OIG Review
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Consumer Financial Protection Bureau

Impacts of Certain CFPB Workforce and Contract Actions on Agency Operations

Office of Inspector General
Board of Governors of the Federal Reserve System
Consumer Financial Protection Bureau

Contents

Introduction

From February to April 2025, we received multiple congressional requests to review the impact on the Consumer Financial Protection Bureau's operations resulting from the agency's recent workforce and contract actions, including stop-work orders, dismissals of probationary and term employees, planned reductions in force (RIFs), and contract cancellations. We assessed the workforce and contract actions to determine their high-level effects on the CFPB's primary and support functions. We also assessed the termination of the CFPB's headquarters and regional offices occupancy agreements.

We did not assess whether these actions complied with applicable laws, regulations, or policies, such as the rules governing RIF decisions in the federal government, as that is the subject of pending litigation. Moreover, our role in this review was not to second-guess policy judgments by CFPB leadership, past or present, about the appropriate number of CFPB personnel or level of enforcement or other activities conducted by the CFPB—such policy decisions are outside the scope of our jurisdiction under the Inspector General Act. Rather, as requested by various members of Congress, this review provides factual information about the impact that workforce and contract actions taken in early 2025 had on the CFPB's operations, which have been the subject of multiple recent reports. For example, a U.S. Government Accountability Office (GAO) report describes the status of the CFPB's reorganization efforts and chronicles organizational and staffing changes.[1]

As part of our assessment, we reviewed

- agency and public information related to the CFPB's workforce and contract actions, including emails and other documents guiding and implementing workforce reduction measures, contract terminations, contract reinstatements, and occupancy agreement terminations for the agency's offices
- relevant federal court decisions and court filings
- CFPB data on employees and contracts affected by the workforce and contract actions
- CFPB data regarding the primary and support functions affected by the stop-work orders

In addition, we interviewed agency officials and staff involved in implementing the workforce and contract actions, including officials and staff in the CFPB's largest primary divisions—Supervision; Enforcement; Consumer Response and Education (CRE); and Research, Monitoring, and Regulations (RMR)—to assess the results of these actions. We also met with officials and staff in the Operations Division, which handles many agency support functions.

[1] U.S. Government Accountability Office, *Consumer Financial Protection Bureau: Status of Reorganization Efforts*, GAO-26-108448, January 27, 2026. See also, Ranking Member, United States Senate Committee on Banking, Housing, and Urban Affairs, *The Price of Gutting the CFPB*, February 9, 2026, and The Executive Office of the President, Council of Economic Advisors, *Estimating the Cost of the Consumer Financial Protection Bureau to Consumers,* February 17, 2026.

We requested a meeting with the CFPB's acting director, but the CFPB's chief legal officer advised us that the acting director was unavailable and directed us to meet with him instead.[2] However, the chief legal officer then declined our interview request for this review because of pending litigation related to certain actions within our scope.[3] We therefore were unable to obtain and include in this report a more complete range of perspectives, including those of the current CFPB leadership, on the questions outlined in the requests and consider our inability to conduct an interview with agency leadership to be a scope limitation. CFPB leadership provided us with a written response to a draft of this report (appendix E).

To assess contract actions, we relied on testimonial evidence and targeted reviews of CFPB documents and information in the Federal Procurement Data System (FPDS) and on USAspending.gov in addition to contract data provided by the agency to summarize our qualified understanding of the contract cancellations and other contract actions. We did not conduct detailed assessments of each contract because of the hundreds of contracts at issue. Appendix A describes our scope and methodology in greater detail.

The congressional requests also inquired about the impact that the workforce actions have had on our office's oversight work of the CFPB. Except for the scope limitation mentioned above regarding this review and described in appendix A, the workforce actions have not resulted in material delays or significant access limitations in conducting our audit or evaluation work to date.

Background

The Dodd-Frank Wall Street Reform and Consumer Protection Act established the CFPB as an independent bureau within, but autonomous from, the Federal Reserve System. The CFPB is led by a presidentially appointed, Senate-confirmed director. However, since January 31, 2025, the CFPB has not had a Senate-confirmed director, so acting directors have led the agency. The director implements the agency's functions and authorities, in part by determining the agency's budget (up to a statutorily imposed funding cap) and staffing levels.

