

Banking and Finance Law Daily Wrap Up, CONSUMER FINANCIAL PROTECTION BUREAU—House Financial Services Committee requests feedback on CFPB Reform Discussion Draft, (Jul. 27, 2026)

Banking and Finance Law Daily Wrap Up

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The CFPB Reform Act of 2026 aims to overhaul the Consumer Financial Protection Bureau's funding, governance, and enforcement authorities.

The House Financial Services Committee (HFSC) is [requesting](#) feedback from the public on a [discussion draft](#) of legislation aimed at reforming the structure and powers of the Consumer Financial Protection Bureau (CFPB), currently titled the CFPB Reform Act of 2026. The draft bill would amend the Consumer Financial Protection Act of 2010 and related implementing regulations. The legislation focuses on increasing congressional oversight, clarifying authority, promoting innovation and predictability, and limiting "regulation by enforcement" of the Bureau. The request for comment also comes following a recent full committee hearing focused on the future of the CFPB. The press release announcing the draft legislation requesting feedback outlined the specific sections of the draft proposal.

Public comments, including answers to specific questions, are requested by Aug. 21, 2026.

Title I – Reforming Bureau Governance. This section reforms the CFPB's structure and governance. The title brings the CFPB under the congressional appropriations process, reforms the use of civil penalty funds, strengthens cost-benefit analysis and small business impact assessments for rulemakings, requires periodic retrospective reviews of major regulations, and establishes a dedicated CFPB Inspector General.

The HFSC requests commenters respond to the following questions concerning this section:

- What additional structural reforms could reduce regulatory uncertainty resulting from changes in administrations and promote a more consistent, predictable, and durable framework for consumer financial regulation?
- How could the CFPB improve the quality and transparency of its rulemaking process while maintaining an efficient regulatory framework?
- Are there additional reforms to improve retrospective reviews of CFPB regulations to ensure outdated rules are removed?

Title II – Restoring Clarity and Procedural Fairness. This section clarifies key statutory authorities, particularly the CFPB's authority to regulate unfair, deceptive, or abusive acts or practices (UDAAP). Title II also adds procedural safeguards for enforcement actions, clarifies statutes of limitations, and addresses jurisdictional boundaries involving attorneys and state-regulated insurance companies.

The HFSC is seeking answers to the following questions with respect to Title II:

- Are there additional statutory definitions that should be clarified to improve regulatory certainty?
- What procedural safeguards best promote fairness and predictability in CFPB supervision and enforcement?

- Are there additional areas where Congress should clarify the CFPB's jurisdiction?

Title III – Promoting Innovation in Consumer Financial Markets. This provision, in an effort to support innovation and consumer access to financial products and services, provides clarity for certain small-dollar loan products offered by depository institutions and requires agencies to clearly distinguish non-binding guidance from legally enforceable requirements.

Feedback is requested on the following questions:

- What regulatory barriers most limit innovation in consumer financial products and services?
- Are there additional changes to regulatory frameworks that encourage more small dollar loan offerings and promote competition and consumer choice?
- What further requirements help to distinguish between guidance and binding regulatory requirements?

Title IV – Promoting Effective, Predictable Supervision. This Title modifies the CFPB's supervisory framework by adjusting supervisory thresholds for banks and credit unions, allowing certain institutions to elect prudential regulator supervision and examination for consumer compliance, strengthening interagency regulatory coordination, and tightening the CFPB's nonbank supervision authority.

Feedback is sought on the following additional questions:

- How can Congress further improve coordination among the CFPB, prudential regulators, and state regulators?
- Are the proposed supervisory thresholds and the supervisory election framework appropriately calibrated?
- Are there additional reforms that could make CFPB supervision more risk-based, efficient, and predictable?
- How should Congress approach the CFPB's supervisory and examination authorities to balance effective consumer protection with minimizing duplicative regulatory oversight?

Title V – Preventing Regulation by Enforcement. Title V aims to reduce reliance on the enforcement process as a means of establishing regulatory policy. The section reforms civil money penalties, market monitoring authorities, indexes regulator thresholds, and improves the CFPB's complaint procedures.

Answers to the following questions are requested:

- Are there additional reforms that reduce reliance on enforcement actions to establish regulatory expectations?
- How should Congress encourage voluntary compliance and self-reporting while maintaining appropriate accountability?
- Are there additional reforms that would improve the CFPB's complaint process for both consumers and financial firms?
- How can Congress best protect sensitive consumer data that the CFPB possesses?

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