[EN BANC ORAL ARGUMENT HELD FEBRUARY 24, 2026]

No. 25-5091

IN THE UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

NATIONAL TREASURY EMPLOYEES UNION, et al.,

Plaintiffs-Appellees,

v.

RUSSELL T. VOUGHT, in his official capacity as Acting Director of the Consumer Financial Protection Bureau, et al.,

Defendants-Appellants.

On Appeal from the United States District Court for the District of Columbia

---

MOTION TO MODIFY THE STAY PENDING APPEAL, FOR A LIMITED REMAND, AND TO PLACE THE APPEAL IN ABEYANCE

BRETT A. SHUMATE
Assistant Attorney General

ERIC D. MCARTHUR
Deputy Assistant Attorney General

MARK R. FREEMAN
MELISSA N. PATTERSON
DEREK WEISS
SIMON GREGORY JEROME
Attorneys, Appellate Staff
Civil Division, Room 7209
U.S. Department of Justice
950 Pennsylvania Avenue NW
Washington, DC 20530
(202) 514-1673

TABLE OF CONTENTS

Page

TABLE OF AUTHORITIES ii

INTRODUCTION 1

STATEMENT 3

ARGUMENT 5

I. This Court Should Modify Its Stay Pending Appeal To Permit CFPB To Immediately Carry Out Its New RIF Plan. 6

II. This Court Should Grant A Limited 45-Day Remand With Instructions To Reconsider The Preliminary Injunction In Light Of Intervening Developments. 12

A. Significant Factual And Legal Developments Have Occurred Since The District Court Issued The Preliminary Injunction On Appeal. 13

B. These Intervening Developments Warrant Dissolution Or Modification Of The Preliminary Injunction Consistent With Correct Legal Principles. 16

III. This Court Should Hold This Appeal In Abeyance While The District Court Reconsiders The Preliminary Injunction Issued Under Materially Different Circumstances. 18

CONCLUSION 18

CERTIFICATE OF COMPLIANCE

TABLE OF AUTHORITIES

Cases: **Page(s)**

Califano v. Yamasaki,
442 U.S. 682 (1979)....................15

McGrath v. Potash,
199 F.2d 166 (D.C. Cir. 1952)....................17

MediNatura, Inc. v. FDA,
998 F.3d 931 (D.C. Cir. 2021)....................9

Nken v. Holder,
556 U.S. 418 (2009)....................6

Sampson v. Murray,
415 U.S. 61 (1974)....................10

Trump v. CASA, Inc.,
606 U.S. 831 (2025)....................2, 15

United States v. Booker,
543 U.S. 220 (2005)....................17

United States v. Coles,
403 F.3d 764 (D.C. Cir. 2005)....................17

Statutes:

One Big Beautiful Bill Act, Pub. L. No. 119-21, 139 Stat. 72....................14

12 U.S.C. § 5493(a)....................9

12 U.S.C. § 5493(d)....................11

12 U.S.C. § 5497(a)....................14

Rules:

D.C. Cir. R. 41(b) 2

Other Materials:

CFPB, *What should I do after a disaster to protect my finances and property?*, https://perma.cc/24QX-ERHE 12

INTRODUCTION

Recent developments significantly affect the propriety of the preliminary injunction this Court is currently considering en banc. Most fundamentally, as government counsel indicated at oral argument, *see* Oral Arg. 2:46:00-2:49:00, Consumer Financial Protection Bureau (CFPB) has continued to prepare ways to downsize, and the Acting Director has recently adopted a plan for a reduction in force (RIF) that supersedes any previous plans about the proper size or functioning of the agency. That plan, attached here, makes clear that CFPB leadership will not close the agency absent the injunction, contrary to the central factual premise on which the injunction is based. CFPB would implement the plan were it not impermissible under the injunction, in order to respond to a Presidential directive to streamline agency operations while leaving CFPB sufficiently staffed to fulfill its statutory obligations.

This Court should modify its stay pending appeal to permit CFPB to implement the revised RIF plan. Plaintiffs will not be harmed if the agency is permitted to do so—in addition to making clear that the "shut down" plaintiffs alleged will not come to pass, the RIF plan explains in detail that the agency will continue to provide the services on which plaintiffs assert

they rely. On the other side of the ledger, a modification of the stay would alleviate ongoing harm to the Executive Branch's prerogative to right-size agency operations in line with an important Presidential policy. Allowing CFPB to implement its downsizing plan now could also conserve judicial resources and help expedite resolution of this litigation.

Whether or not this Court modifies its stay, it should hold this case in abeyance and issue a limited, 45-day remand of the record to the district court to reconsider the propriety of preliminary-injunctive relief in light of CFPB's new, superseding plan for agency operations going forward, as well as two other intervening developments since the injunction was issued more than a year ago. *See* D.C. Cir. R. 41(b). First, Congress enacted the One Big Beautiful Bill Act, which significantly reduced the statutory cap on amounts available to CFPB from the Federal Reserve. As a result, the Bureau cannot sustain the current level of spending mandated by the injunction indefinitely, and it expects that some RIF will be necessary by the fourth quarter of calendar year 2026 (*i.e.*, the first quarter of fiscal year 2027) to remain within the statutory appropriation. Second, the Supreme Court issued its decision in *Trump v. CASA, Inc.*, 606 U.S. 831 (2025),

confirming that any injunctive relief entered in this case must be limited to that necessary to remedy irreparable injury shown by the plaintiffs here.

Plaintiffs state their position as follows: "Because the defendants' proposal was provided the same day as the defendants sought the plaintiffs' position on this motion, the plaintiffs have not had adequate time to evaluate the proposal or consult with their counsel. After the plaintiffs have been able to adequately consult with counsel, they will respond to the motion under this Court's rules."

STATEMENT

1. Plaintiffs are two CFPB employee organizations, three consumer-advocacy organizations, and the husband of a deceased pastor who had student loans. JA22-24, ¶¶ 13-18; Dkt. 83. Plaintiffs' operative complaint alleges, as relevant here, that CFPB's actions violate the separation of powers and the Administrative Procedure Act (APA). JA18-49. On March 28, 2025, the district court issued a preliminary injunction requiring CFPB to, among other things, rehire all terminated employees, reinstate all terminated contracts, and refrain from engaging in RIFs or attempting to stop work through any means. JA633-747.

2. Defendants appealed, and this Court issued a partial stay pending appeal on CFPB's motion. This Court stayed the requirement that defendants rehire terminated employees "insofar as it requires defendants to reinstate employees whom defendants have determined, after an individualized assessment, to be unnecessary to the performance of defendants' statutory duties." Apr. 11, 2025 Stay Order 1. This Court also provided that the work-stoppage provision remained in effect only on the understanding that it "allow[s] work stoppages that defendants have determined, after a particularized assessment, would not interfere with the performance of defendants' statutory duties." *Id.* 1-2. This Court's partial stay originally also permitted defendants to terminate "employees whom defendants have determined, after a particularized assessment, to be unnecessary to the performance of defendants' statutory duties." *Id.* 1. After disputes arose regarding that language, this Court "restore[d] the interim protection of paragraph (3) of the preliminary injunction" barring employee terminations "rather than continue collateral litigation over the meaning and reviewability of the 'particularized assessment' requirement imposed by this court's stay order." Apr. 28, 2025 Stay Order 2. The injunction's other provisions remain in effect.

3. A divided panel of this Court vacated the preliminary injunction. The panel held that the district court lacked jurisdiction over the employee organizations' termination-related claims because the Civil Service Reform Act provides the exclusive means of review, Panel Op. 12-15, and the non-employee-organization plaintiffs lacked a cause of action either under the APA, *id.* 18-43, or in equity, *id.* 43-47. Thus, the panel did not reach the government's scope-of-relief arguments.

This Court granted rehearing en banc, vacating the panel's judgment and making clear that the panel's partial stay of the preliminary injunction, as modified, remains in effect.

4. At oral argument before the en banc Court, after government counsel indicated that CFPB continued to plan for a RIF in the event the injunction was vacated or modified, Judge Millett inquired about the possibility of CFPB sharing those plans with the Court. Oral Arg. 2:48:13-2:48:50.

ARGUMENT

CFPB should be permitted to implement its new, superseding RIF plan, which is designed to carry out the President's policy goal of shrinking the federal bureaucracy while still carrying out the Bureau's statutory

obligations. Accordingly, this Court should modify its stay pending appeal to permit CFPB to immediately effectuate its newly released RIF plan. Furthermore, whether or not this Court so modifies its stay, it should issue a limited remand to the district court with instructions to consider in the first instance whether to dissolve or modify the preliminary injunction given CFPB's new plan, Congress's significant reduction in CFPB's funding, and the Supreme Court's intervening decision in *CASA*. Finally, while the district court reconsiders the propriety of continued preliminary injunction in light of these developments, this Court should place this appeal in abeyance.