The Dodd-Frank Act describes the CFPB's purpose, objectives, and primary functions. Among the agency's primary functions are (1) supervising depository institutions and their affiliates with more than $10 billion in total assets and certain nondepository institutions for compliance with federal consumer financial laws

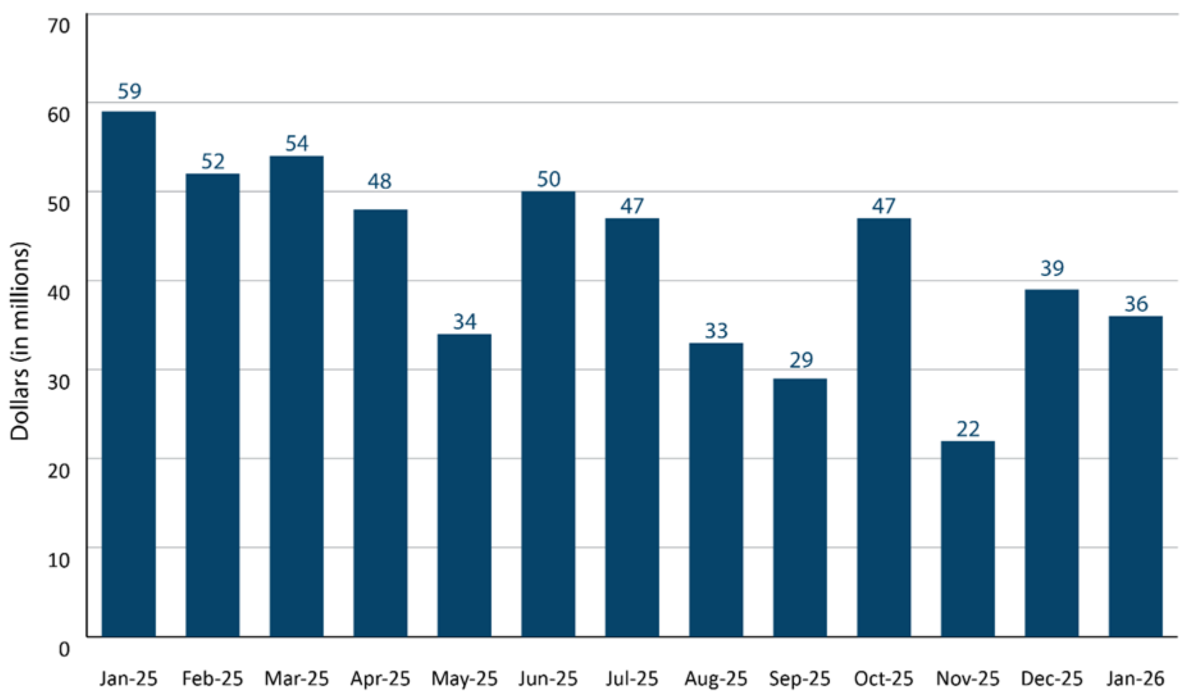
[2] On January 31, 2025, the president designated the secretary of the U.S. Department of the Treasury as the acting director of the CFPB. On February 7, 2025, the president designated the director of the Office of Management and Budget (OMB) as the acting director of the CFPB. The OMB director continues to serve as the CFPB's acting director.

[3] The chief legal officer offered to answer our questions in writing when the pending litigation concludes. The following litigation, however, remains ongoing: National Treasury Employees Union v. Vought, No. 25-5091 (D.C. Cir. filed Mar. 31, 2025); National Treasury Employees Union v. Vought, No. 1:25-cv-381 (D.D.C. filed Feb. 9, 2025); and Maryland v. USDA, No. 1:25-cv-748 (D. Md. filed Mar. 6, 2025). We refer to these cases herein collectively as *pending litigation*.

and (2) taking appropriate enforcement actions to address violations of those laws.[4] The act also imposes various requirements on the agency, such as establishing a consumer complaint unit, an Office of Service Member Affairs, and an Office of Financial Protection for Older Americans, among others. The act also authorizes the agency to prescribe rules and guidance relating to the federal consumer financial laws. The act generally does not include specific expectations about how to execute the financial institution supervision or enforcement activities. For example, the act does not establish any expected activity caps, floors, or ranges for the number of examinations or investigations that the agency should conduct within any given interval.

From January 2025 to January 2026, the CFPB spent about $549.6 million on its programs and operations. See figure 1 for a breakdown of the total expenses by month. During this 13-month period, the agency spent about $483.9 million on salaries and benefits and about $65.7 million on nonpay expenses, which included travel, rent, equipment, supplies, subscriptions, and software.

