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FACT SHEET

The Trump Administration's Attack on Consumers in Five Facts

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Two weeks after the inauguration of President Trump, Elon Musk posted a tombstone emoji and the words "CFPB RIP" on X.com. That social media message was the starting gun for the Administration's race to dismantle the Consumer Financial Protection Bureau ("CFPB" or "Bureau"), previewing a wholesale campaign by Office of Management and Budget ("OMB") Director Russell Vought to cut off Bureau funding, attempt to fire nearly all of its staff, rescind rulemaking proposals, retrench examinations and release financial firms from consent orders. As one DOGE staffer said at the time, the Administration sought to reduce the consumer watchdog to just "five men and a phone."

To the extent that the Bureau has remained operational, it's only because courts have found that Acting Director Vought overstepped legal authorities and defied Congress in seeking to hobble the agency. After being slapped down by the judiciary in these attempts, the Administration has now pivoted to, as one report described it, using the Bureau as a weapon to achieve political objectives.

The following fact sheet outlines the Administration's attack on consumers.

Fact #1: Under the current CFPB, consumers pay more for financial services, are increasingly exposed to predation and have less recourse when a financial firm breaks the law.

Before the second Trump Administration began its campaign to shutter the CFPB, the Bureau had returned more than $21 billion to more than 200 million consumers since its creation in 2011. Spread over 14 years (or 2011 to 2025), that amounts to $1.5 billion in remuneration to consumers per year. That amount is roughly double to triple (see Figure 1 in this Congressional Research Service report) the Bureau's funding amount in any given year – meaning that Americans are getting a huge return on investment from the CFPB.

Instead of maintaining or expanding that investment, the current CFPB has pivoted to a reverse-Robinhood campaign where it's using the Bureau to enrich financial firms and Big Tech instead of Americans. Research from Protect Borrowers from June 2025 found that the Bureau's combined actions to undo rules and cancel restitution to consumers in various enforcement actions resulted in $18 billion being ripped from the pockets of Americans in just the first six months of the Administration.

Enforcement Capitulation

On the enforcement front, research from Better Markets – cataloged in our Trump Tracker database – finds that the Bureau has rescinded 22 separate enforcement actions against firms, including those against credit reporting bureaus, banks and credit unions, remittance providers, lease-to-own fintechs, tech companies, debt collectors and student lenders. In these instances, the Bureau excavated previously agreed-to settlements with financial firms and released those firms from terms and conditions, including providing remuneration to customers, continued monitoring of practices and/or reporting to the Bureau. Additionally, the Bureau has withdrawn as a plaintiff in 19 separate enforcement actions, meaning the CFPB stopped ongoing prosecutions.

Rulemaking Capitulation

Regarding rulemaking proposals, current Bureau leadership has engaged in an all-out assault against protections put in place by prior Administrations. Specifically, the Bureau has, sometimes aided by Congress pursuant to the Congressional Review Act, undone rules related to overdraft fees, credit card late fees, Buy-Now-Pay-Later products, medical debt, digital payments, debt collection on time-barred debts, preservation of legal rights under state law and privacy protections for the sale of Americans' personal information to data brokers. Better Markets, in previous research, catalogued the demise of consumer protection under the Trump Administration.

Weaponizing the Bureau

Acting Director Vought has also endeavored to weaponize the agency into affirmatively proposing and adopting new rules that benefit the financial services and tech industries, immiserating the staff and targeting perceived opponents of the Administration. Specifically:

- **Consumer complaints:** The CFPB implemented significant changes to its consumer complaint intake process that favor the financial industry by requiring consumers to wade through a series of disclosures and cautions and complete an attestation before filing a complaint. These changes are likely to discourage consumers from making complaints. And they are also likely to weaken the CFPB's ability to detect and track emerging patterns of misconduct across the financial industry.