I. This Court Should Modify Its Stay Pending Appeal To Permit CFPB To Immediately Carry Out Its New RIF Plan.

This Court has already determined that the government meets the requirements for a stay pending appeal. *See* Apr. 11, 2025 Stay Order 1 (citing *Nken v. Holder*, 556 U.S. 418 (2009)). In its original stay order, the Court accordingly stayed the preliminary injunction's prohibition on implementing a RIF, provided that defendants "determined, after a particularized assessment," that the employees to be terminated were "unnecessary to the performance of defendants' statutory duties." *Id.*

When confronted with concerns about "collateral litigation over the meaning and reviewability of the 'particularized assessment' requirement imposed by" the stay order, however, the Court lifted its stay of the RIF prohibition. Apr. 28, 2025 Stay Order 2.

Since that time, CFPB has developed and the Acting Director has adopted a Workforce Restructuring Plan setting out a revised RIF, which the agency would implement were it not barred by the preliminary injunction on appeal. *See* Attachment A (recommended CFPB Workforce Restructuring Plan ("Revised RIF Plan")); Attachment B (Acting Director's adoption of the recommended plan). While CFPB cannot currently implement this intervening RIF plan given the strictures of that injunction, CFPB has also made clear that all prior plans regarding the agency's future size and function have been superseded. The RIF plan CFPB has now announced reflects a significant downsizing of the Bureau from its operation under the prior Administration—one that CFPB has determined nonetheless "allow[s] CFPB to continue meeting its statutory obligations." Revised RIF Plan 1. The plan explains—segment-by-segment—the statutory obligations to be performed and details how many employees are

necessary for such duties. *See id.* 3-26. The resulting RIF plan, which retains 556 CFPB employees, is summarized in the following table:

Division	FY25 Authorized	FY26 Onboard	Retain
CONSUMER RESPONSE EDUCATION DIV	152	127	90
DIRECTOR	73	62	15
ENFORCEMENT DIVISION	254	137	50
EXTERNAL AFFAIRS DIVISION	45	30	5
LEGAL DIVISION	87	60	60
OPERATIONS DIVISION	341	255	133
OTHER PROGRAMS	5	11	1
RESEARCH MONITORING AND REGULATIONS DIV	228	142	125
SUPERVISION DIVISION	523	350	77
Grand Total	**1723**	**1174**	**556**

Id. 1 (footnote omitted). As the foregoing detail shows, the revised RIF plan satisfies the original stay order's requirement of a "particularized assessment," which the Court defined to mean "a determination, conducted by the decisionmaker responsible for the RIF, that each division or office within the Consumer Financial Protection Bureau will be able to perform any statutorily required duties of that division or office without the employees subject to the RIF." Apr. 28, 2025 Stay Order 1. Indeed, the plan details CFPB's statutory functions and explains how the number of

staff to be retained in each component will be capable of fulfilling those functions. *See supra*.

To the extent the equities have changed at all since the Court originally granted a stay, they now favor the government even more decisively, given the clarity CFPB has now offered regarding its particularized determinations that the proposed RIF would permit it to perform its statutorily required duties, as well as the year-plus duration of the preliminary injunction's prohibition on conducting any form of RIF in line with the President's policy goals. *See MediNatura, Inc. v. FDA*, 998 F.3d 931, 945 (D.C. Cir. 2021) (explaining that "the public interest and balance of equities factors merge" where "the government is the party" against whom an injunction is sought, and concluding that "[r]equiring the FDA to keep in place a guidance document that no longer reflects its current enforcement thinking … is not in the public interest"). As it stands, the injunction impinges on the agency's flexibility to shift resources and make staffing decisions—tools essential to the management of any agency. Indeed, for more than a year, the current Acting Director has been unable to exercise his authority to "fix the number of … employees of the Bureau," 12 U.S.C. § 5493(a)(1)(A), with that number being fixed by the district

court's order mandating the continuation of the prior administration's choices. Such a stricture, imposed for such a time, is particularly inequitable given the "well-established rule that the Government has traditionally been granted the widest latitude in the 'dispatch of its own internal affairs.'" *Sampson v. Murray*, 415 U.S. 61, 83 (1974).

By contrast, permitting the revised RIF plan to take effect would not harm the non-employee-organization plaintiffs, who allege potential loss of agency-provided services. Even if those plaintiffs' alleged injuries could satisfy Article III, *but see* En Banc Opening Br. 19-26, no irreparable injuries would result from this downsizing plan, which would not give rise to the harms they rely upon to justify this injunction. *See* En Banc Resp. Br. 39-43.

For example, the National Consumer Law Center's alleged injuries arise from producing reports that rely on the "consumer complaint database," certain "statutorily mandated Bureau publications," and information from CFPB's supervision and examination work. En Banc Resp. Br. 41; *see also id.* 42 (alleging injury to the Virginia Poverty Law Center because it refers individuals to the consumer-complaint hotline). The revised RIF plan (at 3-6) retains 81 employees in the Consumer Response function, explaining why that is sufficient to operate the

consumer-complaint hotline and database. The revised RIF plan (at 3, 5, 7, 24) explains how CFPB will continue providing statutorily required reports. And the plan (at 12-14) would retain 77 employees in the Supervision Division to fulfill its statutory examination and supervision duties.

Ted Steege argued he will be harmed by not receiving any assistance from the Student Loan Ombudsman. En Banc Resp. Br. 42-43. The revised RIF plan (at 7) specifies that the Deputy Director, who stands ready to assist Mr. Steege, will fulfill the Ombudsman role.

The panel (at 16) concluded that the National Association for the Advancement of Colored People (NAACP) had standing because one of its members had not been sent educational resources. The revised RIF plan (at 3-6) retains the majority of the Office of Financial Education, which fulfills the requirement of 12 U.S.C. § 5493(d)(1) to "develo[p] and implemen[t] initiatives intended to educate and empower consumers to make better informed financial decisions," among other statutory duties. The consumer-complaint hotline and database will also remain available to assist the general public—including NAACP members, as will the agency's public guidance on how to protect family finances and property following

a disaster. *See* CFPB, *What should I do after a disaster to protect my finances and property?*, https://perma.cc/24QX-ERHE (June 27, 2024).

Nor does any potential injury to the employee-organization plaintiffs support the RIF prohibition's continued effect. Employment-related claims are channeled to the MSPB and, therefore, are not a proper basis for injunctive relief. *See* En Banc Opening Br. 26-28; Panel Op. 12-15. In any event, the Merit Systems Protection Board (MSPB) provides an adequate remedy, so any harm from the revised RIF is plainly not irreparable. *See* En Banc Reply Br. 8.

All told, the revised RIF plan reaffirms what CFPB has repeatedly made clear in this litigation: that it is committed to fulfilling its statutory obligations. The Court should thus reimpose the partial stay of the preliminary injunction's prohibition on RIFs to permit CFPB to immediately effectuate the attached plan.

II. This Court Should Grant A Limited 45-Day Remand With Instructions To Reconsider The Preliminary Injunction In Light Of Intervening Developments.

Whether or not this Court modifies its stay pending appeal as requested above, the Court should grant a limited remand to the district court with instructions to consider in the first instance whether to dissolve

or modify the preliminary injunction in light of CFPB's issuance of a revised RIF plan superseding all previous agency decisions regarding the agency's size or function, legislative changes to CFPB's funding, and intervening Supreme Court precedent. If this Court modifies its stay, such a remand would still enable the district court to evaluate whether any preliminary injunctive relief remains appropriate. If this Court does not modify its stay, the requested remand would allow the district court to consider whether to modify the preliminary injunction to, at minimum, permit CFPB to carry out its proposed RIF.

A. Significant Factual And Legal Developments Have Occurred Since The District Court Issued The Preliminary Injunction On Appeal.

After the district court entered the preliminary injunction, CFPB, Congress, and the Supreme Court took actions that materially affect the issues involved in this appeal—particularly with respect to the appropriate scope of any injunctive relief.

1. As detailed above and in the attached, CFPB has finalized a revised RIF plan in tandem with a memorandum from the Acting Director formally superseding any prior plans regarding the appropriate size and scope of the agency. These developments make clear, as the government

has repeatedly represented, that CFPB leadership does not intend to shut down the Bureau, the purported legal violation identified by the district court as the basis for injunctive relief. *See* JA697. The plan also leaves no doubt that CFPB will continue to perform its statutory obligations as required by law.

2. Congress enacted the One Big Beautiful Bill Act, which substantially changed the cap on the statutory appropriation to CFPB. Congress reduced the annual limit on transfers from the Federal Reserve System from 12.0% to 6.5% of the Federal Reserve's 2009 expenses, Pub. L. No. 119-21, tit. III, § 30001, 139 Stat. 72, 126 (July 4, 2025) (codified as amended at 12 U.S.C. § 5497(a)(2)(A)(iii)), adjusted for inflation, 12 U.S.C. § 5497(a)(2)(B). This change limits Fiscal Year 2026 transfers from the Federal Reserve to CFPB to $466.8 million. As CFPB explained in its letter to Congress—previously filed in this Court—the annual funding the agency needs to continue complying with the injunction is $677.5 million. Nov. 21, 2025 Notice 6 n.1. To date, CFPB has been able to continue spending above the limit on future transfers due to cash reserves on hand. At the current staffing level, however, CFPB has informed undersigned counsel that it expects that by the fourth quarter of calendar year 2026 (*i.e.*,

the first quarter of fiscal year 2027) its cash on hand will no longer be sufficient to comply with both the injunction and the statutory funding cap Congress has now imposed under 12 U.S.C. § 5497(a)(2).