Figure 1. CFPB Expenses, January 2025–January 2026



Note: Expenses exclude reimbursable expenses from the Federal Financial Institutions Examination Council and the U.S. Department of Housing and Urban Development. May, August, and September expenses include credits from contract deobligations, and November expenses account for year-end payroll adjustments.

Source: OIG analysis of CFPB documents.

[4] 12 U.S.C. §§ 5511, 5514, 5563–66. With regard to nondepository institutions, the CFPB is authorized to supervise entities in the mortgage lending, payday lending, and private education lending markets regardless of size; larger participants in markets for other consumer financial products or services as defined by the CFPB; and entities the CFPB has reasonable cause to determine, by order, are “engaging, or ha[ve] engaged in, conduct that poses risks to consumers with regard to the offering or provision of consumer financial products or services.” In addition, the CFPB is authorized to enforce compliance with federal consumer financial laws and seek potential remedies through cease-and-desist orders, equitable relief, monetary relief, and civil penalties. If the CFPB obtains evidence that any person has engaged in conduct that may violate federal criminal law, the agency is required to transmit such evidence to the U.S. attorney general, who may institute criminal proceedings under appropriate law.

Summary and Timeline of Events

From February 3 to April 17, 2025, the CFPB acting directors and other senior CFPB officials issued a series of orders that, among other things, instructed all CFPB employees to stop work, directed the dismissal of all 182 probationary and term employees, initiated measures to cancel almost all of its 525 contracts, and informed more than 1,400 employees of a planned RIF that would separate them from the agency. As of April 5, 2025, the agency had 1,623 employees. Multiple federal lawsuits were filed thereafter, resulting in federal district court orders halting or reversing these actions.[5]

From February 3 to March 2, 2025, the agency generally ceased conducting most of its functions because of the stop-work orders. In early March 2025, the CFPB resumed some of its consumer response, financial education, and consumer financial market research functions following an email from the chief legal officer on March 2, 2025, stating that statutorily required work could and should be performed without prior approval. The chief legal officer also issued a memo in April 2025 to all CFPB staff that communicated revised supervision and enforcement priorities.[6] From February 2025 to January 2026, the agency initiated two new enforcement investigations and proposed stipulated final judgments and orders in five of six postjudgment cases. A Supervision official told us that, as of January 2026, CFPB leadership had approved Supervision's 2026 examination calendar and that the division's staff would start new examinations in May 2026.

In February 2025, the CFPB also implemented two workforce reduction actions: (1) approving agency employees to participate in a governmentwide deferred resignation program (DRP) and (2) dismissing 182 term and probationary employees. These measures did not affect the agency's primary functions at that time, as the stop-work orders had already ceased most agency work, and in March, two federal district courts issued orders collectively requiring the CFPB to reinstate its probationary and term employees.[7]

[5] The court orders referenced in this report address the highlighted issues as well as other matters specific to each case. This report only summarizes and discusses the portions of the court orders relevant to the subject matter of this review.

See National Treasury Employees Union v. Russell Vought, No. 25-5091 (D.C. Cir. Apr. 28, 2025) (order to modify the court's D.C. Cir. April 11 order and partially restore the D.D.C. March 28 preliminary injunction); National Treasury Employees Union v. Vought, No. 1:25-cv-381 (D.D.C. Apr. 18, 2025) (order to enjoin the planned RIF); National Treasury Employees Union v. Vought, No. 1:25-cv-381 (D.D.C. Mar. 28, 2025) (order granting preliminary injunction); National Treasury Employees Union v. Vought, No. 1:25-cv-381 (D.D.C. Feb. 14, 2025) (order prohibiting further personnel actions); Maryland v. USDA, No. 1:25-cv-748 (D. Md. Mar. 13, 2025) (order granting temporary restraining order).

[6] According to the April 2025 supervision and enforcement priorities memorandum, the CFPB intends to focus its supervision and enforcement resources on pressing threats to consumers, particularly service members and their families and veterans, and providing redress to these consumers. On November 21, 2025, the CFPB issued a statement regarding changes to Supervision's approach for conducting examinations, in accordance with the April 2025 supervision and enforcement priorities memorandum. As part of this new approach, examiners must read a "humility pledge" to each supervised entity before conducting examinations. In addition, the agency stated it would reduce its 8-week examination time frame commensurate with the defined scope of examinations for its upcoming 2026 examination cycle.