- **Deleting consumer information:** Bureau leadership also deleted more than 2,200 documents from the CFPB's public webpage – information including consumer advisories, speeches, blog posts and congressional testimony – therefore depriving the public of critical information. Likewise, the Bureau has deleted consumer educational materials in languages other than English, deliberately seeking to diminish the ability of consumers to empower themselves in the marketplace.

- **Auto lending, debt collection, and credit reporting:** The CFPB proposed a series of rulemakings to raise the thresholds above which market participants in the auto lending, debt collection and credit reporting industries would be subject to Bureau supervision. Better Markets found that the auto lender proposal would essentially eliminate supervision of subprime auto lenders, which in the past were required to provide $75 million in restitution and penalties to 1.36 million customers. With regard to the debt collection proposal, Better Markest estimated that the plan would allow hundreds of collectors to escape oversight.

- **"Humility pledge:"** Bureau leadership in late 2025 required supervisory staff to sign a "humility pledge" before conducting exams, seeking to debase the staff, communicate leadership's distrust of examiners and send a clear message to the financial industry that Bureau leadership will undermine supervisory judgement.

- **Weaponized enforcement:** Reporting indicates that political leadership at the CFPB is targeting community development financial institutions ("CDFIs") with "supervisory questionnaires" despite not previously being subject to CFPB oversight. This comes alongside Acting Director Vought's previous unfounded characterization of CDFIs as "woke" and separate Trump Administration attempts to delay or deny funding to CDFIs despite their strong history of bipartisan support.

Fact #2: Financial firms that obey the law are at a competitive disadvantage when the CFPB stops policing markets.

Wall Street Benefits Over Community Banks

Upending the CFPB isn't just an attack on consumers – it also harms law-abiding businesses that compete against firms that may be willing to cut corners now that the watchdog is asleep. This unlevel playing field is manifesting itself in several ways.

First, the Bureau's slowdown in activity disproportionately benefits the largest Wall Street banks over community lenders. Because banking agencies maintain authority to supervise lenders with less than $10 billion in assets for consumer finance violations, examination of those smaller firms continues. Meanwhile, the Bureau's supervision of consumer finance laws for banks above $10 billion has been all but paused, with potential future plans to slash Bureau supervisory staff by 78 percent. This perverse outcome means that community banks are subject to more scrutiny in consumer finance compliance than the largest banks with the greatest number of customers.

Big Tech Giveaways

Second, Bureau leadership signaled a shift away from supervising nonbanks like fintech lenders and towards supervising depositories. In April 2025, the CFPB announced that the Bureau intends to restore the 2012 supervisory distribution of a 70 percent focus on banks and depository institutions and only 30 percent on nonbanks. While banks and depository institutions warrant supervision, this flip is troubling given the proliferation in lending from nonbank institutions and the fact that such institutions are not subject to banking agency supervision. Underscoring the problem with this approach is data from *ProPublica*, which showed that 22 of the top 100 companies consumers complained about in the last year were fintech businesses, up from just seven a decade ago.

Again, the combined effect of these changes is to diminish supervision of Wall Street banks and large fintechs and shift supervision to small banks and credit unions.

Insider Access is Rewarded

Reporting from *Bloomberg* gave a window into how insiders wield access to Acting Director Vought, providing one example of chatty and informal email correspondence where a lobbyist for Toyota Motor Credit requested that a consent order be dropped. The same reporting also documented steep drops in fines for companies with investors with close ties to the Administration, dismissals of lawsuits against companies represented by White House allies, and investigations dropped when firms hired Trump family members. This coziness between insiders and Bureau leadership endangers both the integrity and reputation of the CFPB and fair competition in the marketplace.

Fact #3: Special populations like servicemembers, students, racial and ethnic minorities, and Older Americans bear the biggest brunt of the dismantling of the agency.

The CFPB's retrenchment disproportionately harms special populations – or those that are disproportionately targeted by financial scammers or have unique needs or vulnerabilities. Recognizing the need for targeted resources for these populations, Congress created offices for Older Americans, servicemembers, and students at the Bureau. Like other functions at the Bureau, those offices have been subject to uncertainty and inconsistency during Acting Director Vought's campaign.

