposit insurance through the FDIC or NCUA or interest expenses for the Fed.

## Overall Budget Trends

This section compares budget trends in the CFPB to those of other financial regulators. This comparison is complicated because other regulators often have different funding structures and missions relative to the CFPB. For example, the Federal Reserve has substantial staff and resources focused on its authority over monetary policy, while the FDIC has a large focus on depository insurance. Therefore, this analysis also explicitly compares the spending from the supervisory divisions of five different regulators. The regulators included were the relatively larger ones identified in **Table 1** where identifying the supervisory division of the agency was straightforward.

**Table 2** features the annualized growth in spending by regulator during three select time frames to visualize these changes over time and roughly matching changes in CFPB and other regulators' leadership. Examining the growth rates by period, the CFPB had 154% annualized growth from 2011 to 2014 with the establishment of the bureau and acceleration of hiring. From 2014 to 2017, the CFPB had more modest increases in spending but above-median growth at 5.8%. From 2017 to 2020, the CFPB had below-median growth among the federal regulators, as spending slowed with a hiring freeze.<sup>56</sup> From 2020 to 2024, the CFPB had the highest growth rate, surpassed only by the FDIC, whose spending accelerated in FY2023 due largely to three substantial bank failures.<sup>57</sup>

**Table 2. Annualized Growth in Spending by Regulator**

Regulator	2011-2014	2014-2017	2017-2020	2020-2024
CFPB	153.8%	5.8%	-1.3%	9.6%
OCC	8.7%	2.5%	-1.7%	5.9%
SEC	8.5%	13.0%	4.8%	9.1%
FDIC	-8.3%	-3.2%	0.0%	7.7%
Federal Reserve	5.2%	4.1%	4.5%	6.8%
<b>Median</b>	<b>8.5%</b>	<b>4.1%</b>	<b>0.0%</b>	<b>7.7%</b>

**Source:** Data compiled by CRS. Budget information is from these agencies' annual reports.

**Notes:** All spending growth data is for expenses. All data is using fiscal years, excluding the Federal Reserve, which reports budgetary information on a calendar-year basis.

**Figure 12** graphs the overall spending trends of each regulator indexed to 100 in 2014. Relative to other regulators' 2014 spending levels, as of 2023 the CFPB is ranked third in terms of indexed growth during this time period. The CFPB overall spending shows fairly strong cyclicalities associated with changing Administrations, with nearly 20% reductions between FY2017 and FY2019 and subsequent 40% increases from FY2019 to FY2023. FDIC spending shows a large spike between FY2022 and FY2023 associated with the additional expenses related to the failures of First Republic Bank, Silicon Valley Bank and Signature Bank.<sup>58</sup> The SEC shows a rapid acceleration in spending relative to regulatory peers between FY2014 and FY2017, FY2019 and

<sup>56</sup> CFPB, "Hiring, Promotion, and Internal Personnel Movements Policy," January 17, 2018, p. 32, [https://files.consumerfinance.gov/f/documents/cfpb\\_hiring-promotion-internal-personnel-movements-policy\\_foia\\_2021-05.pdf](https://files.consumerfinance.gov/f/documents/cfpb_hiring-promotion-internal-personnel-movements-policy_foia_2021-05.pdf).

<sup>57</sup> For more on these bank failures, see CRS Insight IN12125, *Silicon Valley Bank and Signature Bank Failures*, by Andrew P. Scott and Marc Labonte.