[7] National Treasury Employees Union v. Vought, No. 1:25-cv-381 (D.D.C. Mar. 28, 2025) (order granting preliminary injunction); Maryland v. USDA, No. 1:25-cv-748 (D. Md. Mar. 13, 2025) (order granting temporary restraining order).

Also in February 2025, the CFPB began preparing for a RIF but ultimately stopped those preparations because of two federal district court orders issued in February and March 2025. Following an April 11, 2025, appellate court order permitting the CFPB to terminate or issue RIF notices to employees—if the agency conducted a particularized assessment in which it determined that the employees were unnecessary to perform statutory work—the CFPB initiated a RIF of about 87 percent of its workforce. However, the CFPB paused its RIF activities after a federal district court issued an order on April 18, 2025, enjoining the RIF action until the court made a determination as to whether the CFPB conducted a particularized assessment as required by the April 11 appellate court order.[8] As of July 2026, the CFPB has remained enjoined from conducting RIF actions.

In February 2025, the CFPB also halted services on almost all of its 525 contracts by issuing (1) stop-work orders and (2) termination notifications; ultimately, the agency canceled 79 contracts through modifications before a federal district court stopped further contract cancellations.[9] In addition, 204 agency contracts expired. The agency reinstated 16 contracts and awarded 59 new contracts because division leadership determined that those contracts were for primary or operational support functions.

The CFPB's contract actions affected statutorily mandated and key operational support functions, including its consumer complaint call center and complaint database. Specifically, on February 11, 2025, the CFPB notified a contractor of its intent to terminate the contract to support the CFPB's statutorily mandated consumer complaints call center, but then rescinded that notice the next day, resulting in the consumer complaint call center experiencing a 1-day outage. Additionally, because the CFPB sent a termination notice to its consumer complaint database contractor, consumer complaints were not routed to companies from February 11 to February 27, 2025. According to a senior CRE official, because the CRE employees were also under a stop-work order, they did not discover the issues until they resumed work on March 3, 2025. These disruptions contributed to a backlog of about 16,400 consumer complaints that require manual routing.[10] As of June 2026, according to data provided by the CFPB, the agency had about 17,100 consumer complaints that require manual routing, of which about 3,800, or about 22 percent, have been pending for more than 30 days.[11]

Also in February 2025, the CFPB entered into termination agreements with the U.S. General Services Administration (GSA) for its four regional office leases. A year later, in February 2026, the CFPB and the Office of the Comptroller of the Currency (OCC)—lessor of the CFPB's headquarters office in the District

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[8] National Treasury Employees Union v. Vought, No. 1:25-cv-381 (D.D.C. Apr. 18, 2025) (order to enjoin the planned RIF).

[9] The CFPB issued termination notifications to inform contractors of the contract cancellations and then later issued termination modifications to confirm the contract cancellations; National Treasury Employees Union v. Vought, No. 1:25-cv-381 (D.D.C. Mar. 28, 2025) (order granting preliminary injunction).

[10] Before June 2026, the CFPB informally referred to the total number of complaints requiring manual processing as the consumer complaint backlog. The agency recently created a formal definition of the consumer complaint backlog to include complaints requiring manual processing that are more than 30 days old. See the "Management Actions Taken" section for more information about changes to the CFPB's complaint processing approach.

[11] A senior CFPB official explained that the fluctuations in the backlog volume are a result of the varying amounts of consumer complaints that require manual review and routing to a company. Consumer complaints that require manual review include (1) complaint referrals from other regulators, the White House, and Congress; (2) complaints with incomplete consumer information; and (3) complaints against companies that do not participate in the CFPB's consumer complaint process. The senior CRE official also noted that the backlog includes complaints received more than a month ago as well as complaints received minutes before capturing the current backlog volume.

of Columbia—entered into a termination agreement after the CFPB learned that the OCC transferred ownership of the property to the GSA. As of March 2026, the CFPB has not vacated its regional or headquarters offices. In addition, as of March 2026, the CFPB was coordinating with the GSA to establish a new lease for a reduced amount of space in the same headquarters office building.[12]

The timeline below traces key events related to the workforce reduction measures and contract cancellations from the end of January 2025 to March 2026. The timeline also covers the ongoing litigation regarding the CFPB's workforce and contract actions. As of July 2026, the litigation remains ongoing and the matters are on appeal.