3. Several months after the district court issued the preliminary injunction on appeal, the Supreme Court decided *Trump v. CASA, Inc.*, 606 U.S. 831 (2025). In *CASA*, the Supreme Court underscored that federal equitable relief is party-specific, not universal, in nature. *Id.* at 842-43. Accordingly, although a court *may* fashion complete relief for the complaining party, *id.* at 851, it may not do more than that, *id.* at 852 (citing *Califano v. Yamasaki*, 442 U.S. 682, 702 (1979)). It certainly cannot design "an injunction [to] offer[] complete relief to *everyone* potentially affected by an allegedly unlawful act," rather than tailoring relief to "offer complete relief *to the plaintiffs before the court*." *Id.* While the government raised the principles underlying the Supreme Court's *CASA* analysis in district court, *see, e.g.*, Dkt. 31 at 39-40; Dkt. 97 at 3, the district court did not apply them. A remand would enable the district court to revisit the propriety and scope of any injunctive relief in light of the Supreme Court's intervening and unequivocal instructions that even preliminary injunctive relief may not extend beyond what is necessary to afford plaintiffs complete relief for any

irreparable injury. *Cf., e.g.*, JA634 (district court's conclusion that it should issue "an injunction freezing the status quo" without explaining why such sweeping relief was necessary to remedy plaintiffs' injuries).

B. These Intervening Developments Warrant Dissolution Or Modification Of The Preliminary Injunction Consistent With Correct Legal Principles.

The foregoing changes warrant dissolution—or, at a minimum, correction or modification—of the injunction.

Most fundamentally, the purportedly unlawful action identified by the district court as the basis for preliminary injunctive relief—a "plan" to "shut the agency down entirely," JA697—has unambiguously been superseded through new agency action that renders any prior action void, *see* Attachment B, although defendants continue to dispute that any such plan existed. It was from that "plan" that all of the injuries plaintiffs allege flowed, deprivation of services and termination of employment alike. As a result, plaintiffs are unlikely to be able to demonstrate any continued justification for injunctive relief.

Even if the district court were to conclude on remand that some injunction remained appropriate, the intervening factual developments described—the agency's revised RIF plan and Congress' change to the

agency's funding limits—merit reassessment of the scope of any such relief. *See, e.g.*, *United States v. Coles*, 403 F.3d 764, 771 (D.C. Cir. 2005) (per curiam) (granting limited remand for district court to clarify its decision in light of intervening decision in *United States v. Booker*, 543 U.S. 220 (2005)). The staffing levels the agency has proposed will materially affect the viability and imminence of plaintiffs' claims of injury from deprivation of agency services. And the reduced appropriation itself justifies the district court revisiting its order requiring the agency to maintain staffing levels as of January 2025. *Cf. McGrath v. Potash*, 199 F.2d 166, 167 (D.C. Cir. 1952) (explaining that even where a final judgment has been entered, "the passage of the new act by Congress [i]s a valid ground under Rule 60(b)(6) of the Civil Rules for relief of the defendant parties").

This Court should remand with instructions to assess the import of the foregoing developments consistent with the principles outlined by the Supreme Court in *CASA*.

III. This Court Should Hold This Appeal In Abeyance While The District Court Reconsiders The Preliminary Injunction Issued Under Materially Different Circumstances.

As discussed, intervening developments have materially altered the factual backdrop against which the district court issued the preliminary injunction on appeal, while clarifying the relevant legal principles. Those developments warrant a limited remand to the district court for consideration in the first instance. This Court should place this case in abeyance during such a remand, which could obviate the need for an interlocutory appeal at all. Indeed, if CFPB is able to implement the revised RIF in accordance with the attached plan, the parties may be able to agree on a plan to proceed to final judgment in district court, thus expediting final resolution of this litigation, preserving judicial resources, and better serving all the parties' interests.

CONCLUSION

For the foregoing reasons, this Court should modify its stay pending appeal to permit CFPB to implement the attached RIF plan, issue a limited remand to the district court to reconsider the continued propriety of

injunctive relief, and hold this appeal in abeyance until the completion of proceedings on remand.

Respectfully submitted,

BRETT A. SHUMATE
Assistant Attorney General

ERIC D. MCARTHUR
Deputy Assistant Attorney General

MARK R. FREEMAN
MELISSA N. PATTERSON
DEREK WEISS

/s/ Simon G. Jerome
SIMON GREGORY JEROME
Attorneys, Appellate Staff
Civil Division, Room 7209
U.S. Department of Justice
950 Pennsylvania Avenue NW
Washington, DC 20530
(202) 514-1673
simon.g.jerome@usdoj.gov

March 2026

CERTIFICATE OF COMPLIANCE

Pursuant to Federal Rule of Appellate Procedure 32(g), I hereby certify this motion complies with the requirements of Federal Rule of Appellate Procedure 27(d)(1)(E) because it has been prepared in 14-point Book Antiqua, a proportionally spaced font, and that it complies with the type-volume limitation of Federal Rule of Appellate Procedure 27(d)(2)(A), because it contains 3,486 words, according to the count of Microsoft Word.

/s/ *Simon G. Jerome*
SIMON GREGORY JEROME

ATTACHMENT A

Consumer Financial
Protection Bureau
1700 G Street NW, Washington, D.C. 20552

March 27, 2026

RECOMMENDATION MEMORANDUM FOR THE ACTING DIRECTOR

FROM: **Geoffrey Gradler, Deputy Director**

SUBJECT: **CFPB Workforce Restructuring Plan**

Recommendation:

Pursuant to your statutory authority to "fix the number of … all employees of the Bureau," 12 U.S.C. §5493(a)(1)(A), I recommend you approve the workforce restructuring plan outlined below, to be effectuated if the preliminary injunction of the District Court for the District of Columbia is lifted. This recommendation will allow CFPB to continue meeting its statutory obligations while expanding on the reforms that have dramatically increased its efficiency and stewardship of taxpayer funds, in line with Presidential and Congressional intent.

This workforce plan is essential to having a sustainable agency budget that complies with the law, specifically with the changes enacted into law by the One Big Beautiful Bill Act with respect to the funding transfer cap. It reflects and is driven by Bureau leadership's discretionary priorities and commitment to running the agency in the most efficient manner possible to fulfill its duties.

Division	FY25 Authorized[1]	FY26 Onboard	Retain
CONSUMER RESPONSE EDUCATION DIV	152	127	90
DIRECTOR	73	62	15
ENFORCEMENT DIVISION	254	137	50
EXTERNAL AFFAIRS DIVISION	45	30	5
LEGAL DIVISION	87	60	60
OPERATIONS DIVISION	341	255	133
OTHER PROGRAMS	5	11	1
RESEARCH MONITORING AND REGULATIONS DIV	228	142	125
SUPERVISION DIVISION	523	350	77
Grand Total	**1723**	**1174**	**556**

[1] Permanent authorized positions from the FY25 Budget approval. These totals do not include Time-limited positions.

Background:

On January 31, 2025, the President signed Executive Order 14192, Unleashing Prosperity through Deregulation, in order to eliminate substantial restraint on our economic growth and global competitiveness. It is the policy of the executive branch to be prudent and fiscally responsible in the expenditure of funds, from both public and private sources, and to alleviate unnecessary regulatory burdens placed on the American people. By eliminating waste, bloat, and insularity the Administration is empowering American families, workers, taxpayers, and our system of Government itself.

Each Agency Head was tasked with reforming the Federal Workforce to maximize efficiency and productivity. This included evaluating functions currently being performed but not mandated by statute or other laws. As a result of a comprehensive review, the Bureau's leadership determined that workforce reshaping is necessary to align with the established executive orders. The review of the Bureau's activities has resulted in the necessary changes outlined below.

On July 3, 2025 Congress passed the One Big Beautiful Bill Act (Public Law: 119-21), which among other things, reduced the Bureau's funding transfer cap from 12% to 6.5% ($466.8M for FY26) of the total operating expenses of the Federal Reserve System. This reflects a congressional desire for a more streamlined and efficient Bureau. In the FY25 Budget (approved during the prior administration), pay costs represented 65.27% ($526.4M) of the total budget ($806.4M). It would be mathematically impossible to comply with the law without a workforce restructuring and reduction.

Additionally, certain aspects of the Bureau's Non-Pay costs are directly tied to our staff levels (e.g. infrastructure costs, training costs, travel costs, etc.). Reducing the staffing levels will generate non-pay cost savings in addition to the direct pay cost savings.

The combination of these two effects translates into a significantly lower need for additional transfer amounts from the Federal Reserve, from approximately $268.6M for the remainder of the year (Q3 and Q4) to approximately $181.1M.

Consumer Response and Education Division

The Consumer Response and Education Division (CRE) is responsible for answering questions, handling complaints, and sharing data and insights. Consumer Response manages the CFPB's toll-free number and complaint program from end-to-end. Consumer Response is also responsible for assisting complaint process stakeholders (e.g., responding to congressional members with their constituents' complaints, assisting Company Portal users as they respond to their customer's concerns) and sharing complaint information with Federal and State agencies. There are two offices within CRE: the Office of Financial Education and the Office of Consumer Response.

