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

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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. This cap was initially calculated at \$823 million for FY2025, but it was reduced to \$446 million by the FY2025 budget reconciliation law (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 v. Community Financial Services Association of America*, 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.

CFPB funding requests from the Federal Reserve generally increased over time but have been cyclical with changing bureau leadership. The lowest request was \$161 million in FY2011, while the highest was \$729 million in FY2024. 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 near-unilateral control of the director to set much of the budget and spending priorities. In FY2025, \$494 million was requested, but all of this was requested in the first two fiscal year quarters under leadership put into place during the Biden Administration and under the original formula enacted by Dodd-Frank. This \$494 million was \$48 million greater than the FY2025 funding cap as revised by P.L. 119-21 (\$446 million).

Often, the CFPB has not spent the entirety of the funding provided toward its operations, leaving *unobligated balances* of money that it can keep in reserve for future budgetary needs. The unobligated balances in the Bureau Fund available for general expenses stood at \$115 million at the end of September 2025. The Civil Penalty Fund, collected from enforcement actions and generally used for consumer restitution, also had an unobligated balance of \$422 million at the end of September 2025. Overall spending has changed significantly under Acting CFPB Director Russ Vought in the second Trump Administration. Under Acting Director Vought, the CFPB has drawn down existing "unobligated" funds for FY2025 expenses.

Congress has a number of different policy options regarding the CFPB's funding and budget, and several bills have been considered over the years, with substantial changes enacted in the 119<sup>th</sup> Congress. Specifically, P.L. 119-21 reduced the cap on funding that the CFPB can request annually from the Federal Reserve by 46% in FY2025, from \$823 million under the Dodd-Frank formula to \$446 million in the new formula. P.L. 119-21 reduced the base year (FY2013) cap amount in the formula but left unchanged the employment cost index adjustments for prior (roughly 38% growth from FY2013 to FY2025) and future years. In addition, the Consolidated Appropriations Act, 2026 (P.L. 119-75), requires that FY2026 CFPB transfer requests from the Federal Reserve be reported on the CFPB website and to certain congressional committees. 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 the 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 the process by which most federal agencies are funded, 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 net federal budgetary impact as having the CFPB funded from the General Fund but without the 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 Federal Reserve has operated at a net loss.<sup>3</sup> During the Biden Administration, under previous Director Rohit Chopra, transfers to the CFPB continued during that time and were accounted for as “deferred assets” on Federal Reserve accounts.<sup>4</sup> Under the Trump Administration and Acting Director Russ Vought, the CFPB has supported its spending by drawing down unobligated balances from the Bureau Fund. Acting Director Vought has more recently been compelled by the District Court for the District of Columbia to request funds from the Federal Reserve for CFPB operations.<sup>5</sup>

Other federal financial regulatory agencies<sup>6</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

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<sup>1</sup> P.L. 111-203, §1011. For more on the Consumer Financial Protection Bureau (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> Russ Vought also serves as the director of the Office of Management and Budget. This report refers to him in his capacity as acting director of the CFPB. Memorandum Opinion and Order, *National Treasury Employees Union v. Vought*, No. 25-0381, at 31 (D.D.C. December 30, 2025), [https://storage.courtlistener.com/recap/gov.uscourts.dcd.277287/gov.uscourts.dcd.277287.167.0\\_2.pdf](https://storage.courtlistener.com/recap/gov.uscourts.dcd.277287/gov.uscourts.dcd.277287.167.0_2.pdf).

<sup>6</sup> *Federal financial regulatory agencies* refer 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.

that require democratic input, and independence also generally has the effect of reducing the accountability of agencies to elected officials.<sup>7</sup>

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>8</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>9</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 the FY2025 budget reconciliation law (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>10</sup> Absent further appropriations or another novel funding source enacted by Congress, this decreases the total amount of funding the CFPB can receive in a given year.

This report first describes the CFPB's funding structure and the history of its funding levels and agency size.<sup>11</sup> It breaks down changes in the CFPB in terms of overall spending levels, number of employees, and funding cap limits. 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.

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<sup>7</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 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 Committee on Financial Services, Subcommittee on Financial Institutions and Monetary Policy, 118<sup>th</sup> Cong., 2<sup>nd</sup> sess., April 16, 2024; Conrad Z. Zhong, "A New Way to Fund the Consumer Financial Protection Bureau," *UC Davis Business Law Journal*, vol. 18, no. 1 (November 2017).

<sup>8</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>9</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>10</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>11</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 more general information on consumer finance, see CRS Report R48747, *An Overview of Consumer Finance Products and Related Policy Issues*, by Karl E. Schneider.

## 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>12</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 2025 by P.L. 119-21 to be 6.5% of the Federal Reserve’s 2009 expenses with an annual adjustment from FY2013. The CFPB statute as amended reads as follows:

### (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) 6.5 percent [previously 12 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.<sup>13</sup>

The amount referred to as “the total operating expenses of the Federal Reserve System, as reported in the Annual Report, 2009, of the Board of Governors,” 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.<sup>14</sup> 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>15</sup> Following the P.L. 119-21 changes, the cap adjusted for the employment cost measure from FY2013 forward was approximately \$446 million for FY2025. Acting Director Vought has indicated in a letter to congressional appropriators that the CFPB’s funding cap is approximately \$467 million in FY2026.<sup>16</sup> Dodd-Frank authorized the CFPB to request additional appropriations

<sup>12</sup> 12 U.S.C. §5497(a)(1).

<sup>13</sup> 12 U.S.C. §5497(a)(2).

<sup>14</sup> Board of Governors of the Federal Reserve System, *96th Annual Report, 2009*, May 2010, p. 491, <https://www.federalreserve.gov/boarddocs/rptcongress/annual09/pdf/AR09.pdf>.

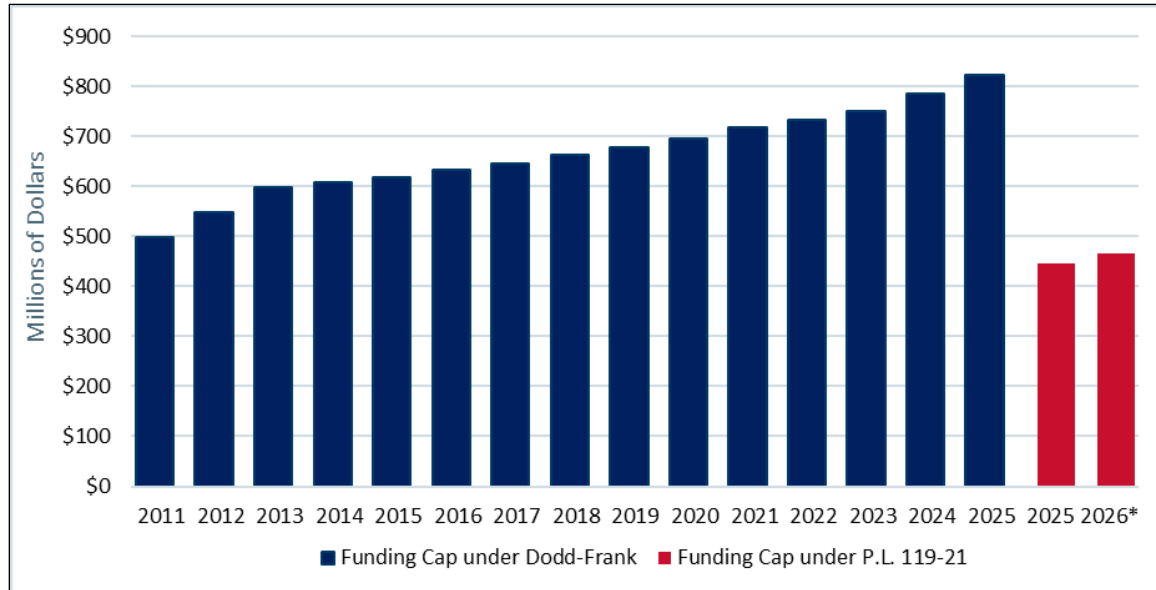
<sup>15</sup> CFPB, *Annual Performance Plan and Report, and Budget Overview*, February 2024, p. 11, [https://files.consumerfinance.gov/f/documents/cfpb\\_performance-plan-and-report\\_fy24.pdf#page=12](https://files.consumerfinance.gov/f/documents/cfpb_performance-plan-and-report_fy24.pdf#page=12).

