



99 M Street SE
Suite 300
Washington, DC 20003

July 11, 2025

The Honorable Russell Vought
Director
Office of Management and Budget
725 17th Street NW
Washington, DC 20503

RE: FY25-26 CFPB Funding

Dear Director Vought:

I am writing to you regarding the future funding of the Consumer Financial Protection Bureau (CFPB or Bureau). America's Credit Unions is the voice of consumers' best option for financial services: credit unions. We advocate for policies that allow the industry to effectively meet the needs of their over 142 million members nationwide. In light of your February announcement halting further CFPB funding draws and the newly enacted budget provisions in Congress, our member credit unions seek clarity on how the CFPB foresees its operations going forward. We first wish to express our appreciation for the steps you have taken to realign the Bureau with its statutory mission, and then outline a few questions about the Bureau's future funding and focus.

As Acting CFPB Director, you announced in February that the Bureau "will not be taking its next draw of unappropriated funding," noting that the CFPB's current balance of \$711.6 million was "excessive in the current fiscal environment." In that same communication, you determined that "no additional funds are necessary to carry out the authorities of the Bureau for Fiscal Year 2025".¹ By relying on the Bureau's existing funds instead of automatically drawing the maximum allowed, this step evinced a commitment to operate within truly "reasonably necessary" resource levels, as envisioned by the Consumer Financial Protection Act's funding requirements.² We appreciate this responsible approach, which avoids unnecessary expansion of the CFPB's budget when sufficient funds remain available.

More recently, Congress acted to formally constrain the Bureau's funding. The One Big Beautiful Bill Act (OBBA), as passed in the budget reconciliation process, will reduce the CFPB's annual funding cap from a maximum of 12% of the Federal Reserve's 2009 operating budget (inflation-adjusted) down to 6.5%.³ Senate proponents estimate this nearly halving of the CFPB's funding authority will save about \$2 billion per year. Notably, this provision does *not* prevent the Bureau from requesting additional funds through the regular congressional appropriations process if

¹ Financial Services Perspectives, "Vought's Transformational First Few Days at the CFPB", (Feb. 10, 2025) available at <https://www.financialservicesperspectives.com/2025/02/voughts-transformational-first-few-days-at-the-cfpb>.

² 12 U.S.C. § 5497(a)(1).

³ Consumer Finance Monitor, "Senate Republicans Get Parliamentarian's Approval to Slash CFPB Funding in Massive Budget Bill", (June 27, 2025) available at <https://www.consumerfinancemonitor.com/2025/06/27/senate-republicans-get-parliamentarians-approval-to-slash-cfpb-funding-in-massive-budget-bill>.

ever necessary. Nevertheless, the OBBA's funding cap reduction is a significant development. America's Credit Unions supports right-sizing the Bureau's budget to what is needed for its mandate, and we view this change as generally positive for ensuring the CFPB remains focused on its highest priorities. We do recognize, however, that a lower funding cap also means the Bureau will need to be even more efficient and selective in how it allocates resources going forward.

While we commend the CFPB's more reasonable and mission-centric focus, we are seeking further insight into how the Bureau envisions its operations and funding strategy moving forward under these new conditions. Specifically, we have a few questions about if and when the CFPB will utilize additional funding and whether the recent budgetary limits will suffice for the Bureau's important work:

- Future Funding Draws:
 - Does the Bureau anticipate that it will need to take any future draws from the Federal Reserve's funds during the remainder of this fiscal year or in FY 2026?
 - With the third-quarter FY25 draw already canceled and an ample reserve on hand, will the Bureau also forgo requesting the fourth-quarter transfer this year?
 - Looking ahead to FY 2026, will the CFPB resume periodic draws up to the new 6.5% cap, or will it continue relying on the existing balance for some time?

In essence, we seek clarity on if and when the Bureau plans to request funding going forward, and what factors will determine such a decision. An understanding of the timing and reasoning for any future funding requests would greatly help us and our member institutions anticipate the CFPB's operational posture.

- Sufficiency of Reduced Budget and Staffing: In your February letter to Federal Reserve Chair Jerome Powell, you committed to "run a substantially more streamlined and efficient bureau" under new leadership.⁴ We have observed that this commitment has entailed significant downsizing of the CFPB's workforce including reducing staff from roughly 1,700 employees to about 200, a dramatic reduction-in-force of nearly 90% of the Bureau's personnel.⁵
 - Given this much leaner staffing and the new lower funding cap imposed by the OBBA, is the CFPB confident it can still effectively fulfill its consumer protection mission, focusing on bad actors, with the resources available?
 - How does the Bureau plan to prioritize its supervisory and enforcement efforts under these constraints to ensure that core functions (such as addressing egregious violations, fielding consumer complaints, and

⁴ <https://www.financialservicesperspectives.com/2025/02/voughts-transformational-first-few-days-at-the-cfpb>.

⁵ InfoBytes, "Democratic Senators Press CFPB's Vought on Mass Firings", (May 9, 2025) available at <https://infobytes.orrick.com/2025-05-09/democratic-senators-press-cfpbs-vought-on-mass-firings>.

safeguarding servicemembers and seniors) are maintained at an effective level?

We are interested in understanding whether the 6.5% budget cap, potentially on the order of \$300–400 million annually, will be sufficient to support the Bureau’s critical activities targeting wrongdoing in the marketplace, or if the CFPB foresees needing to seek supplemental funding (for example, via congressional appropriation) to cover any gaps.

America’s Credit Unions shares the CFPB’s goal of protecting consumers and rooting out unscrupulous behavior in the financial sector. We simply seek to ensure that, moving forward, the CFPB will have a clear and sustainable plan for operating under these new budgetary limits without compromising its ability to police the worst actors.

Conclusion

Thank you for your consideration of these inquiries. We appreciate your leadership and openness in bringing the CFPB closer in alignment with its statutory mandate. America’s Credit Unions stands ready to work collaboratively with you and the Bureau to protect consumers from fraud and abuse, all while ensuring that responsible institutions like credit unions can continue to thrive and serve their communities. Should you have any questions or require additional information, please feel free to contact me at jakin@americascreditunions.org.

Sincerely,



James C. Akin
Head of Regulatory Advocacy