Financial Education. Dodd-Frank requires the Bureau to "establish an Office of Financial Education, which shall be responsible for developing and implementing initiatives intended to educate and empower consumers to make better informed financial decisions." 12 U.S.C. §5493(d). Financial Education develops and implements initiatives intended to educate and empower consumers to make better informed financial decisions, 12 U.S.C. §5493(d)(1); develops and implements a strategy to improve the financial literacy of consumers that includes measurable goals and objectives, in consultation with the Financial Literacy and Education Commission, 12 U.S.C. §5493(d)(2); coordinates with other units within the Bureau in carrying out its functions, including working with the Community Affairs Office to implement the strategy to improve financial literacy of consumers; and working with the research unit established by the Director to conduct research related to consumer financial education and counseling, 12 U.S.C. §5493(d)(3); and submits a report on its financial literacy activities and strategy to improve financial literacy of consumers, 12 U.S.C. §5493(d)(4).

Consumer Response. Dodd-Frank requires the Bureau to "establish a unit whose functions shall include establishing a single, toll-free telephone number, a website, and a database … to facilitate the centralized collection of, monitoring of, and response to consumer complaints regarding consumer financial products and or services." 12 U.S.C. §5493(b)(3)(A). It also requires the CFPB "to provide a timely response to consumers, in writing where appropriate, to complaints against, or inquiries concerning, a covered person." 15 U.S.C. §1681i(e) establishes a process by which the CFPB must act and report out on certain credit and consumer reporting complaints. Consumer Response must coordinate with certain CFPB offices and personnel, including the Private Student Loan Ombudsman and Office of Servicemember Affairs. *See* 12 U.S.C. §5493(e), 12 U.S.C. §5535. Consumer response also includes the escalated case management team.

The core function of consumer response is a largely automated system that routes consumer complaints to covered entities, receives a response from the covered entity, and then routes that response back to the consumer. Advancements in technology progressively ease the need for FTE hours. For example, the division is implementing additional automation systems to screen fraudulent and duplicative complaints. Such measures will significantly reduce FTE hours needed to maintain this system and allow remaining FTEs to focus on those complaints that require elevation due to insufficient, late, or defective responses from covered entities.

In consultation with the previous Associate Director for CRE, the Associate Director provided options for realigning the CRE resources while reducing any risk of destabilization of the Division's operations and jeopardizing service delivery to the public, including providing timely

responses to consumer complaints. The current Acting Associate Director has recently concurred with the approach and agrees with the assessment. Since mid-2025, CRE has lost approximately 10% of its staff through natural attrition (e.g., retirements, voluntary separations). The responsibilities of those departed have already been absorbed by other FTEs with different job titles. The Associate Director reflected on his judgement of necessary staff resources having operated the CFPB's complaint function since its inception and the education function since 2023.

Additionally, some work has evolved over the past year. For example, there are greater demands from congressional offices seeking complaint assistance for their constituents, from federal and state agencies, from oversight bodies (e.g., inspectors general), and from companies participating in the complaint process. The CFPB has also received a record number of information requests under the Freedom of Information Act (FOIA) and the Privacy Act. However, CRE Leadership has adjusted workload and processes to gain additional efficiency while still proposing and validating that the CRE will run sufficiently when retaining 90 FTEs/positions. Further, the CRE can offer this staffing level because of past efforts and planning. For example, FinEd has shifted largely to a "digital-first" strategy, prioritizing distribution through digital channels and intermediaries. Consumer Responses has introduced automation into certain parts of its complaint handling process. The CRE has also migrated certain routinized and technical support work to third-party contractors.

The Office of Financial Education (FinED) is responsible for managing a suite of more than 50 educational tools and resource, distributing those tools to users, and researching the effectiveness of financial education programs. At the time of the Associate Director's recommendations, the FinEd tools and resources had received 5.8 million visits and more than 200,000 downloads. They had also distributed more than 441,000 publications.

The CRE Division is a recent creation. In 2011, during the CFPB's startup, FinEd was a part of the Consumer Education and Engagement (CEE) Division, whereas Consumer Response was a part of the Operations Division. In 2018, under former Acting Director Mulvaney, Consumer Response became part of the Consumer Education and Engagement Division. Then in 2020, under former Director Kraninger, CEE merged with the External Affairs Division to become the Consumer Education and External Affairs (CEEA) Division. Most recently, in 2023, under former Director Chopra, the two offices split apart from CEEA to form the Consumer Response and Education Division.

CRE relies on several contracts to provide its service offerings to the public. These contracts include both contractor support (e.g., people who perform work on behalf of the CFPB) and subscription-based contracts (e.g., software licenses). CRE has already outsourced many functions that are eligible for contractor support in accordance with the Federal Acquisition Regulation (FAR). The functions that remain are those responsibilities that cannot be easily delegated to external parties because they are inherently governmental in nature—i.e., functions that involve the exercise of discretion, judgment, or authority on behalf of the Federal government. For example, the routing, monitoring, and investigating of complaints has long been regarded as work that must be performed by Federal employees to ensure accountability, protect the public interest, and otherwise comply with the FAR.

FinEd leads the CFPB's national efforts to develop and implement education initiatives to improve the financial literacy of consumer. In carrying out this work, FinEd creates and maintains various tools, programs, outreach activities, and capabilities. Currently the FinEd has 11 FTEs onboarded and the recommendation is to retain 9 FTEs and eliminate two positions. One of the two positions is an attorney advisor, and the work may be transferred to the Legal Division who already provides legal advice to the CFPB.

Consumer Response is a complex organization, comprised of five interdependent sections (Stakeholder Services, Investigations, Product, Quality, and Data and Governance) and a Front Office. These sections and the Front Office are made up of 25 functional teams, ranging in size from 1 FTE to 17 FTEs. Under a reduction scenario no reductions would be taken in the Complaint Handling Team (7 FTEs), Portal Operations Team (6 FTEs), Escalated Case Management Team/Investigations Section (3 FTEs), Complaint Process Monitoring Team/Product Section (2 FTEs), and Management and Operations Team/Product Section (4 FTEs).

Reductions would be taken in the following teams, which includes approximately 20 currently vacant positions: Consumer Resource Center Team (-1 FTE), Management and Operations Team/Stakeholder Services Section (-3 FTEs), Company Monitoring Team/Investigation Section (-6 FTEs), Regulatory Compliance Team/Investigation Section (-5 FTEs), Complaint Research and Analysis Team/Investigations Section (-2 FTEs), Quality Assurance Team/Investigations Section (-5 FTEs), Management and Operations Team/Investigations Section (-1 FTE), Mosaic Program Team/Product Section (-2 FTEs), Complaint Sharing and Analysis Team/Product Section (-1 FTE), Quality Assurance Team/Quality Section (-3 FTEs), Quality Monitoring Team/Quality Section (-4 FTEs), Data Quality and Reporting Team/Data and Governance Section (-1 FTE), Research and Development Team/Data and Governance Section (-1 FTE), Business Process Reengineering Team/Data and Governance Section (-3 FTEs), Portfolio Planning Team/Data and Governance Section (-3 FTEs), Management and Operations Team/Data and Governance Section (-1 FTE), Staff Director Team/Front Office (-2 FTEs), Strategy and Planning Team/Front Office (-1 FTE, Product Management and Stakeholder Engagement Team/Front Office (-3 FTEs), Customer Experience Team/Front Office (-3 FTEs), and CRE Divisional Front Office (-3 FTEs).

CRE can reduce a significant number of employees and fulfill its statutory duties at current levels. Only modest reductions are proposed to CRE, particularly to Financial Education, given the Bureau's prioritization of consumer education. Consumer Response is supported by dozens of contractors for the maintenance of the complaint management system, which is largely automated. Consumer Response has been plagued for years by being too management-heavy. CRE is also implementing tools and measures to screen out fraudulent and duplicative complaints, which will decrease the volume of complaints that need to be screened by a human being.

Accordingly, Consumer Response can continue to field, distribute, elevate, and respond to, if necessary, the current volume of complaints with 81 FTEs, supported by additional contractors if necessary. Additionally, this number builds in cushion, particularly given the Bureau's efforts to ensure complaint verification to cut down on the surge of fraudulent complaints in recent years.

This FTE level will also be more than sufficient to generate the statutorily required reports to Congress. 12 U.S.C. §§5493(b)(3)(C), 5493(d)(4).

Division	FY25 Authorized	FY26 Onboard	Retain
CONSUMER RESPONSE EDUCATION DIV	**152**	**129**	**90**
CONSUMER RESPONSE	136	116	81
FINANCIAL EDUCATION	16	11	9

Director's Front Office

The CFPB's Office of the Director contained more than 86 employees in early 2025, an unprecedentedly high number. Most of these employees occupy administrative or support positions already performed in other parts of the Bureau. The roles and positions grew over time due to multiple reorganizations and the need to find homes for excess staff. Examples of excess staff include internal communications, project management personnel, administrative advisors, and temporary analysts.