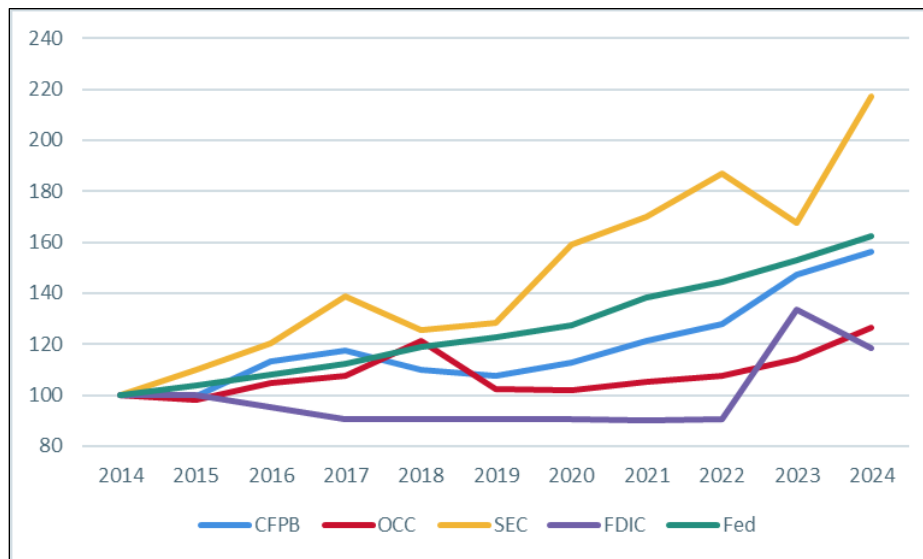
<sup>58</sup> FDIC, *2023 Annual Report*, pp. 21-22, <https://www.fdic.gov/about/financial-reports/reports/2023annualreport/2023-arfinal.pdf>.



FY2022, and FY2023 and FY2024. The growth in SEC spending between FY2023 and FY2024 was driven by a rapid growth in Enforcement spending.<sup>59</sup>

**Figure 12. Overall Spending Growth by Regulator**

Indexed to 100 in 2014



**Source:** Data compiled by CRS. Budget information is from these agencies' annual reports.

**Notes:** All spending growth data is for expenses. All data is using fiscal years, excluding the Federal Reserve, which reports budgetary information on a calendar-year basis.

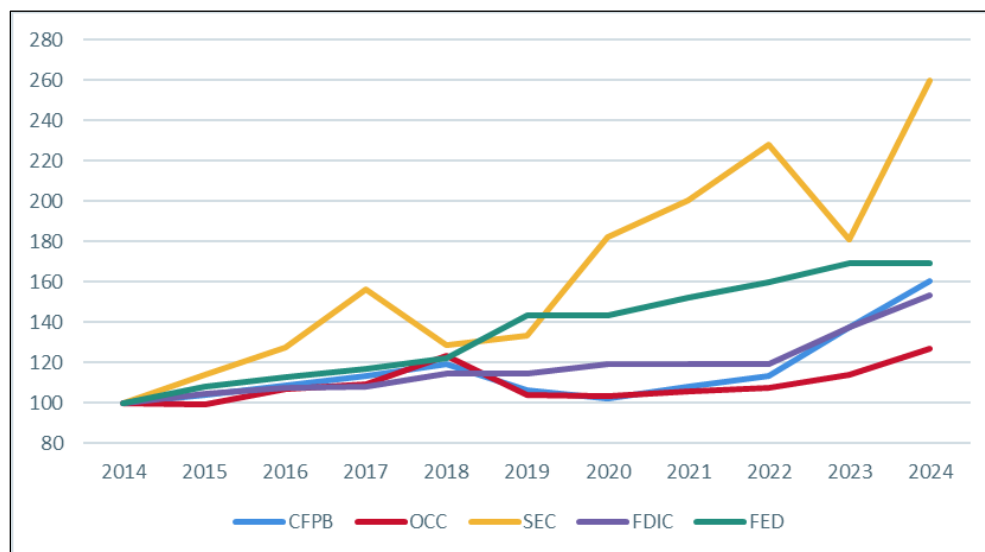
CFPB = Consumer Financial Protection Bureau; OCC = Office of the Comptroller of the Currency; SEC = Securities and Exchange Commission; FDIC = Federal Deposit Insurance Corporation; Fed = Federal Reserve.

**Figure 13** graphs the supervisory division spending trends for each regulator indexed to 100 in 2014. Overall, it outlines fairly consistent patterns with the previous graph. One main difference is that CFPB growth in spending on the supervisory division is lower than its overall spending.

<sup>59</sup> U.S. Securities and Exchange Commission, *Fiscal Year 2024, Agency Financial Report*, p. 79, <https://www.sec.gov/files/sec-2024-agency-financial-report.pdf#page=79>.

**Figure 13. Supervisory Division Budgetary Growth by Regulator**

Indexed to 100 in 2014



**Source:** Data compiled by CRS. Budget information is from these agencies' annual reports.

**Notes:** All spending growth data is for except the CFPB, which is for obligations. All data is using fiscal years, excluding the Federal Reserve, which reports budgetary information on a calendar-year basis.