<sup>16</sup> Letter from Russell T. Vought, Acting Director, CFPB, to Donald J. Trump, President, Exhibit A, National Treasury Employees Union v. Vought, No. 1:25-cv-00381, at 8 (D.D.C. November 21, 2025). While Acting Director Vought did (continued...)

from Congress in specified 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.

**Figure 1. CFPB Funding Cap**

FY2011-FY2026



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

**Note:** \*Data for FY2026 are taken from a letter from Acting Director Vought to congressional appropriators.

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>17</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>18</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, who is appointed by the chairman of the Federal Reserve and has responsibility for both the Federal Reserve System and the CFPB.<sup>19</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.

not specifically state that this cap was for FY2026, based on the date that this letter was sent (November 20, 2025), this funding cap is inferred to be the relevant one for this fiscal year.

<sup>17</sup> 12 U.S.C. §5497(a)(2)(C).

<sup>18</sup> 12 U.S.C. §5497(c)(2).

<sup>19</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>20</sup>

In May 2024, in *CFPB v. Community Financial Services Association of America (CFSA)*, the Supreme Court rejected this argument, holding that the CFPB's funding structure is constitutional.<sup>21</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>22</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>23</sup>

The *CFSA* ruling has not halted other challenges to the CFPB's funding structure. For example, a payday lender, Ace Cash Express, 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*.<sup>24</sup> Specifically, Ace Cash Express 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.<sup>25</sup> Arguments in other cases invoking similar rationale have been thus far unsuccessful.<sup>26</sup>

## Congressional Oversight

Because of the structure of the CFPB's budget, traditional 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

<sup>20</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>21</sup> *CFPB v. Community Financial Services Association of America*, 601 U.S. \_\_\_\_ (2024).

<sup>22</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>23</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 Committee on Financial Services, "McHenry Statement Regarding SCOTUS Ruling on CFPB Funding Structure," press release, May 16, 2024, <https://financialservices.house.gov/news/documentsingle.aspx?DocumentID=409264>.

<sup>24</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>.

<sup>25</sup> The case against Ace Cash Express was dismissed by the CFPB in April 2025. Notice of Dismissal, *CFPB v. Populus Financial Group, Inc.*, No. 3:22-cv-01494-K (N.D. Tex. April 30, 2025), [https://files.consumerfinance.gov/f/documents/cfpb\\_ace-notice-dismissal\\_2025-04.pdf](https://files.consumerfinance.gov/f/documents/cfpb_ace-notice-dismissal_2025-04.pdf). Populus Financial Group, Inc., does business as Ace Cash Express.

<sup>26</sup> Some of these motions invoke multiple different arguments and were not limited to solely a discussion of CFPB funding. See *State of Texas v. Colony Ridge, Inc.*, No. 23-cv-4729 (S.D. Tex. 2024). Memorandum Opinion and Order, *CFPB v. Active Network, LLC*, No. 4:22-CV-0089 (E.D. Tex. October 7, 2024), <https://law.justia.com/cases/federal/district-courts/texas/txedce/4:2022cv00898/217983/51/>.

reporting.<sup>27</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>28</sup> The permanent 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>29</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>30</sup> In appropriations bills, Congress has mandated that the CFPB report its transfer requests directly to certain congressional committees and make them available on its public website, which it has traditionally done (see, for example, Section 746 of Division B of P.L. 118-47 and Section 746 of Division E of P.L. 119-75).<sup>31</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>32</sup> This section includes seven different figures:

- **Figure 2** graphs the funding requests from the CFPB to the Federal Reserve.
- **Figure 3** graphs 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.

<sup>27</sup> For one example of these reports, see Government Accountability Office (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>28</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>; letter from Mark Bialek, Office of Inspector General, Federal Reserve, to Patrick T. McHenry, Chairman, House Subcommittee on Oversight and Investigations, June 30, 2014, <https://oig.federalreserve.gov/reports/cfpb-congressional-request-headquarters-renovation-project-jun2014.pdf>.

<sup>29</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>30</sup> U.S. Congress, House Committee on Financial Services, *The Semi-Annual Report of the Bureau of Consumer Financial Protection*, committee print, 118<sup>th</sup> Cong., June 14, 2023.

<sup>31</sup> CFPB, “Funds Transfer Requests,” <https://www.consumerfinance.gov/about-us/budget-strategy/funds-transfer-requests/>.

<sup>32</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.

**Figure 2** shows the funding requested, and transferred, from the Federal Reserve over time according to various CFPB reports. The total amount transferred in a given year does not translate to total spending in that year, and some amounts remain as *unobligated balances* that are usable in future years. Dodd-Frank specifies that the CFPB funds “shall remain available until expended”<sup>33</sup> and “shall not be subject to apportionment for purposes of chapter 15 of title 31 or under any other authority.”<sup>34</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 funding from the Federal Reserve for the second quarter of FY2018 and instead used unobligated funds.<sup>35</sup> From FY2018 to FY2024, the CFPB’s budget requests grew each year with year-to-year increases between \$8 million and \$87 million. For FY2024, the CFPB requested, and received, a total of \$729.4 million in transfers from the Federal Reserve. Under then-Director Chopra, the CFPB’s projected budget for its FY2025 operations was \$810.6 million.

In February 2025, President Trump fired Director Chopra, and he later designated Russ Vought, director of the Office of Management and Budget, as acting CFPB director. Director Chopra had already requested \$494 million from the Federal Reserve for the first and second quarters of FY2025.<sup>36</sup> Acting Director Vought indicated that he would 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>37</sup> For FY2025 expenses beyond the \$494 million already transferred, the CFPB drew down existing “unobligated” Bureau funds.<sup>38</sup> Absent additional funding and if Acting Director Vought did not request funding, such funds were projected to run out sometime in the second quarter of FY2026 (early 2026).

Whether the CFPB is required to request funding under current circumstances is a matter of ongoing litigation. Recently, despite arguments from the CFPB and the Department of Justice Office of Legal Counsel, the CFPB has been compelled in lawsuits related to their ongoing reduction in force (*National Treasury Employees Union v. Vought*) to request funding from the Federal Reserve.<sup>39</sup> The CFPB requested \$145 million in the second quarter of FY2026 and \$75.8

<sup>33</sup> 12 U.S.C. §5497(c)(1).

<sup>34</sup> 12 U.S.C. §5497(c)(3).

<sup>35</sup> Letter from Mick Mulvaney, Acting Director, CFPB, to 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>36</sup> Letter from Rohit Chopra, Director, CFPB, to 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 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).