It is imperative that the Bureau leadership reduce the size of the office and shift focus to the statutorily-required offices, such as the Office of Fair Lending and Equal Opportunity (OFLEO), §5493 (which covers Truth in Lending Act Home and Mortgage Disclosure Act), the Deputy Director, §5491(b) who has also been designated the CFPB's Private Education Loan Ombudsman §5535(a), and the Office of Minority and Women's Inclusion §5452. Under this recommendation, appropriate resources will be allocated to these offices in order to fulfill their specific requirements under the statute. The Director's Office will be supported by all divisions of the Bureau in its legislative obligations. *E.g.*, 12 U.S.C. §5496(c).

The Office of Women and Minority Inclusion (OMWI) can fulfill its statutory duties, primarily preparing an annual report, working with other components on contracting, and monitoring workforce diversity, with one FTE. However, I recommend retaining two FTEs for cushion. OMWI is currently responsible for reasonable accommodation intake and coordination required by the Rehabilitation Act of 1973; however, this function will be transferred to the Office of Human Capital where it once existed and where placement is consistent with other federal agencies. Eliminating this function from OMWI's portfolio will allow the staff to focus only on statutory requirements. OFLEO, which was once part of the Supervision and Enforcement divisions, continues to work closely with these entities, which provide the majority of the FTEs necessary to fulfill its mission, including the statutorily required report, 12 U.S.C. 5493(c)(2)(D). Particularly, in light of this cross-division support, four FTEs will be more than sufficient for OFLEO to perform its oversight, outreach, and coordinating functions and to provide the statutorily required report to Congress.

It should be noted that the Bureau's Operations Division has always supported and will continue to support the statutorily required offices and their statutory duties. For example, the Office of Human Capital will continue to manage strategic hiring of personnel, and the Office of Finance and Procurement will continue to support the Bureau's purchasing from small and disadvantaged businesses. This is also a shared responsibility across all Bureau components in fulfilling these requirements. In addition, the Office of Legislative Affairs and the Office of Civil Rights will pool resources to fulfill requirements pursuant to common federal regulations and laws.

The performance and strategic planning function within the Director's Office of Planning & Strategy will be retained and moved to the Office of Finance and Procurement along with two FTE positions. This re-alignment will allow CFPB to better comply with requirements found in OMB Circular A-11 and the GPRA Modernization Act, to integrate performance and strategic information into budget and resource allocation decisions. This reorganization furthers Bureau accountability by more directly linking the agency's strategic plan with the Bureau's budget and

performance. This has been an identified weakness for many years leading to weakened performance accountability.

Division	FY25 Authorized	FY26 Onboard	Retain
DIRECTOR	**73**	**62**	**15**
LEGISLATIVE AFFAIRS	5	2	2
OFF OF POLICY PLANNING & STRATEGY	3	3	0
OFFICE OF CIVIL RIGHTS	12	8	2
OFFICE OF FAIR LENDING AND EQUAL OPP	15	10	4
OFFICE OF MINORITY AND WOMEN INCL	12	14	2
OFFICE OF THE DIRECTOR	26	25	5

Enforcement Division

The Consumer Financial Protection Act instructs that the "Bureau shall . . . enforce consumer financial law . . . for the purpose of ensuring that all consumers have access to markets for consumer financial products and services and that markets for consumer products and services are fair, transparent, and competitive." 12 U.S.C. §5511. The Bureau "may take any action authorized" under its statutory enforcement powers "to prevent a covered person or service provider from committing or engaging in an unfair, deceptive, or abuse act or practice" involving consumer financial products and services. *Id*. §5531(a).

"[T]he public interest in the democratically-elected President's prerogative to pursue his policy objectives" "bears heavily on" evaluating "how vigorously the CFPB will enforce particular provisions within the statute." *NTEU v. CFPB*, 774 F.Supp.3d 1, 81 (D.D.C. 2025). In April 2025, the Bureau rescinded its prior supervisory and enforcement priorities. The Bureau also stated that it would focus on actual consumer fraud, where there are identifiable victims with material and measurable consumer damages as opposed to matters based on the Bureau's perception that consumers made "wrong" choices. The Bureau emphasized that it will focus on areas that are clearly within its statutory authority and would not pursue matters under novel legal theories, including of the Bureau's authority. The Bureau also noted that it will avoid duplicating similar oversight either at the federal or state level.

The Bureau also identified new priorities enforcement, including:

- Providing redress to servicemembers, veterans, and their families;
- Mortgages;
- Fair Credit Reporting Act (FCRA) and Regulation V data furnishing violations;
- Fair Debt Collection Practices Act (FDCPA) and Regulation F violations relating to consumer contracts and debts;
- Fraudulent overcharges and fees; and
- Inadequate controls to protect consumer information resulting in actual loss to consumers.

Moreover, the Bureau explained that it will focus on actual intentional discrimination with actual identified victims. Unlike in the past, it will not engage in or facilitate unconstitutional racial classification or discrimination in its enforcement of fair lending laws. That is, the Bureau will not engage in bias assessment supervisions or enforcement based solely on statistical evidence and/or stray remarks that may be susceptible to adverse inference.

Former Director Chopra significantly expanded the Enforcement Division by about 100 full time employees. He pursued an expansive enforcement agenda, increasing the Enforcement function itself by approximately 60%. Enforcement under his leadership attempted to regulate markets through tools such as its enforcement authorities that are not subject to the formal rulemaking process. Enforcement also advanced novel legal theories and expansive views of the Bureau's authorities.

In line with the Bureau's revised 2025 Supervision and Enforcement priorities, and consistent with the Dodd-Frank Act, Bureau leadership has determined that Enforcement matters should be significantly reduced, enabling the Bureau focus on performing its core statutory requirements and concentrating on pursuing priority cases.

In line with these new priorities, this leadership has dismissed or withdrawn from multiple cases that were filed under former Director Chopra as they constituted agency overreach and should never have been initiated. The chart below summarizes the status of CFPB public enforcement actions. Among the cases that the CFPB withdrew from were duplicative enforcement actions, where State Attorneys General participated in the case brought together with the CFPB from the start; these State Attorneys General indeed had continued handling these cases, obtaining favorable results for consumers. These matters illustrate that the CFPB's involvement was not required and that the very active State Attorneys General are well positioned to enforce consumer protection laws.

Several of the actions that this leadership deemed appropriate to continue have been resolved during 2025, either through a consent order or a favorable court ruling, and only a handful are still pending. The few remaining cases are in an advanced stage and with intermediate favorable rulings for the CFPB. As such, they require significantly fewer resources than the staffing of the Enforcement Division at this time.

CFPB Public Enforcement Action	Number of Public Enforcement Actions
Dismissed or withdrew as plaintiff	19
Terminated or modified a pending order, or issued a no-action letter	22
Resolved	7
Pending as of December 31, 2025	8

Going forward, exercising its discretion in how to conduct enforcement, the current leadership has green-lit certain investigations that continue to align with its priorities. But their number and scope also do not require the Enforcement Division staffing at the current levels. The investigations are focusing on specific areas for specific product markets and are tailored to determine whether a violation of law occurred. The goal, as with Supervision, is to take a collaborative and conciliatory approach. That means that our success is measured by issues resolved, such as by an entity voluntarily undertaking consumer redress and implementing changes to align with the law, instead of number of cases filed that could last years and drain resources on all sides.

Considering that the number of enforcement staff was inflated by 100 due to the hiring spree by the former Director Chopra, the FY25 authorized number was not representative of even prior

Enforcement staffing. Given the additional changes by this leadership, the proposed reductions are consistent with leadership's enforcement priorities.

Division | Office	FY25 Authorized	FY26 Onboard	Retain
ENFORCEMENT DIVISION	**254**	**137**	**50**
ENFORCEMENT	254	137	50

Supervision Division

The Bureau is tasked by statute with performing supervisory activity, as it has supervisory authority over banks, thrifts, and credit unions with assets over $10 billion, as well as their affiliates, and certain non-depository institutions that pose threats to consumers. 12 U.S.C. §§5514-16. Under Dodd-Frank, supervision is “risk-based.” 12 U.S.C. §5514(b)(2). That means that, unlike for certain other regulators, supervision does not conduct exams at every entity it could potentially supervise every year. Rather, risk-based assessment by the Bureau, within “the relevant product markets and geographic markets,” is informed by: “(A) the asset size of the covered person; (B) the volume of transactions involving consumer financial products or services in which the covered person engages; (C) the risks to consumers created by the provision of such consumer financial products or services; (D) the extent to which such institutions are subject to oversight by State authorities for consumer protection; and (E) any other factors that the Bureau determines to be relevant to a class of covered persons.” *Id*.

In line with the Bureau’s revised 2025 Supervision and Enforcement priorities, and consistent with the Dodd-Frank Act, it is also recommended that both the quantity and scope of supervision matters should be reduced, while enabling the Bureau to perform its statutorily required functions. Whereas in 2024, the total number of exams was 107, with 46 at depository institutions and 61 at non-depository institutions, in 2026, the total exams will be 64, with 42 at depository institutions and 22 at non-depository institutions. “[T]he public interest in the democratically-elected President’s prerogative to pursue his policy objectives” “bears heavily on” evaluating “whether agency resources should be allocated to facilitate more robust supervision of non-traditional, non-depository, lenders.” *NTEU v. CFPB*, 774 F.Supp.3d 1, 81 (D.D.C. 2025).