CFPB = Consumer Financial Protection Bureau; OCC = Office of the Comptroller of the Currency; SEC = Securities and Exchange Commission; FDIC = Federal Deposit Insurance Corporation; Fed = Federal Reserve.

## Policy Options and Legislation: 119<sup>th</sup> Congress

Since the creation of the CFPB, Members of Congress have continued to debate various policy options regarding the funding structure and other aspects of the agency in order to either further strengthen its independence or bring it under tighter congressional control. Discussed below is legislation from the 119<sup>th</sup> Congress. Legislation considered on the floor of either the House or the Senate is discussed in detail first. Other introduced legislation is organized around a few broad policy options. Legislation introduced in the 118<sup>th</sup> Congress is discussed in the **Appendix**.

### FY2025 Budget Reconciliation: Provisions Related to CFPB Funding

The budget reconciliation process allows Congress to develop and consider certain legislation affecting direct spending, revenues, and/or the debt limit using expedited procedures.<sup>60</sup> The budget resolution for FY2025, H.Con.Res. 14, included a reconciliation directive to the House Committee on Financial Services and the Senate Committee on Banking, Housing, and Urban Affairs to develop and submit changes in laws within their respective jurisdictions that would reduce the deficit by at least \$1 billion over FY2025-FY2034.<sup>61</sup>

<sup>60</sup> CRS Report R48444, *The Reconciliation Process: Frequently Asked Questions*, by Tori Gorman.

<sup>61</sup> For more on reconciliation directives generally, see CRS Report R41186, *Reconciliation Directives: Components and Enforcement*, by Megan S. Lynch. For more on these specific reconciliation instructions, see CRS Report R48474, *Reconciliation Instructions in the House and Senate FY2025 Budget Resolutions: In Brief*, by Drew C. Aherne and Megan S. Lynch.

## House of Representatives<sup>62</sup>

On April 30, 2025, the House Committee on Financial Services voted to submit to the House Budget Committee a committee print providing for reconciliation pursuant to H.Con.Res. 14, the budget resolution for FY2025.<sup>63</sup> Pertinent to the CFPB budget, the version passed by the House is the same as that submitted by committee.

On May 22, 2025, the House passed H.R. 1, the One Big Beautiful Bill Act, providing for budget reconciliation pursuant to H.Con.Res. 14. Title V (House Committee on Financial Services) of H.R. 1 would have reduced the cap on funding that the CFPB could request annually from the Federal Reserve and mandated that the CFPB transfer certain unobligated balances to the Treasury General Fund. The below analysis reflects the version of the bill passed by the House.

Section 50003 would have revised the CFPB funding cap for FY2025 and future years by capping funding requests at 5% of total Federal Reserve FY2009 operating expenses (\$4.98 billion), which translates to \$249 million in FY2025, with an employment cost index adjustment moving forward from FY2025. This section would have also limited the total unobligated balances that the CFPB could hold in the Bureau Fund to 5% of the revised funding cap and transfer the remaining balance to the Treasury General Fund. Using the FY2025 funding cap proposed by H.R. 1 (\$249 million), this would cap the Bureau Fund unobligated balances at \$12 million. As of April 2025, when this provision was voted out of committee, there was roughly \$350 million in unobligated balances in April 2025, meaning this section would have triggered a one-time transfer of roughly \$338 million.<sup>64</sup>

The Congressional Budget Office (CBO) estimated that in total over 10 years, Section 50003 would reduce the deficit by roughly \$3.9 billion, nearly the complete impact of the CFPB-related provisions.<sup>65</sup> The timing of when these reductions could be expected to occur within the 10-year window depends on the net income of the Fed in coming years. Because remittances are not to resume until the Fed has returned to positive net income and recovered previously accumulated net losses, which CBO estimates will occur in FY2030, there will be little deficit reduction until that time. Over the full 10 years, this appears to have no material impact on the magnitude of the CBO deficit reduction estimates.

Section 50004 would have limited the types of payments from the Civil Penalty Fund and treatment of its unobligated balances. In sum, these provisions would have limited distributions from the fund solely to payments to victims directly affected by the subject of particular enforcement actions, as opposed to using those funds to pay affected consumers in other cases or for consumer education and financial literacy. The remaining unobligated balance after paying those direct victims would be transferred to the General Fund of the Treasury. As of April 2025,

<sup>62</sup> For more information on the House bill, see CRS Insight IN12551, *One Big Beautiful Bill Act: Title V, Provisions Related to CFPB Funding*, by Karl E. Schneider and Baird Webel.