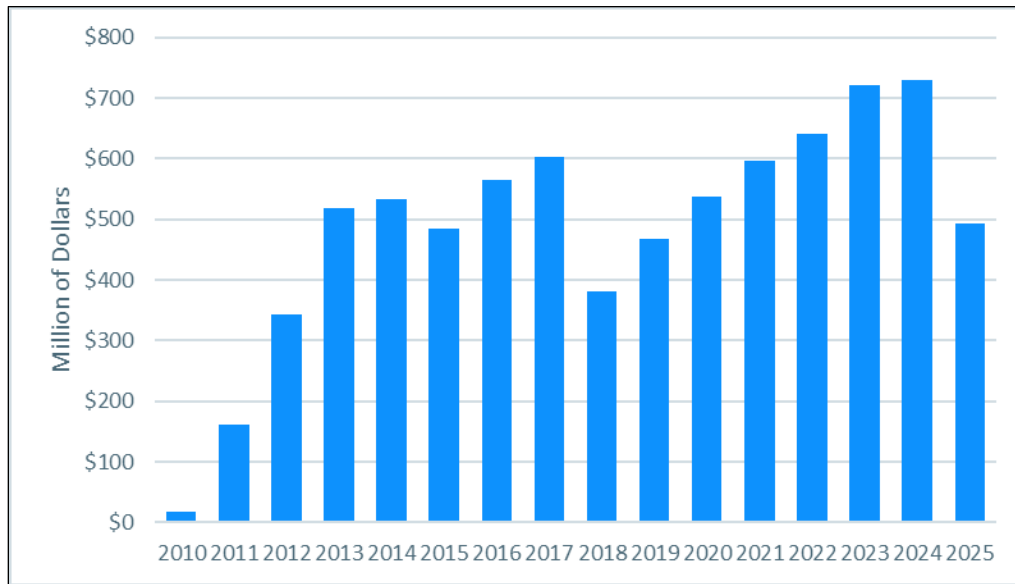
<sup>37</sup> Letter from Russell T. Vought, Acting Director, CFPB, to Jerome Powell, Chairman, Board of Governors of the Federal Reserve System, February 8, 2025, [https://files.consumerfinance.gov/f/documents/cfpb\\_letter-from-frb-to-cfpb\\_2025-02.pdf](https://files.consumerfinance.gov/f/documents/cfpb_letter-from-frb-to-cfpb_2025-02.pdf).

<sup>38</sup> Letter from Vought to Powell, February 8, 2025; *National Treasury Employees Union v. Vought*, No. 1:25-cv-00381 (D.D.C. December 30, 2025).

<sup>39</sup> 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, 49 Op. O.L.C. (November 7, 2025) (slip op.), <https://www.justice.gov/olc/media/1417326/dl?inline>; *National Treasury Employees Union v. Vought*, No. 1:25-cv-00381, at 31 (D.D.C. December 30, 2025).

million in the third quarter or the “amount necessary to carry out the Bureau’s authorities.”<sup>40</sup> This lawsuit is ongoing.

**Figure 2. CFPB Funding Requests from the Federal Reserve**  
FY2010-FY2025

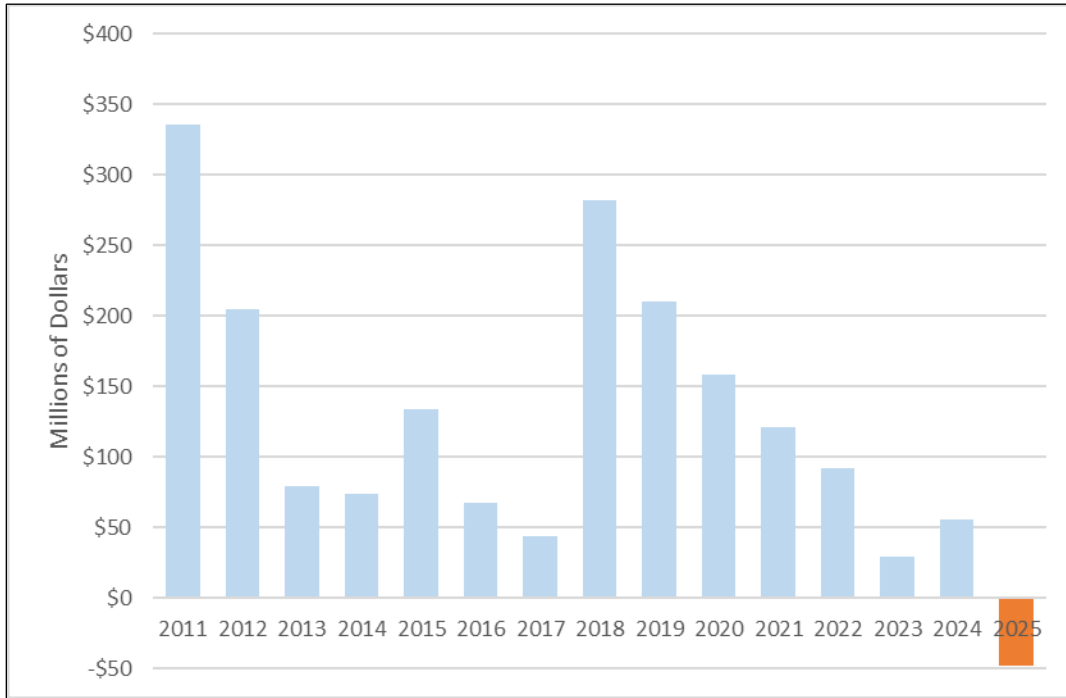


**Source:** CRS. Data from CFPB annual financial reports.

**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 request actually exceeded the cap by \$48 million if one uses the cap as revised by the FY2025 budget reconciliation law. This reflects transfers from the first and second quarter of FY2025 that were requested before the new cap was enacted. The FY2025 request would be \$329 million under the cap using the original Dodd-Frank formula (not depicted in **Figure 3**).

<sup>40</sup> Letter from Russell T. Vought, Acting Director of the Consumer Financial Protection Bureau, to Jerome Powell, Chairman, Board of Governors of the Federal Reserve System, January 9, 2026, [https://files.consumerfinance.gov/f/documents/cfpb\\_funding-request-letter-to-frb\\_2026-01.pdf](https://files.consumerfinance.gov/f/documents/cfpb_funding-request-letter-to-frb_2026-01.pdf); letter from Russell T. Vought, Acting Director, Consumer Financial Protection Bureau, to Jerome Powell, Chairman, Board of Governors of the Federal Reserve System, March 30, 2026, [https://files.consumerfinance.gov/f/documents/cfpb\\_funding-request-letter-to-frb\\_2026-03.pdf](https://files.consumerfinance.gov/f/documents/cfpb_funding-request-letter-to-frb_2026-03.pdf).