Timeline of Key Events

2025	
January 31	The president designates the secretary of the U.S. Department of the Treasury as acting director.
February 3	The acting director issues a stop-work order ceasing all enforcement activities and legal proceedings, among other things, unless expressly approved or required by law.
February 4	The acting director sends an email notifying CFPB employees not to initiate supervisory designation proceedings or designate nondepository institutions for supervision.
February 5	The CFPB announces that it would implement the U.S. Office of Personnel Management's (OPM) DRP.
February 7	The president designates the Office of Management and Budget director as acting director of the CFPB.
February 8	The acting director issues a stop-work order ceasing all supervision activities, investigation activities, and stakeholder engagement, unless expressly approved or required by law.
February 9	The acting chief human capital officer notifies employees of the closure of the CFPB's headquarters building from February 10 to February 14.
	The National Treasury Employees Union (NTEU) files a federal lawsuit in the U.S. District Court for the District of Columbia against the acting director on behalf of all bargaining unit CFPB employees.
February 10	The acting director issues a stop-work order instructing CFPB employees and contractors not to perform any work and for employees to obtain written approval for urgent matters. A Procurement official, per the acting director's February 10 email, instructs Procurement staff to issue stop-work orders on almost all active contracts.
	A CFPB advisor sends an email to the acting chief human capital officer to dismiss all probationary employees.
February 11	The acting chief human capital officer dismisses 83 probationary employees.

[12] The Dodd-Frank Act requires that the CFPB have its principal office in the District of Columbia.

	The chief legal officer directs Procurement to cancel contracts for the convenience of the government on behalf of the acting director.[13]
February 12	The acting chief human capital officer sends an email to the chief legal officer and a CFPB advisor requesting approval to process terminations for term employees. The CFPB advisor approves the acting chief human capital officer's request to dismiss all term employees. An OPM official sends the CFPB acting chief human capital officer and advisors a draft statement of work for OPM to provide RIF assistance services. The acting chief human capital officer confirms that the CFPB plans to move forward with the agreement.
February 13	The acting chief human capital officer dismisses 99 term employees. A CFPB advisor informs agency officials and staff handling the RIF process that the formal RIF notices should be issued to agency employees no later than February 14. The acting chief human capital officer requests OPM's approval for an exception to the 60-day notice period given to employees selected for dismissal through a RIF and the 90-day rule requiring federal agencies to submit descriptions of competitive areas before the effective date of a RIF.[14]
February 14	The human capital operations manager notifies employees that they should exercise administrative leave unless otherwise instructed. In addition, the manager states that employees permitted to work should record their time as they normally would. The acting chief human capital officer sends an email to CFPB advisors stating that the agency will place employees on administrative leave for 30 days. The CFPB sends emails to OPM requesting that it send the documents needed to conduct the RIF. OPM approves the CFPB's requests for exceptions to the 60-day notice period given to employees selected for dismissal through a RIF and the 90-day rule requiring federal agencies to submit descriptions of competitive areas before the effective date of a RIF. A judge of the U.S. District Court for the District of Columbia issues a consent order providing that the CFPB not delete, destroy, remove, or impair any data or other CFPB record. In addition, the order requires that the CFPB not terminate any employee, except for cause related to performance or conduct, or issue RIF notices. Although the consent order does not address contracts, the NTEU and the CFPB enter into a separate agreement through March 28 that the agency will pause all contract termination actions.

[13] As noted above, the CFPB canceled 79 contracts through termination modifications. Of those, the CFPB reinstated 16 contracts through a bilateral contract modification because agency officials determined that the contracts support primary functions required by law or address the agency's operational needs.

[14] According to OPM, *competitive areas* define boundaries within which employees compete for retention. Competitive areas include employees within organizational units and geographical locations. Within competitive areas, agencies define *competitive levels* that include groups of interchangeable positions. Employees in competitive levels have positions in the same grade and occupational series and have similar duties, qualification requirements, pay schedules, and working conditions.