<sup>63</sup> U.S. Congress, House Financial Services Committee, *Financial Services Committee Print*, committee print, 119<sup>th</sup> Cong., April 30, 2025.

<sup>64</sup> Office of Management and Budget, *FY 2025 Period 06 Unobligated Balances in Unexpired Accounts*, April 18, 2025, <https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fportal.max.gov%2Fportal%2Fdocument%2FSF133%2FBudget%2Fattachments%2F2580777874%2F2619342949.xlsx&wdOrigin=BROWSELINK>.

<sup>65</sup> Congressional Budget Office, *Reconciliation Recommendations of the House Committee on Financial Services*.

the unobligated balances in the Civil Penalty Fund stood at \$428 million.<sup>66</sup> In total over 10 years, CBO estimated that this section would have reduced the deficit by \$9 million.

## Senate<sup>67</sup>

Chairman Tim Scott released a draft text of reconciliation bill sections in the Committee on Banking, Housing, and Urban Affairs' jurisdiction on June 6, 2025.<sup>68</sup> In this original draft, Section 30001 would have reduced the CFPB funding cap to 0%, leaving the CFPB with no ongoing funding source, although in the committee memo Chairman Scott noted that this change did not preclude Congress from appropriating money for the CFPB. According to the Senate Budget Committee, the Senate Parliamentarian advised that this section did not comply with the Senate's Byrd rule.<sup>69</sup> Following this, Chairman Scott revised Section 30001 to reduce the 12% figure in current law to 6.5% of the Federal Reserve FY2009 operating expenses. Unlike the prior version that passed the House, the Senate language that was eventually passed into law left the beginning of the adjustment for the employment cost indexes at FY2013. (The employment cost index grew by roughly 38% from FY2013 to FY2025.) In FY2025, the 6.5% funding cap adjusted since FY2013 is estimated to be roughly \$446 million, as compared to \$823 million using the original funding formula from Dodd-Frank. CBO estimated that this provision would decrease the deficit by \$2 billion over 10 years.<sup>70</sup>

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. The Senate passed its version of H.R. 1 on July 1, 2025.

According to estimates from CBO, all of the provisions as passed in Title III would reduce the deficit by \$1.7 billion over 10 years.<sup>71</sup>

## Enacted Law

Following the Senate passage of its version of H.R. 1, the House agreed to the Senate amendment without further changes on July 3, 2025. The President signed the bill into law (P.L. 119-21) on

<sup>66</sup> Office of Management and Budget, *FY 2025 Period 06 Unobligated Balances in Unexpired Accounts*, April 18, 2025, <https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fportal.max.gov%2Fportal%2Fdocument%2FSF133%2FBudget%2FAttachments%2F2580777874%2F2619342949.xlsx&wdOrigin=BROWSELINK>.

<sup>67</sup> For more information on the Senate bill, see CRS Insight IN12579, *P.L. 119-21, the FY2025 Reconciliation Law, Title III: Committee on Banking, Housing, and Urban Affairs*, coordinated by Karl E. Schneider.

<sup>68</sup> U.S. Congress, Senate Banking, Housing, and Urban Affairs Committee, *Title III—Committee on Banking, Housing, and Urban Affairs*, Original Committee Provisions, prepared by Chairman Tim Scott, 119<sup>th</sup> Cong., June 6, 2025, [https://www.banking.senate.gov/imo/media/doc/obbb\\_-\\_banking\\_textpdf.pdf](https://www.banking.senate.gov/imo/media/doc/obbb_-_banking_textpdf.pdf)

<sup>69</sup> Senate Committee on the Budget, "Senate Parliamentarian Advises Several Provisions in Republicans' 'One Big, Beautiful Bill' Are Not Permissible, Subject to Byrd Rule," press release, June 19, 2025, <https://www.budget.senate.gov/ranking-member/newsroom/press/senate-parliamentarian-advises-several-provisions-in-republicans-one-big-beautiful-bill-are-not-permissible-subject-to-byrd-rule>. For more on the Byrd Rule, see CRS Report RL30862, *The Budget Reconciliation Process: The Senate's "Byrd Rule"*, by Bill Heniff Jr.