In April 2025, the Bureau rescinded its prior supervisory and enforcement priorities and instituted a new policy. The Bureau announced that it will reduce supervisory exams by at least 50%. The Bureau also stated that it would focus supervision on depository institutions (as opposed to nondepository institutions), on actual consumer fraud, and on areas that are clearly within its statutory authority. The Bureau announced that it would not pursue supervision under novel legal theories, including of the Bureau’s authority. The Bureau also noted that it will avoid duplicating similar oversight either at the federal or state level. The Bureau emphasized that it would focus its supervisory authorities on conciliation, correction, and remediation of harms subject to consumers’ complaints.

The Bureau also identified new priorities for supervision, namely:

- Providing redress to servicemembers, veterans, and their families;
- Mortgages;
- Fair Credit Reporting Act (FCRA) and Regulation V data furnishing violations;
- Fair Debt Collection Practices Act (FDCPA) and Regulation F violations relating to consumer contracts and debts;
- Fraudulent overcharges and fees;
- Inadequate controls to protect consumer information resulting in actual loss to consumers;
- Actual intentional discrimination with actual identified victims;

- Compliance with disclosure statutes; and
- Actual fraud against consumers, where there are identifiable victims with material and measurable consumer damages.

In line with the Bureau supervision policy and its commitment to streamlining, supervisory examinations will be conducted in a much more targeted manner, focusing on ascertaining compliance of clearly identified product lines and based on specifically identified queries, directly tied to the governing statutory and regulatory regime.

Given this targeted focus, the supervisory teams will be appropriately and significantly scaled down from the former 8x8x8 model, where eight examiners spent eight weeks, eight hours a day, at a supervised institution, with practically no other limits to their remit. Examiners often spent much of this time working from hotel rooms at great cost to the Bureau. This model did not tailor the supervision resources to the risks by the supervised entities or the experience of the examiners. Instead, going forward, the team size and the length of the exam will be reduced to reflect targeted queries and be commensurate with the risk tier in which a particular entity's line, subject to supervision, appears. There will be no more "fishing expeditions" for novel or unique regulatory and legal theory citations. The supervision program will stick to the plain language letter of the law. In the past, examinations would be extended in an effort to support novel or unique regulatory or legal theory citations that were identified in only a few instances. However, an exam's scope may be expanded, based on the facts presented, and with the leadership's approval.

Moreover, the resource level (time and/or number of examiners) will decrease once Supervision receives the information request responses and is able to adjust the scope of individual exams based on these responses. Examination findings will be on substantive matters affecting large populations of consumers who are actually harmed and not potential consumers who could be harmed. Supervision will focus on the facts. Examination teams will not unilaterally direct entities, nor expect entities to conduct exhaustive lookbacks without prior leadership authorization. This will be done to ensure consistency across the supervision program and so that all entities are receiving consistent treatment based upon an evaluation of facts and data and not personal preferences regarding the suitability of products or services.

Likewise, Matters Requiring Attention (MRA) will focus on pattern and practice violations of law where there is substantive and identifiable consumer harm or clear violations of the disclosure requirements. This is consistent with how Supervision now treats violations of the law. In the past, nearly every matter, regardless of its significance, severity, pervasiveness or duration, required a MRA. This resulted in unnecessary and highly burdensome MRAs on supervised entities for matters that could be corrected in the normal course of business and would sometimes include matters that were identified by the entity themselves. Just in the past year, we have resolved a very substantial backlog: Supervision has reviewed and satisfactorily resolved over 2,000 outstanding MRAs dating back as far as 2012.

Supervision also expects more cooperation of the supervised entities and, thus, shorter exams, given the focus on conciliation and remediation, rather than the Bureau's former posture, penalizing self-reporting and discouraging remediation by the entities.

Additionally, the Bureau has abolished the Regions in order to centralize and streamline Supervision. Unlike in the past, all examiners are expected to perform work at all times they are on duty, which, in conjunction with the targeted and shorter exams, will enable Supervision to efficiently utilize its resources and personnel. Further, under this plan, only commissioned examiners will remain; because they have the most experience, they can perform work much more efficiently and quickly than prior larger teams, which included many non-commissioned examiners. Relatedly, examiners will be encouraged and incentivized to complete the work promptly and under budget.

The Acting Director approved the proposed Supervision exam schedule for 2026 and the work has begun to implement it. That exam schedule is consistent with the levels of staffing proposed here.

Division | Office	FY25 Authorized	FY26 Onboard	Retain
SUPERVISION DIVISION	**523**	**350**	**77**
DIVISION OF SUPERVISION	5	2	1
OFFICE OF SUPV POLICY AND OPS	55	72	1
SUPERVISION EXAMINATIONS	463	276	75

External Affairs Division

While External Affairs Division contained approximately 42 employees in 2025, the only statutorily required component is the Community Affairs function, §5493(b)(2), which is shared across several other divisions. For several years, the CFPB leadership was aware that the size of the External Affairs Division was not sustainable and was subsequently realigned several times by prior directors. Given the size of the CFPB and nature of the work, it would be more realistic and appropriate to reduce these offices limiting to a singular expert to represent the equities of each component such as communications, intergovernmental affairs, private sector engagement, and public engagement. The statutorily required community affairs function has been a shared responsibility across the Bureau including through the Office of Financial Education and the Office of Consumer Populations, which supports reducing significantly the number of FTEs within this division. Community affairs functions within External Affairs can be significantly streamlined as they can be supported by the external facing components of other divisions, and also be supported by the non-statutorily required FTEs remaining in External Affairs.

Division | Office	FY25 Authorized	FY26 Onboard	Retain
EXTERNAL AFFAIRS DIVISION	**45**	**30**	**5**
COMMUNICATIONS	13	8	1
EXTERNAL AFFAIRS DIVISION	15	11	1
INTERGOVERNMENTAL AFFAIRS	6	3	1
PRIVATE SECTOR ENGAGEMENT	5	5	1
PUBLIC ENGAGEMENT	6	3	1

Legal Division

While a separate Legal Division is not required by statute, it is recommended that personnel remain in General Law and Oversight, Law and Policy, Litigation, and Ethics and Legal Administration to sufficiently perform support functions for the Bureau. The Division can be streamlined while continuing to perform its support functions such as ethics, litigation defense of Bureau actions, and support for rulemaking efforts. The Bureau has also built a strong relationship with the Department of Justice's Federal Programs Branch of the Civil Division for the defense of Bureau actions, thus supporting streamlining of the Legal Division.

Division | Office	FY25 Authorized	FY26 Onboard	Retain
LEGAL DIVISION	**87**	**62**	**60**
FRONT OFFICE	1	0	1
GENERAL LAW AND OVERSIGHT	20	16	16
LAW AND POLICY	27	17	19
ETHICS AND LEGAL ADMINISTRATION	21	15	11
LITIGATION	18	12	13

Operations Division

While the Operations Division is not named by statute, many of its functions fall under Sec 1021(c)(6) "performing such support activities as may be necessary or useful to facilitate the other functions of the Bureau." In addition, many government-wide statutory requirements (e.g. FOIA, FISMA, etc.) are carried out by the Operations Division. Those are not listed here. Operations supports the statutorily required Consumer Advisory Board in the exercise of its functions. 12 U.S.C. §5494. Dodd Frank requirements exclusively performed by offices in the Division are listed below, noting that certain functions have been deemed necessary to also perform support functions for the Bureau.

Finance and Procurement:

The Office of Finance and Procurement (OFP) is the primary office that fulfills section 1017 requirements of Dodd Frank. Specifically: Funding 1017(a)(2), Budget and financial management 1017(a)(4), Investments 1017(b)(3), Penalties and Fines to include the Civil Penalty Fund 1017(d), Audit of the Bureau 1017(a)(5), contracts 1012(2), are all exclusively performed by OFP. Under this proposal OFP will see across the board significant reductions (over 60%) while still maintaining the staff to meet statutory requirements. Two areas are eliminated entirely and functions absorbed by remaining staff. In addition, the Office will absorb responsibility for the Bureau's strategic planning functions and the centralization of Enterprise Risk Management (ERM).

- Executive Leadership – *2 Positions*

OFP's executive leadership function provides executive oversight and leadership over the broad spectrum of activities in the office. The team was comprised of 7 positions: 3 executives (Chief Financial Officer, Deputy Chief Financial Officer and Senior Procurement Executive); 2 executive assistants, 1 acquisitions data specialist and 1 financial system specialist. This recommended restructuring streamlines this down to 2 positions: the Chief Financial Officer (and Assistant Director), and the Deputy Assistant Director. The functions associated with the previous structure will be sustained at a reduced level, some in other sections.

- Budget Formulation, Execution and Financial Management – *6 Positions*

All agency-wide financial functions in Dodd Frank (e.g., Funding 1017(a)(2), Budget and financial management 1017(a)(4), Investments 1017(b)(3)) are performed out of this team. In prior years these functions were performed by 2 supervisors and 9 staff members. With HR1, the Bureau has seen significant reductions in its overall budget. However, while the overall agency budget has been reduced, the associated workload reduction doesn't translate linearly.

Indeed, significant aspects of the budget team's work revolves around requirements that exist irrespective of the overall budget level. For example, generating required reports and tracking budget execution are activities that would be required at any budget level. For this reason, the workload approximation is more difficult, and the combination of Budget Line IDs (BLIDs) and

total budget gives a better proxy for workload and work requirements. Some core capabilities are kept intact in order to mitigate and account for this.

