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Top Banking and Financial Services Democrats Joined by Dodd-Frank Authors File Amicus Brief Challenging the Administration's Illegal Efforts to Withhold Funding from the CFPB

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Text of Amicus Brief (PDF)

Washington, D.C. – Today, U.S. Senator Elizabeth Warren (D-Mass.), Ranking Member of the Senate Banking, Housing, and Urban Affairs Committee, and Congresswoman Maxine Waters (D-CA), Ranking Member of the House Financial Services Committee, led every Democrat on the Senate Banking Committee and 22 Democrats on the House Financial Services Committee in filing an amicus brief challenging Consumer Financial Protection Bureau (CFPB) Acting Director Russell Vought's attempt to dismantle the agency by illegally denying it the funds it needs to operate through a fringe funding theory that has been widely discredited by former Fed officials and multiple federal courts. The lawmakers were joined by former lawmakers Chris Dodd (D-CT) and Barney Frank (D-MA), who wrote the Dodd-Frank Act that created the agency and specified how the CFPB is funded.

The lawmakers argued that Vought's interpretation of Dodd-Frank is at odds with Congress's plans to provide a consistent and stable funding stream to the CFPB: "Even though the Bureau has long understood those 'combined earnings' to include all of the money the various components of the Federal Reserve take in or generate, Vought now adopts the position that the Federal Reserve has 'earnings' only when its total revenue exceeds its interest expenses… Indeed, under Vought's interpretation, the Bureau is most likely to be deprived of its funding in times of nationwide economic upheaval, exactly when the need for its regulatory and consumer-protection functions is most urgent."

"In sum, Acting Director Vought's newfound definition of 'combined earnings' is completely at odds with Congress's plan in passing Dodd-Frank and setting up the Bureau. It undermines the Bureau's independence as a financial regulator; it deprives the Bureau of the continuous and stable funding source Congress expressly authorized; and it supports results Congress never fathomed—and actively worked to avoid. This Court should reject it," **the lawmakers concluded.**

Since the CFPB was created, the agency has directly returned over $21 billion to consumers cheated by big banks or giant corporations. Senator Warren and Members of Congress have pushed back on the Trump Administration's attempts to dismantle the agency since day one:

- In February, Senate Democrats convened a forum on the "Trump-Musk Attack on American Consumers," releasing a report on the Trump Administration's precipitous drop in responding to Americans' consumer complaints.
- In March, Senate Democrats spoke out against Republicans for overturning a CFPB rule capping overdraft fees for Americans.
- In May, Congressional Democrats filed an amicus brief with the U.S. Court of Appeals for the D.C. Circuit underscoring that President Trump cannot unilaterally shut down the CFPB.
- In June, Democrats stopped Republicans' attempt to gut CFPB funding to 0% and pushed back against further attempts to slash its funding in Trump's "Big, Ugly Bill"

- Ranking Member Warren and Members of Congress secured an independent investigative probe into whether the CFPB could fulfill its congressionally mandated functions after mass firings and an independent IG investigation to probe the Trump Administration's actions to dismantle the CFPB, including reviewing workforce reductions and canceled contracts.
- In October, Democratic lawmakers filed a separate amicus brief calling for the full U.S. Court of Appeals for the D.C. Circuit to rehear a case on the Trump Administration's mass firings at the CFPB.
- Banking Committee Democrats called out Vought's public plans to shut down the agency while the Administration's lawyers argued the opposite in court.
- In November, Ranking Member Warren and Members of Congress raised concerns about how shuttering the CFPB would disrupt the mortgage market and harm American homebuyers.
- This month, Banking Committee Democrats called for a statutorily required hearing with Acting CFPB Director Vought.

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