<sup>70</sup> CBO, *Estimated Budgetary Effects of an Amendment in the Nature of a Substitute to H.R. 1, the One Big Beautiful Bill Act, Relative to the Budget Enforcement Baseline for Consideration in the Senate*, June 28, 2025, <https://www.cbo.gov/publication/61533>.

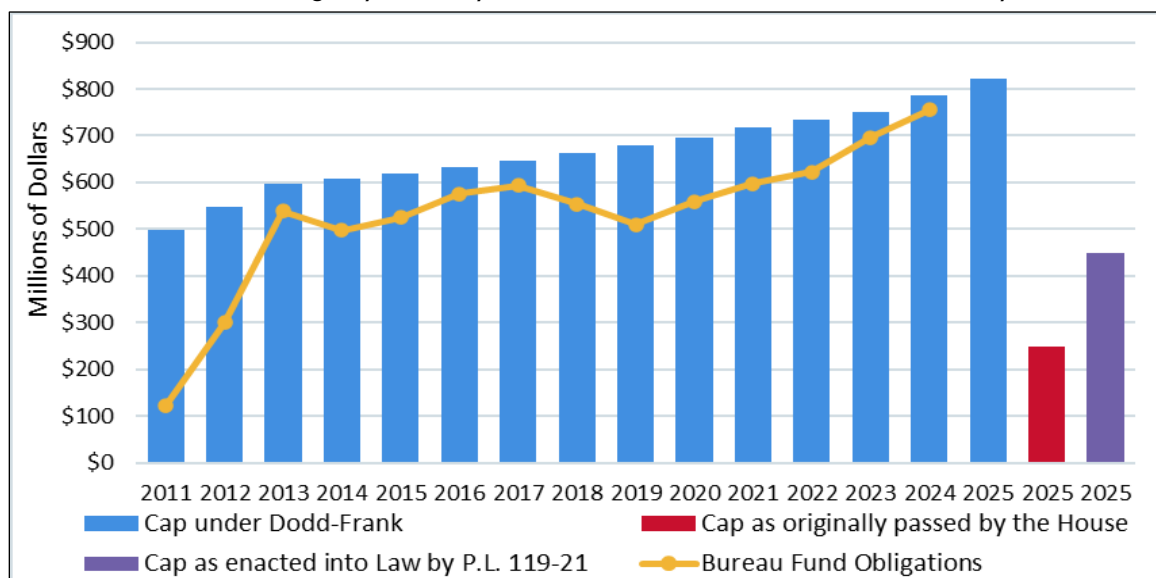
<sup>71</sup> CBO, *Estimated Budgetary Effects of an Amendment in the Nature of a Substitute to H.R. 1*.

July 4, 2025, thus revising the CFPB funding cap, reducing the 12% figure in previous law to 6.5%. Unlike the House version of H.R. 1, 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.

The enacted change decreased the funding cap in FY2025 to \$446 million as depicted in **Figure 14**, compared to the cap under Dodd-Frank (\$823 million) and the provision as originally passed by the House in May 2025 (\$249 million).

**Figure 14. 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 various versions of H.R. 1.

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.<sup>72</sup>

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.<sup>73</sup> 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

<sup>72</sup> Vought, letter to Powell, February 8, 2025.

<sup>73</sup> CFPB, *Financial Report of the Consumer Financial Protection Bureau, Fiscal Year 2015*, November 16, 2015, p. 92, [https://files.consumerfinance.gov/f/201511\\_cfpb\\_report\\_fiscal-year-2015.pdf](https://files.consumerfinance.gov/f/201511_cfpb_report_fiscal-year-2015.pdf). As stated in this financial report: "If the Director were to determine that the non-appropriated funds to which it is entitled under the Act are insufficient to carry out its responsibilities, the Act provided the potential for the CFPB also to obtain appropriated funds, up to a capped amount, in fiscal years 2011-2014. There were no such determinations made during these years. In accordance with the Act and appropriations law requirements, further action would have been required on the part of the Director and Congress in order for CFPB to obtain such appropriated funds. That authority expired beginning in fiscal year 2015."