In FY24 there were 392 budget lines for $755.1M, in FY25 there were 290 budget lines for $692.7M and we anticipate approximately 220 budget lines for $568.6M in FY26.
The restructuring recommendation reduces this team to 1 supervisor and 5 staff.

	Budget	Budget Lines	FTE
FY24	$755.1M	392	11
FY25	$692.7M	290	9
FY26 *(to-date)*	$568.6M	220	7
Recommendation			6

- Civil Penalty Fund – *4 Positions*

Although Enforcement activity in FY25 and FY26 resulted in fewer Civil Penalty Fund deposits than prior years, there remains a substantial number of matters that have received allocations of funds in prior fiscal years that are in various stages of the distribution process. CFPB also continues to pursue matters with consumer redress and potential compensation from available funds in the Civil Penalty Fund. As of March 2026, there are a total of 40 open matters representing over $3.2 billion in Civil Penalty Fund allocations and redress collections. In FY26 to date, CFPB has distributed $120.3 million to 426,666 consumers in 5 matters and continues to monitor ongoing matters along with preparing new cases for distribution. Despite a similar level of work to prior years, the recommended restructuring streamlines the team from 6 to 4 positions, ensuring sufficient staff to continue to manage the ongoing distribution work through increased efficiencies.

	# of Matters	Amount Distributed *in millions*	# of Consumers *in thousands*	FTE
FY24	8	$503M	487K	6
FY25	8	$2060.1M	4581K	6
FY26 *(to-date)*	5	$120.3M	427K	4
Recommendation				**4**

- Contracting and Acquisition Management – *6 Positions*

  - Warranted Contracting Officers

The Federal Acquisition Regulations (FAR) 1.602-1 confers to Warranted Contracting Officers (COs) the sole authority to enter, administer or terminate contracts on behalf of the government. The Dodd Frank Act confers on CFPB the authority to enter into contracts necessary to meet its statutory obligations.

In the past, CFPB maintained a hybrid and overly expensive model where the Bureau of Fiscal Service (BFS) supported some CFPB contracts while Bureau Contracting Officers supported others. In FY24 15 Warranted Contracting Officers (at BFS and CFPB) managed 533 contracts of

varying complexity (e.g. new awards vs option exercises). In FY25 all CFPB acquisition related support was moved from this hybrid shared service model to be fully in-house. This shift saved the taxpayer approximately $3M annually.

The recommended restructuring decreases the number of COs from the current 7 to 4. This recommendation is possible thanks to the overall reductions in contracts while recognizing that there will still be an increased workload per CO, somewhat mitigated by the retention of more senior COs, who are better equipped to handle more complex acquisitions.

	Active Contracts	# of COs
FY24	533	15[2]
FY25	344	9
FY26 *(to-date)*	252	7
Recommendation		**4**

- Acquisition Management Specialists

In addition to COs, Contracting Officer Representatives are professionals appointed in writing by the CO to perform specific technical and administrative contracting tasks. Because of the large number of contracts that a CO typically manages, the FAR recognizes the need for this acquisition workforce to manage contracts at a day-to-day level, with delegated authority from the CO. The CFPB implemented a COR advisor team model that is tasked with managing the broader acquisition workforce training and certification as required by the FAR. In FY2025, a team of 5 COR Advisors managed 242 CORs. In addition to this team, one position managed the Bureau's Acquisition Policy, and one position managed the CFPB's purchase card program, overseeing 75 purchase cards and 28 Approving Officials. As of today, there are 194 CORs and further reductions are expected with bureau wide workforce restructuring initiatives; and the Bureau will have no more than 10 Purchase Cards and 2 Approving Officials.

This recommended restructuring moves the team from 4 positions to 2 positions, maintaining all functions at a reduced capacity. In addition, the acquisition data function that was previously housed in the Front Office, will be managed by this team.

	COR Certs	# of Acq. Spec.
FY24	242	7
FY25	220	6
FY26 *(to-date)*	194	4
Recommendation		**2**

[2] Includes COs from the Bureau of Fiscal Service

- Internal Controls – *4 Positions*

The Internal Controls (IC) team conducts annual reviews of CFPB including testing, identification of findings, and review of corrective actions. In FY24 the IC team tested 482 controls and issued 93 findings. In FY25 the team tested 498 controls and issued 74 findings. The team is developing its testing plan for FY26 and determining the appropriate number of controls to test with current and proposed staffing levels. In prior fiscal years, the IC team had contractor support in addition to the CFPB staff to effectively review and test all of the controls identified. The recommended restructuring decreases the number of IC staff from 7 to 4. This recommendation will require the team to reduce the number of controls tested annually, while recognizing that there will still be an increased workload per staff member.

	Controls Tested	Findings Issued	# of Open Findings	FTE
FY24	482	93	209	7
FY25	498	74	212	7
Recommendation				**4**

- Travel – *2 Positions*

The travel team is responsible for ensuring CFPB employees are compliant with Federal Travel Regulations and other government wide regulations. This is the only team that processes travel for the entire bureau. For this reason, without this team, bureau operations requiring travel would cease. For example, Bureau attorneys would be unable to appear in court anywhere outside the DC metro area.

In FY24 CFPB processed 6625 travel actions (vouchers and authorizations), 2608 in FY25 and is expected to process approximately 500 actions in FY26. However, halfway through FY25, all bureau travel cards were cancelled following a directive by GSA. This now requires all travel to be processed by the travel team through the Centrally Billed Account (CBA). This is a significantly increased workload per employee, in addition to their compliance mandate. In FY25 that represented 15 actions and (thus far) in FY26 56 transactions. However, given the vastly reduced role and length of travel in Supervision's new policies, the number of positions can be reduced from 4 to 2. In the event of a ramp up in bureau travel, this level can be revised.

	# of Actions	#of CBA Actions	FTE
FY24	6625		4
FY25	2608	15	4
FY26 *(to-date)*	56	56	4
Recommendation			**2**

- Strategic Planning and Enterprise Risk Management (ERM) – 2 *Positions*

These functions are currently performed by 5 positions (outside of OFP): 3 positions for strategic planning and 2 positions for ERM. The scope and scale of the ERM program will be significantly pared down to strictly comply with OMB Circulars A-11 and A-123, more closely aligning it with OFP's existing Internal Controls and Budget functions. This will necessitate a lower number of

positions. These changes justify a recommendation of retaining (and transferring to OFP) 2 positions for the Strategic Planning and ERM functions.

Human Capital:

The Office of Human Capital provides support services pursuant to Section 1021(c)(6) to all offices and divisions fulfilling statutory requirements. Since inception, the CFPB has taken an independent approach in complying with governmental best practices and standards not always to the benefit of the Bureau or American Taxpayers. Management has already begun to shift to a Title 5 approach, which will enable the CFPB to consistently comply with federal laws, regulations, executive orders, circulars, and other government-wide mandates. For example, the CFPB will begin receiving human capital operational services from the Office of Personnel Management starting in October 2026, which will be considered an extension of CFPB's Office of Human Capital. The planning and transition are already underway. Adopting federal policies and best practices will provide uniformity and reduce inconsistencies or duplication of effort. This shift will eliminate the need for excess resources currently at the CFPB while aligning with the practices implemented by the entire federal government. This further allows the 15 retained human capital staff to focus on providing management advisory services such as employee relations, labor relations, policy implementation, and Bureau specific requirements. It also provides a level of agility that does not currently exist by allowing the human capital staff to support the Bureau if it expands or contracts.

Technology and Innovation and Chief Data Officer:

The Office of Technology and Innovation and the Chief Data Officer provide support services pursuant to Section 1021(c)(6) to all offices and divisions fulfilling statutory requirements. The Bureau relies on these offices to coordinate activities related to the development of information system applications to support statutorily required functions including the Consumer Response Center, Home Mortgage Disclosure Act (HMDA), Average Prime Offer Rate (APOR), and Section 1071. In addition, this office supports the necessary infrastructure such as maintaining the information technology assets of the Bureau, supporting data storage in the cloud environment, and cyber security monitoring. While these two offices are currently separate entities, they will be merged, reverting to the previous long-standing structure at the Bureau. Resources will be shared. This will eliminate duplication of efforts and blurred lines of authority that emerged from the split several years ago. This office implements the statutory requirement to make "[a]ll public data assets published by the Bureau" publicly available and freely available for download." 12 U.S.C. §5499. This includes the technology and cyber security support for more than 60 systems that contain sensitive data.

Since the start of this Administration, T&I has aggressively implemented the President's Management Agenda (PMA) by cutting wasteful spending and eliminating duplicative or unnecessary technologies. FY 26 T&I non-Pay expenditures are planned to be 61% lower than planned FY 25 T&I expenditures even with no further reductions to T&I federal headcount. Additionally, T&I's federal headcount has been reduced by 24% since the start of the administration due to routine transition (i.e., retirements and voluntary separations).