Servicemembers

Service members, veterans, and their families are disproportionately targeted by financial predators. Underscoring that point, since the CFPB was created in 2011, it has received more than 400,000 complaints from service members and has been responsible for recovering approximately $363 million in restitution for military-connected families.

Although the CFPB's leadership claims that it prioritizes servicemembers as part of its new reduced enforcement priorities, some of the Bureau's recent actions contradict that claim. For example, the CFPB withdrew its $95 million case against Navy Federal Credit Union, the largest credit union in the country, which also has a large military customer base, for illegally issuing surprise overdraft fees against servicemembers and their families. As a result, the credit union gets to keep the $80 million it was supposed to refund to its ripped off customers.

Likewise, as discussed earlier, the Bureau recently issued a proposal to exempt a wide swath of now-covered auto lenders from "larger participant" status, which allows the CFPB to examine such lenders. Under the new rule, nearly all auto lenders serving subprime customers would be immune from Bureau supervision. Coincidentally, these lenders are more likely to serve servicemember customers and their customers have higher rates of loan default and repossession. In the past, the CFPB has recovered nearly $75 million in restitution and penalties from these lenders, affecting 1.36 million customers, including more than 50,000 service members.

The CFPB has likewise issued a proposal to exempt debt collectors from larger participant status, again allowing these firms to escape routine oversight. Past data collected by the Bureau demonstrates that servicemembers and veterans are more likely to file complaints about debt collectors than civilians. The same study found that two out of every five complaints filed by servicemembers with the CFPB are about debt collection. Further, confusion about the application of Veterans Administration medical benefits can increase the rate of surprise medical debt for servicemember and veteran populations, resulting in incorrect debt collection attempts. Given that servicemembers and veterans are more likely to have frequent and complex interactions with consumer debt collectors, and the consequences of having debt are greater for these populations, compliance with relevant consumer financial laws is also of heightened importance.

Finally, given that the Director has proposed cutting supervision staff by 78 percent, it is unclear how the Bureau would have the resources to adequately supervise for Military Lending Act compliance, as just one example of how cuts would have a disproportionate impact on servicemembers and their families.

Fair Lending

As one news headline stated, President Trump is trying to "[turn] fair lending law on its head." To that end, the Bureau has targeted the Equal Credit Opportunity Act ("ECOA"), stripping disparate impact causes of action both in Bureau enforcement and in private litigation through changes to Regulation B. The result is that consumers will now need to prove a direct intent by a creditor to discriminate. In other words, facially neutral policies that have the effect of harming consumers in certain protected groups cannot be the basis of a legal action. Bureau leadership also placed a top fair lending official on administrative leave and now employs only seven people in the fair lending office, down from 18 during the Biden Administration. The current CFPB also attempted – unsuccessfully – to vacate a past fair lending settlement against a mortgage lender, even though that action was originally brought by the Trump Administration under CFPB Director Kathy Kraninger.

The CFPB likewise withdrew guidance issued under the prior administration that cautioned lenders against denying credit based on a borrower's immigration or citizenship status. The guidance, issued in response to complaints from immigrants with strong credit profiles who were allegedly denied loans, warned that blanket denials based solely on immigration or citizenship status could violate ECOA. Instead, the Bureau issued new guidance essentially encouraging lenders to deny credit to immigrant households by leaning on lenders to consider the potential for deportation in making auto or mortgage extensions of credit.

Student Borrowers

Research from The Century Foundation and Protect Borrowers found that the student debt crisis has reached record levels. Specifically, during the first year of the Trump Administration, the student loan delinquency rate rose such that one in four student loan borrowers with a payment due is now delinquent, nearly tripling the pre-pandemic delinquency rate in 2019. One in five borrowers are in default, meaning their payments are in severe delinquency (over 270 days past due). Further, three-quarters of those currently moving from delinquency into default had never defaulted on a student loan before.