Scott noted in a separate committee memo that this change “does not affect the Bureau’s existing ability to request funds from Congress.”<sup>74</sup>

## Other Policy Options

### Keep CFPB Funding in Line with Dodd-Frank

While bills have been introduced or passed to change the CFPB’s funding structure and levels, Congress could have chosen to leave the CFPB’s funding unchanged. Some current and former Members of Congress have previously argued that leaving the CFPB’s funding structure unchanged would “ensure predictable funding [for the CFPB], while maintaining political accountability.”<sup>75</sup> Some supporters argue that the CFPB’s funding levels under Dodd-Frank were appropriate for the agency’s mission.<sup>76</sup> Despite changes to the funding level of the CFPB budget, the overall funding structure did not change. During consideration of H.R. 1, an amendment was offered to keep CFPB funding levels unchanged on the Senate floor (S.Amdt. 2414). Additional amendments were offered during deliberations at the House Committee on Financial Services that focused on shielding particular parts of the CFPB budget.<sup>77</sup> These amendments all failed.

S. 2429 would revert the CFPB’s funding cap to that enacted under Dodd-Frank. Additionally, this bill would expand payments from the CFPB Civil Penalty Fund to include those to whistleblowers who provide original information that leads to enforcement actions.

Some Members of Congress have disagreed with the recent actions by Acting Director Vought to substantially decrease the CFPB head count. H.Res. 259 seeks to inquire into CFPB correspondence with the Department of Government Efficiency and actions to decrease employee head count and thereby decrease the CFPB budget.

### Make the CFPB a Congressionally Appropriated Agency

One specific reform that Congress has considered numerous times in past Congresses is to make the CFPB a congressionally appropriated agency, similar to the SEC and CFTC and most other nonfinancial agencies. Some current and former Members of Congress have previously argued that the CFPB’s independent funding structure has enabled “broad,” “potent,” and “knee-buckling” regulatory action.<sup>78</sup> Some supporters of this change argue that such a change might make the CFPB more accountable to Congress and the American people.<sup>79</sup>

<sup>74</sup> U.S. Congress, Senate Banking, Housing, and Urban Affairs Committee, *One Big Beautiful Bill: Banking Committee Section-by-Section*, Updated Section by Section, prepared by Chairman Tim Scott, 119<sup>th</sup> Cong., June 25, 2025.

<sup>75</sup> *Consumer Financial Protection Bureau, et al. v. Community Financial Services Association of America, Limited, et al.*, 22-448 (2023). Brief of Current and Former Members of Congress as Amici Curiae in Support of Petitioners. [https://www.supremecourt.gov/DocketPDF/22/22-448/266847/20230515125025604\\_CFPB%20Congress%20Amicus%20Final.pdf](https://www.supremecourt.gov/DocketPDF/22/22-448/266847/20230515125025604_CFPB%20Congress%20Amicus%20Final.pdf).

<sup>76</sup> Shahid Naeem and Joe Gaeta, “The War on the Consumer Financial Protection Bureau: CFPB v. Community Financial Services of America,” American Economic Liberties Project, August 31, 2023.

<sup>77</sup> U.S. Congress, House Financial Services Committee, *Markup of Various Measures, Amendments*, 119<sup>th</sup> Cong., April 30, 2025.

<sup>78</sup> *Consumer Financial Protection Bureau, et al. v. Community Financial Services Association of America, Limited, et al.*, 22-448 (2023). Brief of 132 Members of Congress as Amici Curiae in Support of Respondents. [https://www.banking.senate.gov/imo/media/doc/amicus\\_brief\\_-\\_cfpb.pdf](https://www.banking.senate.gov/imo/media/doc/amicus_brief_-_cfpb.pdf).

<sup>79</sup> See Johnson, testimony, April 16, 2024.



Congress does not necessarily need to reduce the budget of the CFPB if it is congressionally appropriated, although some previously introduced bills do both. Bills introduced in the 119<sup>th</sup> Congress that would move the CFPB to congressional appropriations included the following:

H.R. 654, a bill with a number of CFPB reforms, in Section 3 would bring the CFPB into regular appropriations and authorize appropriations in FY2026 and FY2027. It provides no specific amount for future appropriations. This bill would also make the CFPB an agency independent of the Federal Reserve and rename the agency as the Consumer Financial Empowerment Agency.

Some bills have passed the House in previous Congresses with provisions that would have shifted the CFPB funding to appropriations. For example, H.R. 10 in the 115<sup>th</sup> Congress would have broadly modified Dodd-Frank, including renaming the CFPB as the Consumer Law Enforcement Agency. Section 712 of this bill would have brought the agency into congressional appropriations.