Despite the reduction in non-pay and pay spend, T&I has maintained support for CFPB systems needed to support all statutorily required functions such as consumer complaints. Each T&I Section is responsible for discrete functions and will continue even with a reduction in positions and resources. The people facing functions provide support for either the basic IT "seat" provided to each employee (e.g., laptops, MS-Office, docking stations, etc.), a specific statutorily required mission function (regulations, research, consumer complaints, etc.), or a back-office/Operations support function (e.g., HR, finance, procurement, personnel security, etc.). Non-people functions include the activities to deliver IT (e.g., cybersecurity, privacy, development, project management, etc.), the platforms that host applications (e.g., Salesforce, ServiceNow, Microsoft, AWS, Databricks, etc.), and the Bureau's core infrastructure (network, data center, VPN, etc.).

The staffing needs of T&I to support CFPB's mission and operational functions do not scale relative to the Bureau's overall head count. The resource drivers are the breadth and complexity of activities supported. T&I still must maintain the majority of the major software platforms to support planned mission work that were implemented during previous administrations. Additionally, compliance requirements for technology including for cybersecurity, privacy, record retention, evidence use, accessibility, and digital technology have not been reduced.

A federal staff of 75 FTE will allow CFPB to support all statutorily required work and maintain compliance with federal cybersecurity, privacy, and other applicable laws and regulations. This is a 55% reduction from the FY 25 approved headcount, and a 38% reduction from the current T&I headcount. Combined with non-pay savings, this would be a 60% reduction in the T&I budget from FY 25. The 75 FTEs will further support improving and continuing to stabilize the CFPB's cyber security posture and restore its effectiveness rating recently downgraded to a FISMA score of Ineffective by the CFPB's Office of Inspector General.

As T&I continues to implement the PMA by eliminating unneeded technology, simplifying the CFPB's technology architecture, and adopting AI to automate processes, the headcount could be revisited at a later time and potentially management may identify additional reductions. Today, T&I manages fewer than 80 contracts that support applications for programs such as HMDA, Identity Management, Infrastructure, Cybersecurity, Salesforce, ServiceNow, and Microsoft teams.

<u>Administrative Operations</u>:

The Office of Administrative Services provides support services pursuant to Section 1021(c)(6) to all offices and divisions fulfilling statutory requirements. In addition, the Administrative Services Team has been responsible for maintaining an entire building and its infrastructure on behalf of the CFPB. The CFPB is currently working with the General Services Administration to reduce the Bureau's space footprint while complying with the provisions under Dodd-Frank requiring the Bureau to maintain a principal office in Washington, D.C. 12 U.S.C. §5491(c)(2). A reasonable number of positions have been identified to manage a smaller facility and footprint while continuing the other necessary services required by law such as the Freedom of Information Act (FOIA), records management, and personnel security.

Retaining 15 positions in Administrative Operations is sufficient based on the anticipated size of the Bureau. Under a smaller office space and footprint, most services will be provided by the

General Services Administration and/or a third party who controls the majority of the rental space in a new building. The CFPB will adopt all available non-information technology infrastructure that currently exists in the new space rather than place specialized infrastructure that is not agile and cost efficient. Further, a modest number of personnel and physical security specialists will be retained to support a smaller CFPB team. Several of the personnel security services are already provided by several third parties including the Office of Personnel Management, the Defense Counterintelligence and Security Agency, and the Department of Treasury. The personnel security responsibility is straightforward as the CFPB is not a national security organization and does not require elevated and complicated security investigations. Physical security will be managed by existing building security offered by the majority tenant in coordination with the Federal Protective Service, which only requires one to two physical security personnel to coordinate and focus on agency specific policies. Resources retained in Administrative Services will be primarily allocated to those positions that support the FOIA and Records Management Teams, which are higher volume and legally required functions.

Division | Office	FY25 Authorized	FY26 Onboard	Retain
OPERATIONS DIVISION	**341**	**268**	133
ADMINISTRATIVE OPERATIONS	36	27	15
CHIEF DATA OFFICER	12	8	1
FINANCE AND PROCUREMENT	60	37[3]	26
HUMAN CAPITAL	61	50	15
OPERATIONS DIVISION	12	6	1
TECHNOLOGY AND INNOVATION	160	127	75

[3] This figure does not include FTEs from transferred functions. With the current FTE from those functions, the total would be 41.

Research, Monitoring and Regulations Division

The Research, Monitoring and Regulations Division (RMR) includes the Office of Service Members Affairs, §5493(e), Office of Financial Protection for Older Americans, §5493(g), and Office of the Private Education Loan Ombudsman, §5535, which are statutorily required. The Research Unit is also required by statute. §5493(b)(1). Monitoring is also required by statute. §5512(c).

Consumer populations below include the Office of Service Member Affairs, Office of Protection for Older Americans, and Office of the Private Education Loan Ombudsman. These offices will be heavily supported by other divisions and thus can be significantly streamlined to focus on their statutory functions. The Office of Service Member Affairs will be focused on providing the best quality information to servicemembers and their families and on coordinating with Supervision and Enforcement on protecting service member rights. It will also coordinate with the Office of Financial Education on providing information geared toward service members. The Office of Financial Protection for Older Americans will similarly focus on working with the Office of Financial Education to provide information to individuals 62-years and older and coordinate with Supervision and Enforcement for the protection of such individuals' rights. Both offices will also coordinate with markets and research within RMR to monitor developments affecting service members and their families and individuals 62-years and older. The Private Education Loan Ombudsman will be supported by the other offices of RMR and also by Operations and will have sufficient resources to complete the statutorily required report. 12 U.S.C. §5535(d).

The Research Unit has a variety of statutory functions, including "researching, analyzing, and reporting" on "(A) developments in markets for consumer financial products or services, including market areas of alternative consumer financial products or services with high growth rates and areas of risk to consumers; (B) access to fair and affordable credit for traditionally underserved communities; (C) consumer awareness, understanding, and use of disclosures and communications regarding consumer financial products or services; (D) consumer awareness and understanding of costs, risks, and benefits of consumer financial products or services; (E) consumer behavior with respect to consumer financial products or services, including performance on mortgage loans; and (F) experiences of traditionally underserved consumers, including un-banked and under-banked consumers."

The Research Unit has been performing this function with 40 FTEs currently onboard and can reduce this number by at least 10 FTEs as a result of further streamlining. The modest reduction also reflects the capacity of other divisions, such as Operations, to aid Research in ministerial and technical tasks, allowing Research to focus on the substantive work of researching and drafting the required reports. This number will be also be more than sufficient to generate the reports required by 15 U.S.C. §§1646(a), (b), 1632(d)(3); 12 U.S.C. §§5493(b)(1), 2809(a), and 5512(c)(3).

RMR's monitoring office monitors "for risks to consumers in the offering or provision of consumer financial products or services, including developments in markets for such products or services." This office can be slightly streamlined at this time from its FY25 authorization while continuing to sufficiently monitor for risks and support RMR and Enforcement's activities.

Division | Office	FY25 Authorized	FY26 Onboard	Retain
RESEARCH MONITORING AND REGULATIONS DIV	**228**	**142**	**130**
COMPETITION AND INNOVATION	8	6	3
CONSUMER POPULATIONS	47	33	9
MARKETS	36	21	20
REGULATIONS	71	32	59
RESEARCH	54	40	30
RESEARCH MONITORING AND REGULATIONS DIV	12	10	4

Ombudsman's Office and Director's Financial Analysts

The Ombudsman is the only position required by statute within this area, and one individual is able to fulfill the statutory duties. The Ombudsman is required to "(i) act as a liaison between the Bureau and any affected person with respect to any problem that such party may have in dealing with the Bureau, resulting from the regulatory activities of the Bureau; and (ii) assure that safeguards exist to encourage complainants to come forward and preserve confidentiality." 12 U.S.C. 5493(a)(5). The Ombudsman is supported in this work by FTEs throughout the Bureau, including in the Operations Division. The Ombudsman, as supported by FTEs in other divisions, is more than capable of performing the statutory tasks with one FTE. In the event the Ombudsman is temporarily or permanently unavailable, the Director can swiftly designate another FTE with experience with the Ombudsman's work as Ombudsman.

The Director's Financial Analysts are temporary, term limited positions that will expire. This is not a statutory or legal requirement, and these positions are not necessary to the Bureau's functioning.

Division | Office	FY25 Authorized	FY26 Onboard	Retain
OTHER PROGRAMS	**5**	**11**	**1**
DIRECTOR'S FINANCIAL ANALYSTS	0	6	0
OMBUDSMAN	5	5	1

ATTACHMENT B

Consumer Financial Protection Bureau

1700 G Street NW, Washington, D.C. 20552

March 31, 2026

ACTION BY THE ACTING DIRECTOR

FROM: **Russell T. Vought, Acting Director**

SUBJECT: Plans for the efficient discharge of CFPB's statutory obligations

I adopt the attached recommended Workforce Restructuring Plan, which I will implement when doing so is not prohibited by court order. *See NTEU v. Vought*, No. 25-cv-381, Dkt. 88 (D.D.C.) (preliminary injunction barring reductions in force). This plan supersedes any and all previous plans regarding reductions-in-force and any prior decisions about the proper size or functioning of the agency that may have motivated any such plans or instructions. Such plans and decisions are null and void. I intend to fulfill CFPB's statutory obligations in the most efficient manner possible, as the recommended restructuring plan indicates and would permit.