**Figure 3. Difference Between CFPB Funding Cap and Request**  
FY2011-FY2025



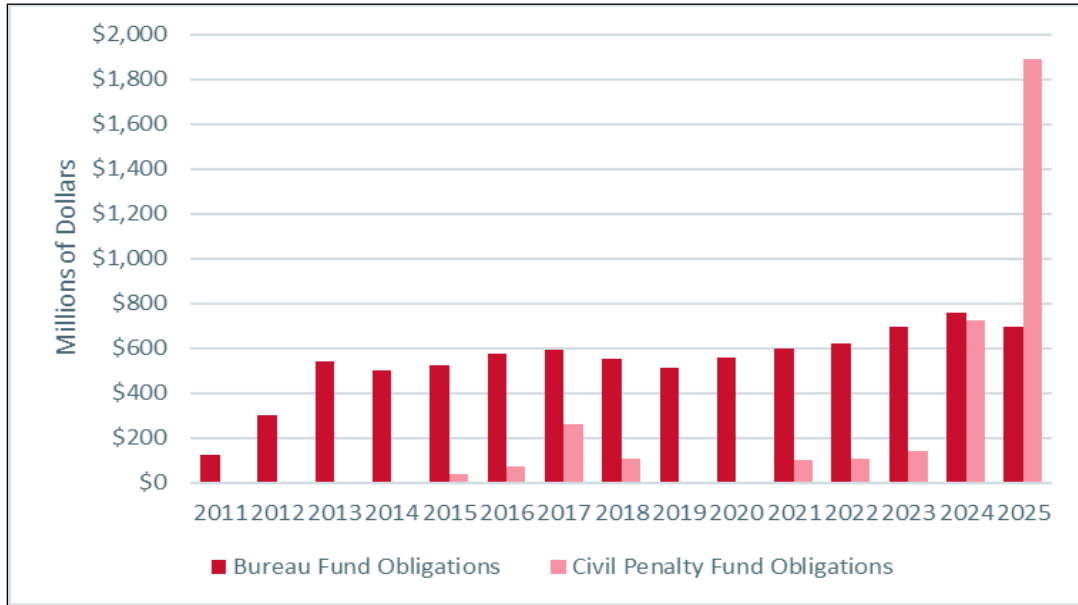
**Source:** CRS. Data from CFPB annual financial reports.

**Notes:** The data contained in FY2025 feature the funding cap from the FY2025 budget reconciliation act and funding requests that reflect the cap from the Dodd-Frank formula. Therefore, this difference is theoretically negative, because the requests were under the funding cap under Dodd-Frank.

The CFPB's unobligated funds are split into two different funds—those from certain enforcement actions, known as the Civil Penalty Fund, and those from unobligated balances from the Federal Reserve requests, referred to as the Bureau Fund. Civil Penalty Fund and Bureau Fund obligations are not substitutes, as the Bureau Fund is meant for general purpose expenses including salaries, while the Civil Penalty Fund is primarily meant for distributions to harmed consumers, drawing on fines from previous enforcement actions. The Civil Penalty Fund is used for cases where consumers are not expected to get full compensation from an enforcement action because an individual firm is unable to pay consumer redress. **Figure 4** shows the funding obligations from the Bureau's Civil Penalty and Bureau Funds over time. Civil Penalty Fund obligations began in small amounts in 2013 and were far more variable across time relative to Bureau Fund obligations due to changing enforcement priorities.<sup>41</sup>

<sup>41</sup> Civil Penalty Fund obligations prior to FY2018 are estimated, as in these years—to calculate Civil Penalty Fund obligations—Bureau Fund obligations are subtracted from total obligations. Per reports in later years, there are really obligations from two funds: the Bureau Fund and the Civil Penalty Fund; thus, there may be some underlying imprecision not captured in this calculation.

**Figure 4. Obligated Funding: Bureau Fund and Civil Penalty Fund**  
FY2011-FY2025

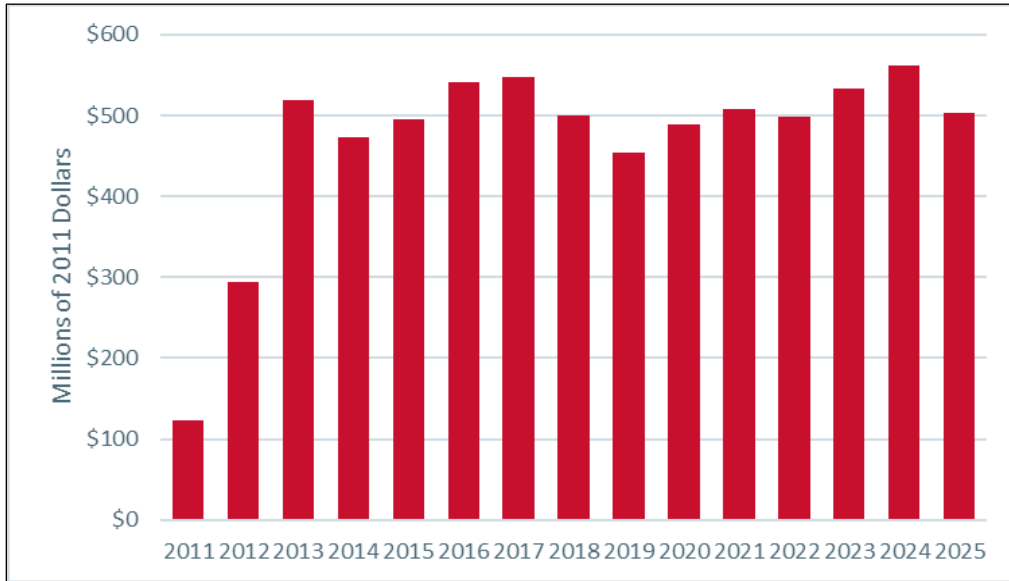


**Source:** CRS. Data from CFPB annual financial reports.

**Figure 5** adjusts the Bureau Fund obligations for rising salaries and other costs using a deflator for growth in total nondefense outlays.<sup>42</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. FY2025 obligation levels were roughly equivalent to those in FY2022.

<sup>42</sup> Office of Management and Budget, “Table 10.1—Gross Domestic Product and Deflators Used in the Historical Tables: 1940-2029,” [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-FY2025



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

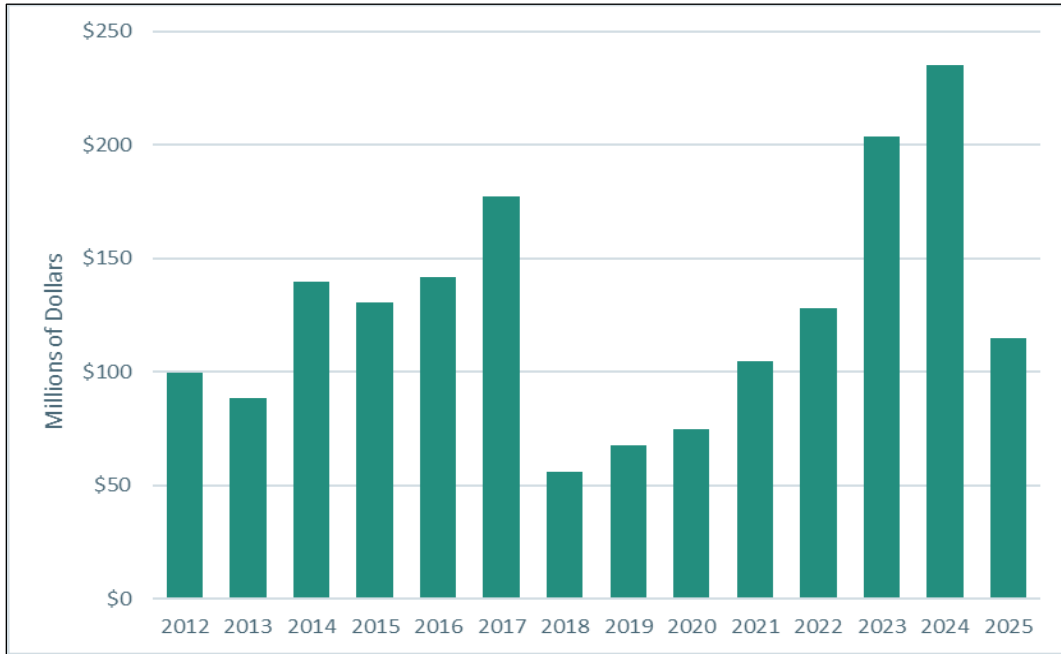
**Figure 6** depicts the unobligated balances in the Bureau Fund over time.<sup>43</sup> As discussed above, the unobligated balances from the Bureau Fund are immediately available to the CFPB and can be used to pay CFPB expenses. There was a \$120 million decrease between FY2017 and FY2018, as then-Acting 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>44</sup> As of September 2025, this fund stood at \$115 million. Dodd-Frank specifically authorizes investment of prior year unused amounts in the Bureau Fund with investment returns being credited to the fund.<sup>45</sup>