### Functionally Eliminate the CFPB

Some Members of Congress have called for the CFPB to be eliminated entirely, arguing that the agency was “unaccountable” and “creating burdensome rules” and that eliminating the agency would “save American taxpayers billions of dollars.”<sup>80</sup> Congress could also revise the statutorily mandated cap that Congress has imposed on the CFPB. Such a change could modify the amount of total funding the CFPB can request from the Federal Reserve in a given year. This approach to limit funding could, in effect, eliminate the CFPB, although to achieve that goal legislation could just eliminate the agency directly. While these are related, they are not necessarily the same thing. For example, changing the funding cap to \$0 could potentially lead future policymakers to reconsider this cap and increase it to a higher level or lead policymakers to bring the CFPB under appropriations, while eliminating the CFPB would require reinstating the bureau altogether. S. 303 and H.R. 814 would change the funding cap to \$0. H.R. 1603 would eliminate the CFPB.

### Other Proposals

S. 1923 would change the structure of CFPB salaries to those set by the director to those complying with General Schedule salaries. As of 2024, the median pay grade at the CFPB in the Washington, DC, metro area in 2024 made approximately \$29,000 more than the median pay grade on the General Schedule scale, and disparities exist for both the lowest and highest pay band as well.<sup>81</sup> A previous CBO score of a similar bill (H.R. 2385, 113<sup>th</sup> Congress) found that CFPB adoption of the General Schedule pay scale would reduce direct spending by \$280 million over 10 years.<sup>82</sup>

<sup>80</sup> Rep. Keith Self, “Congressman Keith Self Introduces Bill to Eliminate CFPB Funding,” press release, January 30, 2025, <https://keithself.house.gov/media/press-releases/congressman-keith-self-introduces-bill-eliminate-cfpb-funding>; Rep. Byron Donalds, “Donalds Leads Initiative to Eliminate Weaponized Bureaucracy, Unleash American Prosperity, and Abolish the CFPB,” press release, February 26, 2025, <https://donalds.house.gov/news/documentsingle.aspx?DocumentID=1762>.

<sup>81</sup> This analysis excludes those pay grades designated as the Senior Executive Service. This comparison does not account for possible differences in the distribution of employees by pay band. With more publicly available data, this comparison could be more concrete. See CFPB, “CFPB Base Pay Band Ranges (Effective January 14, 2024),” January 14, 2024, <https://www.consumerfinance.gov/about-us/careers/pay-scales/>; Office of Personnel Management, “Pay and Leave: Salaries and Wages,” January 2024, <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/24Tables/html/DCB.aspx>.

<sup>82</sup> See CBO, “H.R. 2385: CFPB Pay Fairness Act of 2013,” February 7, 2014, <https://www.cbo.gov/sites/default/files/113th-congress-2013-2014/costestimate/hr23853.pdf>.

H.R. 3141 would have limited the amount that the CFPB can hold in Bureau Fund unobligated balances to 5% of the funding cap and would have mandated that the CFPB transfer excess funds to the Treasury. With the recent changes in the CFPB funding cap by P.L. 119-21 (\$446 million in FY2025), this bill would cap these unobligated balances at roughly \$22 million. Assuming no changes in the roughly \$217 million in the Bureau Fund as of July 2025, that would mean a one-time transfer of \$195 million to the Treasury.

Section 762 of the FY2026 Financial Services and General Government Appropriations Act (H.R. 5166) would require the CFPB report its transfer requests directly to Congress and make them available on the CFPB's website, which it has traditionally done voluntarily.

H.R. 3445, a bill that would change the CFPB leadership structure from a single director to a commission, would require that requests or estimates for appropriations be approved by the commission before being submitted by the chair.



## Appendix. Related Legislation in the 118<sup>th</sup> Congress

These bills are listed in chronological order.

