



FAQs: Defend the Consumer Financial Protection Bureau

Why was the CFPB created?

- Because there was no single federal financial regulator solely charged with protecting the interests of consumers of financial services.
- As a response to excessive risk-taking by mortgage companies, which led to the 2008 financial crisis
- The CFPB is charged with looking out for consumers' needs, not the safety and soundness of financial institutions.

Which types of companies does the CFPB supervise?

- Banks and credit unions (and their affiliates) with more than \$10 billion in assets
- Mortgage lenders, payday lenders, mortgage servicers, and private student loan lenders of all sizes
- Larger companies involved in credit reporting, consumer debt collection, student loan servicing, international money transfers, and automobile financing
- The CFPB has also used its authority to address junk fees by landlords and abusive rooftop solar transactions

Which consumer financial laws does the CFPB oversee?

The CFPB is the principal federal financial regulator responsible for administering, interpreting, and enforcing 18 federal consumer financial laws, as well as the prohibition in the Consumer Financial Protection Act against unfair, deceptive, or abusive acts or practices (UDAAPs). Some of the most well-known laws include...

- The Equal Credit Opportunity Act (which prohibits discrimination in lending)
- The Truth in Lending Act
- The Fair Credit Reporting Act
- The Fair Debt Collection Practices Act
- The Electronic Funds Transfer Act UDAAP authority gives the CFPB flexibility to hold companies accountable for complying with standards of appropriate market behavior, which can be especially valuable when companies deceive borrowers about financial products, bury bad terms in fine print, or develop new predatory practices previously unconsidered by regulators.

Why is the CFPB consumer complaint database and process so important?

- The Consumer Complaint Database is a uniquely effective way for a government agency to respond to individual consumers' needs.
- The CFPB forwards consumer complaints to financial companies and holds them accountable to respond. Consumer complaints are made public, leading to further benefits for stakeholders.
 - By making complaints public, other consumers, financial regulators, state and local law enforcement agencies, and others can be alerted to harmful behavior by companies and help prevent dangerous trends.
- Consumers have received \$21 billion through the CFPB complaint process.
- This complaint process may well be the only recourse a consumer has to resolve a dispute about a credit reporting error, medical debt, mortgage servicing or foreclosure issue, debt collection deceptive practice, faulty remittance, credit card, bank account, payment app fee, or fraud problem.

Do consumers make use of the CFPB complaint Process, and if so, what happens when they do?

- Consumers filed 6.6 million complaints with the CFPB in 2025, the second consecutive year that complaint volumes have doubled from the previous year.
- Under the current administration, however, the share of consumers receiving relief has dropped dramatically. In 2025, at least one credit bureau (Experian) has chosen *not* to provide (non-monetary) relief in nearly every case.
 - When credit report errors are not corrected, they can significantly impact someone's ability to qualify for a loan, attain employment, or secure housing.

How is the CFPB funded?

- The CFPB is funded directly from the Federal Reserve, rather than from Congressional appropriations. Congress used this approach to insulate the CFPB from political influence.
- In a 7-2 decision in 2024, the Supreme Court confirmed the [constitutionality of the CFPB's funding structure](#). Based on the director's determination of need, the CFPB can request funding up to 12 percent of the Federal Reserve's total operating expenses. The cap was reduced to 6.5 percent in the "One Big Beautiful Act," (a recent budget bill).

How has the CFPB's funding been attacked by the Trump Administration?

- Acting Director Russell Vought refused to request funds from the Federal Reserve needed to support the ongoing, Congressionally mandated activities of the CFPB. [US District Court Judge Amy Berman Jackson](#) objected, calling it "an unsupported and transparent attempt to starve the CFPB of funding."
 - Vought then submitted a request of \$145 million, enough to support the CFPB for part of the remainder of 2026.

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- Vought has also tried multiple times to fire the majority of CFPB staffers in an effort to shutter the agency.

Why is it important that the CFPB has a single director, rather than operate under a commission structure?

- Leadership under a single director ensures greater efficiency, faster decision-making, and swifter enforcement of consumer protections.
- Deregulatory voices make public statements that a commission structure might encourage more collaboration; however, these claims are actually a key part of [larger efforts](#) to make the CFPB less effective.
 - The [lack of good faith](#) is further demonstrated by the Trump Administration's illegal actions to remove all Democratic members of agencies structured with commissions and boards, such as the National Credit Union Administration, the Federal Deposit Insurance Corporation, the Securities and Exchange Commission, the Consumer Product Safety Commission, and the Federal Trade Commission.

How has the new Administration favored financial companies over consumers?

- The new Administration has withdrawn enforcement actions (lawsuits) that had called on bad actors to refund consumers. In some cases, finalized case settlements were also terminated.
 - For instance, the CFPB had ordered CashApp/Block to pay harmed consumers \$175 million for not investigating their fraud complaints fully. The Trump-CFPB dropped the order.
- This administration has dismissed more than 20 cases against EWS/Zelle (along with Bank of America, Wells Fargo, and Chase), Capital One, Citibank, etc.
- The CFPB has also [withdrawn 67 “guidances”](#) related to interpretations of laws governing consumer credit, lending, banking, debt collection, and other important consumer issues.

How has the CFPB helped to address the affordability crisis facing all consumers today?

- The CFPB created rules to cap bank overdraft fees at \$5 and credit card late fees at \$8, which would have saved Americans [\\$5 billion](#) and [\\$10 billion](#), respectively. However, the current Administration has eliminated those caps.
- Even though people nationwide are struggling with rising costs of everyday necessities, the new Administration has reversed some of the CFPB's great accomplishments, including settled cases and finalized rules that had lowered the cost of using financial services.

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