<sup>43</sup> See CFPB, *Financial Report of the Consumer Financial Protection Bureau: Fiscal Year 2025*, February 6, 2026, p. 11, [https://files.consumerfinance.gov/f/documents/cfpb\\_financial-report-fiscal-year-2025\\_2026-02.pdf](https://files.consumerfinance.gov/f/documents/cfpb_financial-report-fiscal-year-2025_2026-02.pdf).

<sup>44</sup> Letter from Vought to Powell, February 8, 2025.

<sup>45</sup> 12 U.S.C. §5497(b)(3).

**Figure 6. Bureau Fund Unobligated Balances**  
FY2011-FY2025



**Source:** CRS. Data from CFPB annual financial reports “as of the last pay period of each fiscal year – Pay Period 19” according to the FY2025 report (CFPB, *Financial Report of the Consumer Financial Protection Bureau: Fiscal Year 2025*, February 6, 2026, p. 9).

**Figure 7** depicts the unobligated balances in the Civil Penalty Fund collected from financial institutions in response to enforcement actions, less distributions to harmed consumers.<sup>46</sup> 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.<sup>47</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. Penalties from a separate enforcement action are used in cases where such consumers are less likely to receive the full amount of consumer redress absent such distributions. For example, the CFPB ordered large payments from the Civil Penalty Fund to victims of credit repair companies in 2024.<sup>48</sup> These distributions caused the decline in the Civil Penalty Fund from the end of

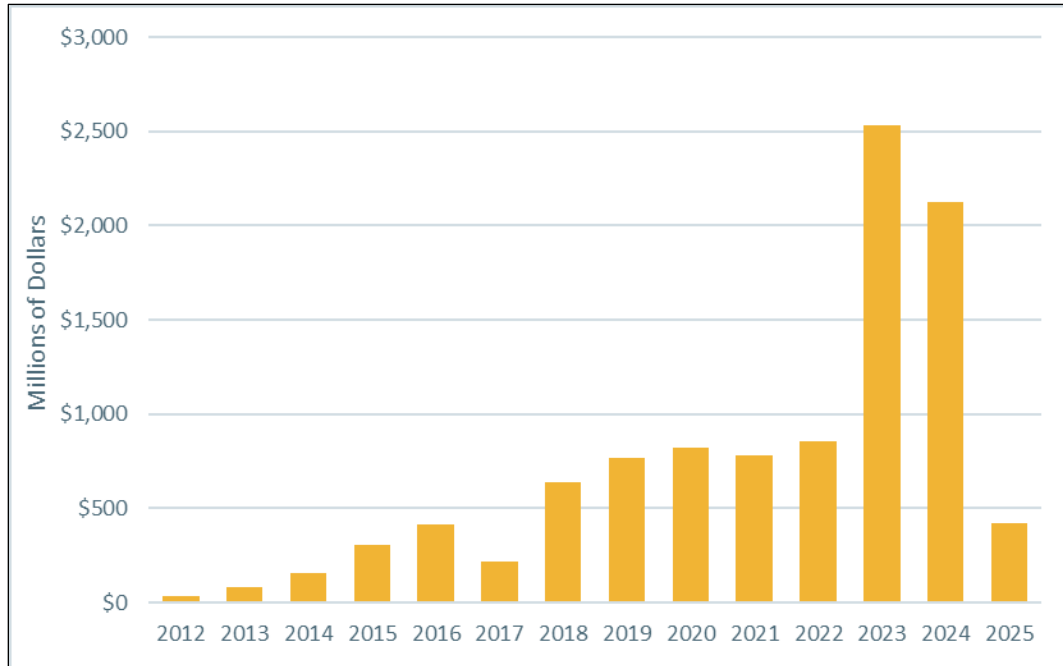
<sup>46</sup> Unobligated balances is not a synonym for “unallocated balances” in the Civil Penalty Fund, as there may be enforcement actions in the pipeline with an “allocation” of resources from the Civil Penalty Fund and a future anticipated obligation for which money has not yet been obligated. For one example, as of FY2014, unobligated balances were \$157 million, while unallocated balances in the Civil Penalty Fund were \$112.8 million. CFPB, *Financial Report of the Consumer Financial Protection Bureau: Fiscal Year 2014*, pp. 35, 107, [https://files.consumerfinance.gov/f/201411\\_cfpb\\_report\\_fiscal-year-2014.pdf](https://files.consumerfinance.gov/f/201411_cfpb_report_fiscal-year-2014.pdf).

<sup>47</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>48</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/>.

FY2024 to FY2025 and reflected the large distributions in Civil Penalty Fund obligations reflected in **Figure 7**. As of September 2025, the Civil Penalty Fund stood at \$422 million, due to distributions in FY2025 and a lack of enforcement actions that increased the fund level.

**Figure 7. Civil Penalty Fund Unobligated Balances**  
FY2012-FY2025



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

**Figure 8** shows the number of CFPB employees over time. 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>49</sup> The CFPB’s full-time equivalent employee count was 663 at the end of FY2011.<sup>50</sup> This rose to 970 employees the next year.<sup>51</sup> By FY2024, the CFPB reported 1,758 employees, which fell to 1,421 by FY2025.<sup>52</sup> According to court filings, this number as of March 27, 2026, was 1,174.<sup>53</sup>

<sup>49</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>50</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).

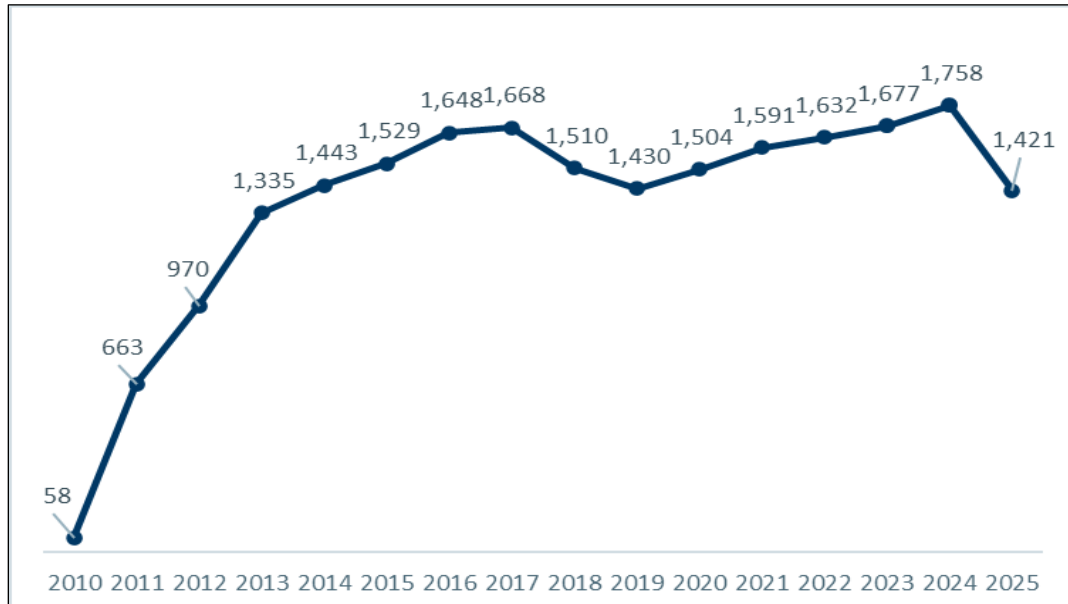
<sup>51</sup> CFPB, *Financial Report of the Consumer Financial Protection Bureau: Fiscal Year 2012*, p. 37, [https://files.consumerfinance.gov/f/201211\\_cfpb\\_financial-report-fy-2012.pdf](https://files.consumerfinance.gov/f/201211_cfpb_financial-report-fy-2012.pdf).