- H.R. 1382 would have restructured the CFPB outside of the Federal Reserve system and renamed it the Consumer Financial Empowerment Agency. This agency would have been under congressional appropriations.
- H.R. 2798, a bill with a number of CFPB reforms, in Section 202 would have also brought the CFPB under congressional appropriations with a budget of \$650 million for FY2024 but provided no appropriations for subsequent years. It would have mandated that the CFPB transfer excess money accrued from penalties in the Civil Penalty Fund to the General Fund of the Treasury. In total, as depicted in **Figure 7**, the CFPB held approximately \$1.9 billion in the Civil Penalty Fund in September 2023. This bill was reported by the House Committee on Financial Services (H.Rept. 118-297) in December 2023. According to a CBO score, this bill would have decreased net direct spending by \$6.6 billion from FY2023 to FY2033.<sup>83</sup> The underlying bill, however, would have authorized appropriations for a single fiscal year, and this is the only future spending for the CFPB that appears in the estimate.
- H.R. 2937 and S. 1363 would have eliminated the CFPB completely.
- S. 2925 would have moved CFPB employees from pay rates set by the director to those complying with General Schedule salaries. The median pay grade at the CFPB in the Washington, DC, metro area in 2024 makes approximately \$29,000 more than the median pay grade on the General Schedule scale, and disparities exist for both the lowest and highest pay band as well.<sup>84</sup> A previous CBO score of a similar bill (H.R. 2385, 113<sup>th</sup> Congress) found that CFPB adoption of the General Schedule pay scale would reduce direct spending by \$280 million over 10 years.<sup>85</sup> This estimate would likely be higher now, as the CFPB has roughly 400 more employees in FY2024 than it did in FY2013.
- S. 3095/H.R. 5993 would have prohibited transfers from the Federal Reserve to the CFPB if the Federal Reserve operates at a loss in the most recent quarter. In some recent quarters as of 2024, the Federal Reserve has operated at a loss, meaning such transfers might have been prohibited under this proposal.<sup>86</sup>
- H.R. 8773, the House FY2025 FSGG appropriations bill, included a provision in Section 501 that would have brought the CFPB under congressional appropriations and in Section 500 that would have authorized \$650 million for

<sup>83</sup> See CBO, “H.R. 2798, CFPB Transparency and Accountability Reform Act,” August 1, 2023, <https://www.cbo.gov/system/files/2023-08/hr2798.pdf>.

<sup>84</sup> This analysis excludes those pay grades designated as the Senior Executive Service. This comparison does not account for possible differences in the distribution of employees by pay band. With more publicly available data, this comparison could be more concrete. See CFPB, “CFPB Base Pay Band Ranges (Effective January 14, 2024),” January 14, 2024, <https://www.consumerfinance.gov/about-us/careers/pay-scales/>; Office of Personnel Management, “Pay and Leave: Salaries and Wages,” January 2024, <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/24Tables/html/DCB.aspx>.

<sup>85</sup> See CBO, “CFPB Pay Fairness Act of 2013.”

<sup>86</sup> For more on the Federal Reserve operating at a loss, see CRS Insight IN12081, *Why Is the Federal Reserve Operating at a Loss?*, by Marc Labonte. This bill is in line with arguments made in the recent litigation in *CFPB vs. Ace Cash Advance* that is discussed in more detail above. This lawsuit argues that the CFPB cannot receive transfers if the Federal Reserve is operating at a loss.

- the CFPB in FY2025.<sup>87</sup> If the full \$650 million had been appropriated for FY2025, the CFPB's funding would be about \$161 million less than the CFPB projected for its FY2025 budget by former Director Chopra. This bill was reported by the House Committee on Appropriations (H.Rept. 118-556) in June 2024.
- S. 4521 would have also brought the CFPB under congressional appropriations and mandated that the CFPB transfer excess civil penalty funds after paying victims of the CFPB enforcements actions.
- H.R. 8908 would have changed the funding cap to \$1, which would functionally end the operations of the CFPB.
- H.R. 9877 would have limited the amount that the CFPB can hold in unobligated balances to 5% of the funding cap and would have mandated that the CFPB transfer excess funds to the Treasury. As of FY2023, that would mean the CFPB could hold \$38 million in the Bureau Fund and would need to transfer \$165 million to Treasury.

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<sup>87</sup> For more on FSGG FY2025 specific to CFPB reforms, see CRS Insight IN12409, *Financial Services and General Government FY2025 Appropriations: CFPB's Funding and Structure Provisions*, by Karl E. Schneider and David H. Carpenter. For more on FSGG FY2025 appropriations more generally, see CRS Report R48188, *Financial Services and General Government (FSGG) FY2025 Appropriations: Overview*, by Baird Webel.