At the same time, student loan changes coming into effect will make affordability problems worse. As of July 1, changes mandated by the One Big Beautiful Bill will raise costs for millions of borrowers.

While this crisis is taking place, the CFPB has retrenched from its oversight role. Reporting indicates that the Bureau redacted key details about the nature of consumer complaints and policy recommendations in the CFPB's annual report on student lending, even as complaints hit record levels and surged 36 percent, year-over-year. This comes in addition to the Bureau dropping litigation against Pennsylvania Higher Education Assistance Agency, a student loan servicer previously accused of wrongfully pursuing students for debts discharged in bankruptcy.

Fact #4: The Administration wastes money by sidelining CFPB employees and paying them not to work, instead of letting them do their jobs.

Just two weeks into President Trump's second term, then-Acting CFPB Director and Treasury Secretary Scott Bessent, and later, Acting Director Vought, demanded a "freeze" of nearly all activities of the Bureau, including examination and supervision and stakeholder engagement. The

Trump Administration also attempted to cancel the CFPB's funding draw from the Federal Reserve. Shortly thereafter, Bureau leadership issued its first reduction-in-force ("RIF") notices for approximately 1,500 personnel, roughly 88 percent of the workforce. With the CFPB employees' union challenging these actions, the U.S. District Court for the District of Columbia paused the RIFs.

While this was ongoing, Bureau leadership ordered all employees back to new office space in Washington, DC, including employees originally hired to work out of regional offices (where they were hired to supervise financial institutions in their local areas). Curiously, the CFPB also ordered regional employees to relocate to Washington, DC, by August 31, even though the Bureau only has adequate space to accommodate roughly 550 people – or just about half of the number of people still working at the Bureau.

All of these plans eventually were rendered moot by a July 9 joint filing by Bureau leadership and the union representing CFPB employees, who agreed to stay changes to CFPB staffing and return-to-office requirements until the new nominee to lead the CFPB, Brian Johnson, is confirmed by the U.S. Senate. In other words, the Trump Administration spent 18 months pursuing the destruction of the Bureau, wasting time and money, and squandering employees' expertise, for virtually nothing. The main accomplishment was immiserating employees enough such that 600 or so employees left the agency, bringing the total workforce down to 1,100 from a high-water mark of over 1,700.

It remains an open question how much of the nearly $500 million annual budget of the Bureau was spent paying employees to stay at home and refrain from working since the start of the Trump Administration. Additionally, Acting Director Vought funded his nearly $5 million security detail out of the CFPB's budget.

Fact #5: The actions of this Administration have directly harmed the American people, made affordability worse, and enabled crony capitalism in the industry

The Bureau's own reporting showed just 8 enforcement actions pending as of the end of 2025. To the extent rulemaking is happening, it's to enrich the financial services and tech industries or respond to political demands from the White House, rather than react to emerging technologies or practices in the industry, including AI-enabled scams. Reporting indicates troubling patterns of insider access to CFPB decisionmakers. The career civil servants at the Bureau have been demeaned and explicitly and implicitly encouraged to leave. None of these actions benefit everyday Americans or make their lives more affordable. Acting Director Vought should answer for his attack on American consumers.

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Better Markets is a public interest 501(c)(3) non-profit based in Washington, DC that advocates for greater transparency, accountability, and oversight in the domestic and global capital and commodity markets, to protect the American Dream of homes, jobs, savings, education, a secure retirement, and a rising standard of living.

Better Markets fights for the economic security, opportunity, and prosperity of the American people by working to enact financial reform, to prevent another financial crash and the diversion of trillions of taxpayer dollars to bailing out the financial system.

By being a counterweight to Wall Street's biggest financial firms through the policymaking and rulemaking process, Better Markets is supporting pragmatic rules and a strong banking and financial system that enables stability, growth, and broad-based prosperity. Better Markets also fights to refocus finance on the real economy, empower the buyside and protect investors and consumers.

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