<sup>52</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>53</sup> Memorandum from Geoffrey Gradler, Deputy Director, CFPB to Russ Vought, Acting Director, CFPB, Attachment A, *National Treasury Employees Union v. Vought*, No. 25-5091 (D.C. Cir. March 31, 2026), <https://storage.courtlistener.com/recap/gov.uscourts.cadc.41898/gov.uscourts.cadc.41898.01208836172.2.pdf>.

Acting Director Vought previously attempted to reduce the CFPB’s staff to 207 employees in an attempt to “right size” the agency.<sup>54</sup> A memorandum disclosed in more recent court filings proposed retaining 556 employees.<sup>55</sup> This is the subject of ongoing litigation.<sup>56</sup> Such a reduction in workforce would substantially decrease the CFPB’s budgetary needs and would likely impact some of its operations.

**Figure 8. CFPB Employees**  
FY2010-FY2025



**Source:** CRS. Data are from CFPB annual financial reports and are “as of the last pay period of each fiscal year – Pay Period 19” according to the FY2025 report (CFPB, *Financial Report of the Consumer Financial Protection Bureau: Fiscal Year 2025*, February 6, 2026, p. 9).

## 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 broad policy options. Legislation introduced in the 118<sup>th</sup> Congress is discussed in the **Appendix A**.

### 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>57</sup> The budget resolution for FY2025, H.Con.Res. 14, included a reconciliation directive to the House

<sup>54</sup> National Treasury Employees Union v. Vought, No. 1:25-cv-00381 (D.D.C. December 30, 2025).

<sup>55</sup> National Treasury Employees Union v. Vought, No. 25-5091 (D.C. Cir. March 31, 2026).

<sup>56</sup> National Treasury Employees Union v. Vought, No. 1:25-cv-00381 (D.D.C. December 30, 2025).

<sup>57</sup> CRS Report R48444, *The Reconciliation Process: Frequently Asked Questions*, by Tori Gorman.

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>58</sup>

The President signed P.L. 119-21 into law, implementing this reconciliation directive, on July 4, 2025. This law revised the CFPB funding cap, reducing the 12% figure in previous law to 6.5%. The enacted change decreased the funding cap in FY2025 to \$446 million as depicted in **Figure 9**, compared to the cap under Dodd-Frank (\$823 million) and to the provision as originally passed by the House in May 2025 (\$249 million).

### House of Representatives<sup>59</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.<sup>60</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, meaning this section would have triggered a one-time transfer of roughly \$338 million.<sup>61</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>62</sup> The timing of when these reductions could be expected to occur within the 10-year window depends on the net income of the Federal Reserve in coming years. Because remittances are not to resume until the Federal Reserve has returned to positive net income and recovered

<sup>58</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.

<sup>59</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>60</sup> U.S. Congress, House Committee on Financial Services, *Financial Services Committee Print*, committee print, 119<sup>th</sup> Cong., 1<sup>st</sup> sess., April 30, 2025.

<sup>61</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>62</sup> Congressional Budget Office (CBO), *Reconciliation Recommendations of the House Committee on Financial Services*.

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, the unobligated balances in the Civil Penalty Fund stood at \$428 million.<sup>63</sup> In total over 10 years, CBO estimated that this section would have reduced the deficit by \$9 million.

## Senate<sup>64</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>65</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>66</sup> Following this and discussions with the Parliamentarian, Chairman Scott revised Section 30001 to reduce the 12% figure in current law to 6.5% of the Federal Reserve FY2009 operating expenses.<sup>67</sup> 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. (Absent these employment cost increases, the funding cap would have remained constant at 6.5% of Federal Reserve FY2009 operating expenses. The employment cost index grew by roughly 38% from FY2013 to FY2025 and will continue to grow in the future.) 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>68</sup>

<sup>63</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>64</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>65</sup> U.S. Congress, Senate Committee on Banking, Housing, and Urban Affairs, *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>66</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>67</sup> Senate Committee on Banking, Housing, and Urban Affairs, “Scott Releases Updated Banking Committee Provisions in the One Big Beautiful Bill,” press release, June 26, 2025, <https://www.banking.senate.gov/newsroom/majority/scott-releases-updated-banking-committee-provisions-in-the-one-big-beautiful-bill>.

<sup>68</sup> CBO, *Estimated Budgetary Effects of an Amendment in the Nature of a Substitute to H.R. 1, the One Big Beautiful* (continued...)

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>69</sup>

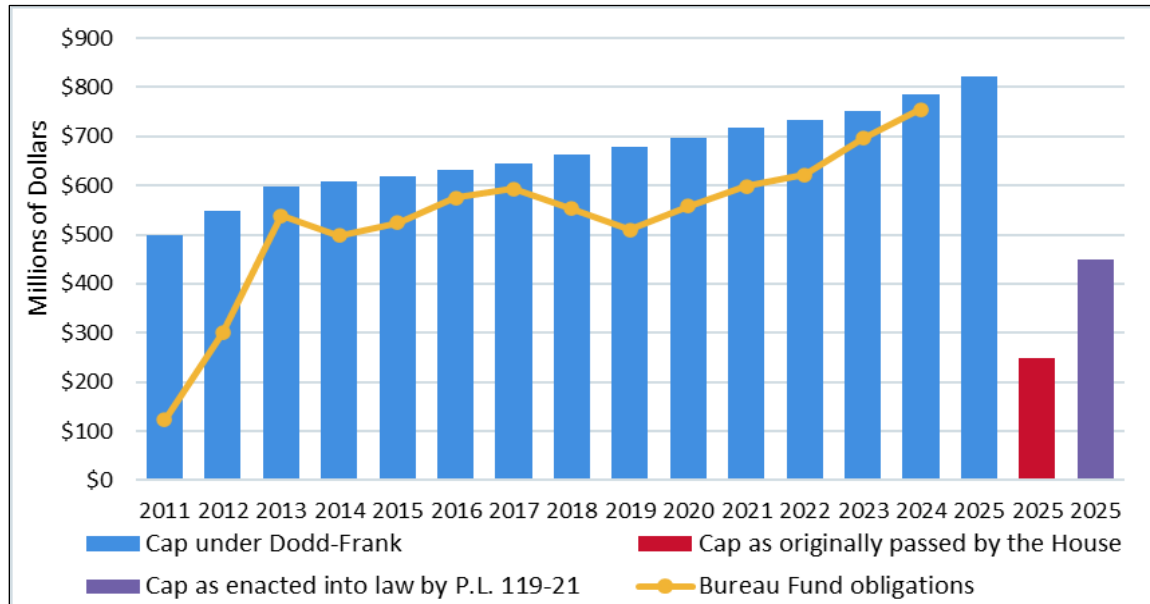
## Enacted Law

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 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 9**, compared to the cap under Dodd-Frank (\$823 million) and the provision as originally passed by the House in May 2025 (\$249 million).

