

Banking and Finance Law Daily Wrap Up, CONSUMER FINANCIAL PROTECTION BUREAU—D.C. Cir.: CFPB seeks to modify stay, implement workforce reduction plan, (Apr. 1, 2026)

Banking and Finance Law Daily Wrap Up

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By Shashi Kant, BALLB, LL.M

The government asks for limited remand and abeyance, citing new restructuring plan, funding changes, and Supreme Court decision.

The Consumer Financial Protection Bureau has filed a motion in the U.S. Court of Appeals for the District of Columbia Circuit to modify an existing stay pending appeal, permit the Bureau to implement a newly adopted workforce restructuring plan, and remand the case to the district court for further proceedings, arguing that intervening developments have significantly altered the basis for the preliminary injunction at issue. The [motion](#) also asks the court to hold the appeal in abeyance while the district court considers the updated record (*National Treasury Employees Union v. Vought*, No. 25-5091 (D.C. Cir. Mar. 31, 2026)).

Motion seeks modification of stay to allow implementation of new plan. In its motion to modify the stay, the government argues that the CFPB has adopted a revised workforce restructuring plan that supersedes earlier proposals and reflects a materially different approach to the agency's staffing and operations. The government contends that the existing stay should be modified to permit immediate implementation of that plan. According to the filing, the revised plan undercuts the factual premise underlying the preliminary injunction, namely, that CFPB leadership intended to dismantle or disable the agency, and instead reflects a restructured but continuing operational model.

Government cites three intervening developments. The motion identifies three intervening developments that it says warrant remand and reconsideration of the injunction.

First, the CFPB has finalized a workforce restructuring plan that establishes revised staffing levels and organizational structure for the agency.

Second, Congress enacted the "One Big Beautiful Bill Act," which reduces the CFPB's statutory funding cap from 12 percent to 6.5 percent of the Federal Reserve's operating expenses, a change the government argues affects the agency's operational capacity and the equities underlying injunctive relief.

Third, the government points to the Supreme Court's decision in *Trump v. CASA, Inc.* (606 U.S. 831 (2025)), asserting that it clarifies limits on the scope of injunctive relief and reinforces that any injunction must be tailored to the plaintiffs' demonstrated injuries.

Government seeks limited remand for reconsideration of injunction. In light of those developments, the government requests a limited remand of approximately 45 days to allow the district court to reconsider the preliminary injunction based on a supplemented record. The motion argues that the district court is best positioned to evaluate the legal significance of the new plan and related developments in the first instance. The government maintains that remand would promote judicial efficiency and avoid piecemeal appellate review.

Request to hold appeal in abeyance. The government also asks the D.C. Circuit to hold the appeal in abeyance while the district court conducts its review. According to the motion, proceeding with the appeal while the district court considers materially updated facts could lead to duplicative litigation and inconsistent rulings.

Workforce restructuring plan outlines reduced staffing model. [Attachment A](#) to the motion sets out the CFPB's workforce restructuring plan, which establishes a significantly reduced staffing model across the agency. The plan specifies anticipated staffing levels by division and reflects a shift toward a more streamlined

organizational structure. The plan also describes how staffing reductions are intended to align with revised policy priorities, statutory funding constraints, and executive directives relating to agency efficiency and workforce management.

Plan asserts CFPB will continue to meet statutory obligations. [Attachment B](#), along with the restructuring plan, addresses how the CFPB intends to discharge its statutory responsibilities following the reorganization. The government states that the revised structure will allow the agency to continue carrying out its legal duties, notwithstanding reduced staffing and operational changes. The motion emphasizes that the new plan demonstrates that the CFPB remains operational and capable of fulfilling its statutory mandate, contrary to plaintiffs' claims that agency leadership has effectively halted or dismantled the bureau.

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Companies: National Treasury Employees Union; National Consumer Law Center; National Association for the Advancement of Colored People; Virginia Poverty Law Center; CFPB Employee Association

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