**Figure 9. 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.

*Bill Act, Relative to the Budget Enforcement Baseline for Consideration in the Senate*, June 28, 2025, <https://www.cbo.gov/publication/61533>.

<sup>69</sup> CBO, *Estimated Budgetary Effects of an Amendment in the Nature of a Substitute to 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 Vought, however, specifically indicated (albeit before the Senate Banking Committee proposal had been released) that he would not be requesting additional funding from the Federal Reserve for FY2025, and he did not do so until compelled by a federal court, as discussed previously.<sup>70</sup>

The CFPB's statute did contain another potential time-limited source of general funding. Dodd-Frank authorized appropriations for the CFPB for FY2011-FY2014, although no money was actually appropriated for these years.<sup>71</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 Scott noted in a separate committee memo that this change "does not affect the Bureau's existing ability to request funds from Congress."<sup>72</sup>

## Other Policy Options

### Revert CFPB Funding to Dodd-Frank Funding Cap Levels

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>73</sup> Some supporters argue that the CFPB's funding levels under Dodd-Frank were appropriate for the agency's mission.<sup>74</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>75</sup> These amendments failed.

<sup>70</sup> Letter from Vought to Powell, February 8, 2025.

<sup>71</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."

<sup>72</sup> U.S. Congress, Senate Committee on Banking, Housing, and Urban Affairs, *One Big Beautiful Bill: Banking Committee Section-by-Section*, Updated Section by Section, prepared by Chairman Tim Scott, 119<sup>th</sup> Cong., 1<sup>st</sup> sess., June 25, 2025.

<sup>73</sup> Brief of Current and Former Members of Congress as *Amici Curiae* in Support of Petitioners, *CFPB v. Community Financial Services Association of America*, 601 U.S. \_\_\_\_ (No. 22-448) (2024), [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>74</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>75</sup> U.S. Congress, House Committee on Financial Services, *Markup of Various Measures, Amendments*, 119<sup>th</sup> Cong., 1<sup>st</sup> sess., April 30, 2025.

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 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 Securities and Exchange Commission or Commodity Futures Trading Commission 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>76</sup> Some supporters of this change argue that such a change might make the CFPB more accountable to Congress and the American people.<sup>77</sup>

The overall size of the CFPB's budget is theoretically a separate question from whether the Bureau's funding is congressionally appropriated, although some previously introduced bills both move the CFPB's funding source to appropriations and reduce the budget size. In the 119<sup>th</sup> Congress, bills were introduced that would move the CFPB to congressional appropriations. 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.

Prior to the 119<sup>th</sup> Congress, other bills have passed the House 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.

### **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>78</sup> Such a change could be accomplished by amending Dodd-Frank to strike the sections creating the CFPB. In the 119<sup>th</sup> Congress, this approach is embodied in H.R. 1603.

A similar end could also be achieved by eliminating the funding for the CFPB, potentially leaving authorities intact but with no funding to carry out these authorities. Congress could also revise the

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<sup>76</sup> Brief of 132 Members of Congress as Amici Curiae in Support of Respondents, *CFPB v. Community Financial Services Association of America*, 601 U.S. \_\_\_\_ (No. 22-448) (2024), [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>77</sup> See Johnson, Testimony, April 16, 2024.

<sup>78</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>.

statutorily mandated cap on the CFPB without changes to their underlying statutory functions. S. 303 and H.R. 814 take this approach and would change the funding cap to \$0. Simply changing the cap to \$0, however, would leave the possibility that Congress might choose to appropriate funding for the CFPB or readjust the cap upward again in the future.

### **Require Additional Budgetary Reporting from the CFPB**

While Dodd-Frank specifies that CFPB funding is outside the review of the appropriations committees, various appropriations laws over the years have included provisions requiring reporting from the CFPB. For FY2026, Section 762 of Division E of the Consolidated Appropriations Act, 2026 (P.L. 119-75), requires that CFPB report its transfer requests in FY2026 directly to certain congressional committees and make them available on the CFPB's website. For FY2027, Section 746 of the Financial Services and General Government (FSGG) Appropriations Act, 2027 (H.R. 8495), as reported by the House Committee on Appropriations has similar provisions.

### **Other Proposals**

S. 1923 would change the structure of CFPB salaries from being set by the director to complying with the federal government's General Schedule. As of 2024, the median pay grade at the CFPB in the Washington, DC, metro area in 2024 was 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>79</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>80</sup> It should be noted, however, that changes in employment at the CFPB as well as changes in levels of pay within the General Schedule since the 113<sup>th</sup> Congress would affect this number were a new estimate to be made for S. 1923.

H.R. 3141 would limit the amount that the CFPB can hold in Bureau Fund unobligated balances to 5% of the funding cap and would mandate 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.

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

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<sup>79</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>80</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>.

## Appendix A. 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 was a bill with a number of CFPB changes. Section 202 would have 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>81</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 was 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>82</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 have reduced direct spending by \$280 million over 10 years.<sup>83</sup> It should be noted that changes in employment at the CFPB as well as changes in levels of pay within the General Schedule since the 113<sup>th</sup> Congress would have affected this number were a new estimate to be made.
- 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>84</sup>

<sup>81</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>82</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>83</sup> See CBO, “CFPB Pay Fairness Act of 2013.”

<sup>84</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 involving Ace Cash Express (*CFPB v. Populus Financial Group, Inc.*), which is discussed in more detail above. This lawsuit argues that the CFPB cannot receive transfers if the Federal Reserve is operating at a loss.

- 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 the CFPB in FY2025.<sup>85</sup> If the full \$650 million had been appropriated for FY2025, the CFPB's funding would have been 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 to the Treasury General Fund after paying victims following the CFPB enforcements actions against perpetrators.
- 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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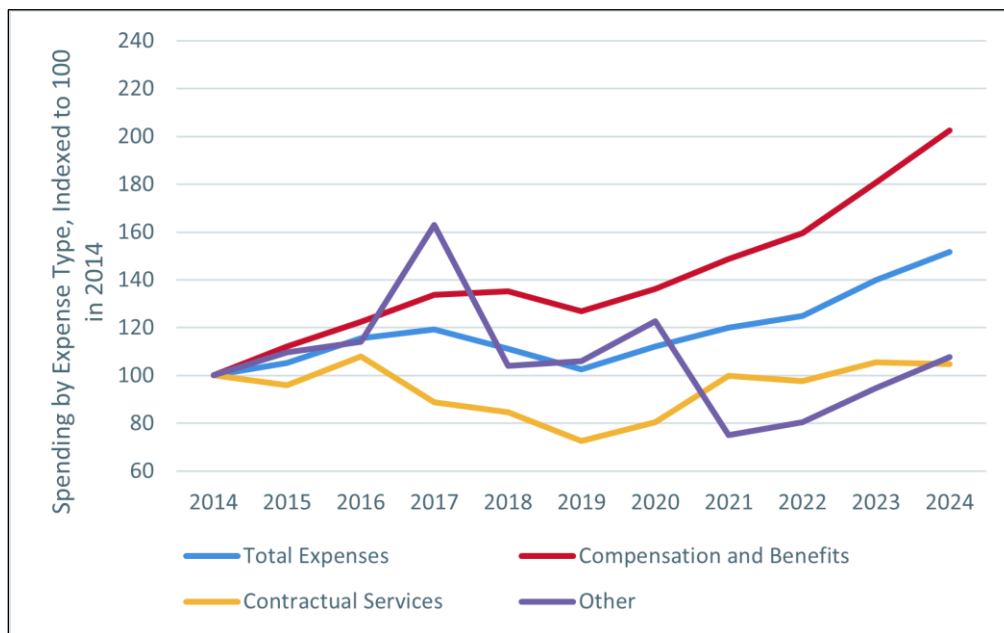
<sup>85</sup> For more on Financial Services and General Government (FSGG) FY2025 appropriations specific to CFPB reforms, see CRS Insight IN12409, *Financial Services and General Government FY2025 Appropriations: CFPB's Funding and Structure Provisions*, by Karl E. Schneider and David H. Carpenter. For more on FSGG FY2025 appropriations more generally, see CRS Report R48188, *Financial Services and General Government (FSGG) FY2025 Appropriations: Overview*, by Baird Webel.

## Appendix B. Changes in CFPB Spending by Type and Division

**Figure B-1** 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 B-1. Growth in CFPB Spending by Type**  
Indexed to 100 in FY2014 (FY2014-FY2024)



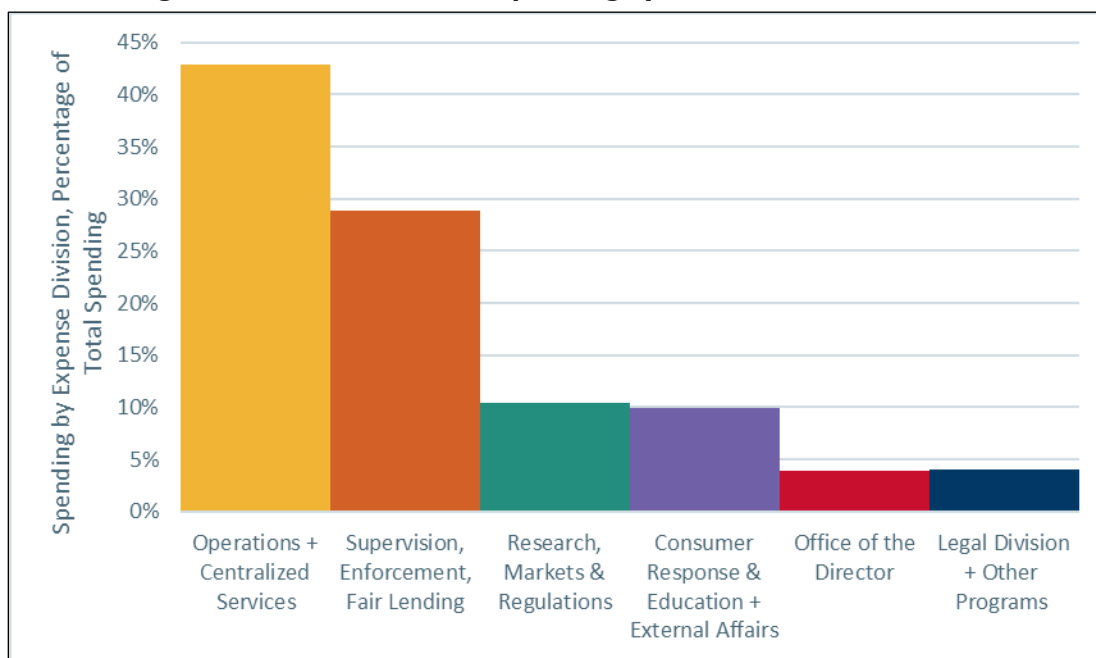
**Source:** CRS. Data from CFPB annual financial reports.

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>86</sup>

<sup>86</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 (continued...)

**Figure B-2** shows the distribution of these different divisions by share of total spending in FY2024, 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.

**Figure B-2. 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 B-3** 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>87</sup>
  - This initial budget growth largely happened from FY2018 to FY2020, as the CFPB entered a transition period with then-Acting Director Mick Mulvaney and then-permanent Director Kathy Kraninger.
  - From FY2021 to FY2024, this spending nearly doubled again under then-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

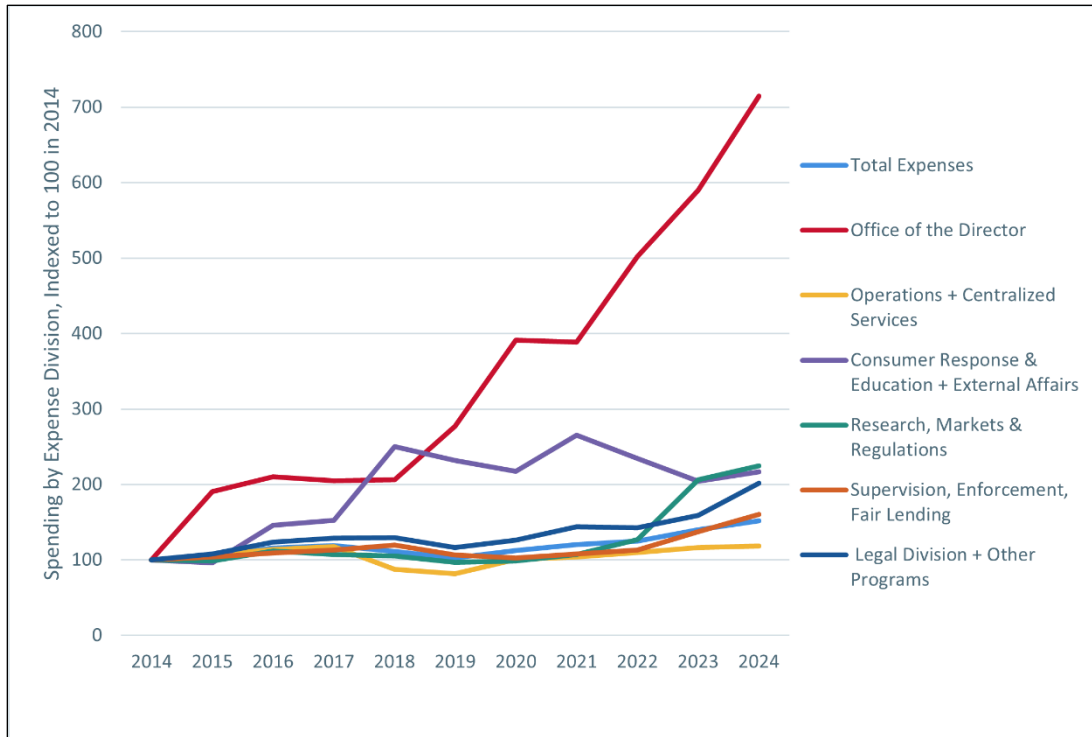
analysis, it is combined with External Affairs, which focuses on CFPB relations with external stakeholders. The Office of the Director includes the director, other political appointees, and associated support staff. There are a few other smaller components of the CFPB, including the Legal Division and “Other Programs.”

<sup>87</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.

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 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>88</sup>

**Figure B-3. Growth in CFPB Spending by Division**  
Indexed to 100 in FY2014 (FY2014-FY2024)



Source: CFPB financial reports. Data compiled by CRS.

<sup>88</sup> Kate Berry, “CFPB Plans to Hire 50% More Enforcement Attorneys, Support Staff,” *American Banker*, October 5, 2023.

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