February 19	The chief legal officer directs the acting chief human capital officer and the chief financial officer not to terminate or suspend contracts, unless authorized.
March 2	The acting chief human capital officer notifies CFPB employees that they should have been performing the agency's functions required by law. The acting chief human capital officer sends this note on behalf of the chief legal officer.
March 6	Attorneys general from 19 states and the District of Columbia file a lawsuit in the U.S. District Court for the District of Maryland against the CFPB and 20 other federal agencies.
March 13	A judge of the U.S. District Court for the District of Maryland orders the CFPB to reinstate all probationary employees.[15]
March 16	The CFPB reinstates the remaining probationary employees.
March 28	A judge of the U.S. District Court for the District of Columbia issues a preliminary injunction ordering, among other things, that the CFPB not delete, destroy, remove, or impair any data or other CFPB record; reinstate all probationary and term employees; not terminate employees except for cause or issue RIF notices to employees; not enforce the February 10 stop-work order; and no longer require employees to take administrative leave. In addition, the court orders the CFPB to rescind all contract termination notices issued on or after February 11 and not reinitiate the wholesale cancellation of contracts. The court order permits work on specific contracts be halted based on an individualized assessment that the contract work is unnecessary for the CFPB to fulfill statutory functions.
March 29	The CFPB reinstates the remaining term employees. The CFPB files a notice of appeal of the March 28 district court order to the U.S. Court of Appeals for the District of Columbia Circuit.
April 11	The U.S. Court of Appeals for the District of Columbia Circuit partially stays the March 28 district court order and rules that the CFPB may avoid reinstating probationary and term employees if the agency conducts an individualized assessment and determines that the employees were unnecessary to perform statutory work. In addition, the court orders that the CFPB may terminate employees or issue RIF notices if the CFPB conducts a particularized assessment and determines that the employees were unnecessary to perform statutory work. Further, the court orders that stop-work orders may be enforced if the CFPB conducts a particularized assessment and determines that the work stoppage would not interfere with statutory duties.
April 15	The acting chief human capital officer requests OPM's approval for an exception to the 60-day notice period given to employees selected for dismissal through a RIF and the 90-day rule requiring federal agencies to submit descriptions of competitive areas before the effective date of a RIF.
April 16	The chief legal officer issues a memorandum outlining the CFPB's supervision and enforcement priorities for 2025.

[15] On September 8, 2025, the U.S. Court of Appeals for the Fourth Circuit vacated the U.S. District Court for the District of Maryland's order, finding that the 19 states and the District of Columbia lacked standing, and remanded the case back to the district court with directions to dismiss the case.

April 17	The acting director sends RIF notices on or about this date to more than 1,400 employees informing them that they will cease having access to CFPB systems on April 18 and will be separated from federal service on June 16.[16]
April 18	A judge of the U.S. District Court for the District of Columbia suspends the CFPB's RIF notices and prohibits the CFPB from discontinuing its employees' access to work systems. According to the acting chief human capital officer, the CFPB ceases all RIF activities. The CFPB immediately appeals the district court order.
April 28	The U.S. Court of Appeals for the District of Columbia Circuit modifies the April 11 appellate court order and partially restores the March 28 district court order to enjoin the CFPB from issuing RIF notices to employees pending outcome of the appeal.
July 4	The president signs into law a reconciliation bill commonly known as the One Big Beautiful Bill Act, which includes a provision that reduces the CFPB's funding limitation cap from 12 percent of the Federal Reserve System's total operating expenses for 2009, adjusted annually for changes in labor costs, to 6.5 percent.[17]
August 15	The U.S. Court of Appeals for the District of Columbia Circuit vacates the March 28 district court order, allowing the CFPB to terminate employees and cancel contracts. However, the court delays the effective date of its order until 7 days after the disposition of any timely petition for rehearing or petition for rehearing en banc.[18]
September 29	The NTEU files a petition for rehearing en banc in response to the August 15 appellate court order.
November 21	The CFPB issues a statement outlining changes to Supervision's approach for conducting examinations, in accordance with the chief legal officer's April 16, 2025, memorandum.
December 17	The U.S. Court of Appeals for the District of Columbia Circuit grants the NTEU's petition for rehearing en banc and orders that the case be reheard by the court sitting en banc on February 24, 2026. In addition, the court vacates the August 15 appellate court order and restores the April 11 partial stay as modified by the April 28 appellate court order.

2026

February 11	The CFPB enters into a termination agreement with the OCC for its headquarters office space after learning that the OCC transferred ownership of the property to the GSA.
February 24	The U.S. Court of Appeals for the District of Columbia Circuit holds an en banc oral argument.
March 27	The deputy director requests the acting director's approval to implement a workforce restructuring plan if the March 28, 2025, district court order is lifted. The acting director approves the workforce restructuring plan, which would reduce the workforce by

[16] Although the CFPB sent RIF notices to more than 1,400 employees, 20 employees did not receive a notice because of a system processing error. The agency did not resend the notices because of the judge's suspension of the RIF the following day.

[17] Pub L. No. 119-21, tit. III, § 30001, 139 Stat. 72, 126 (codified at 12 U.S.C. § 5497(a)(2)(A)(iii)).

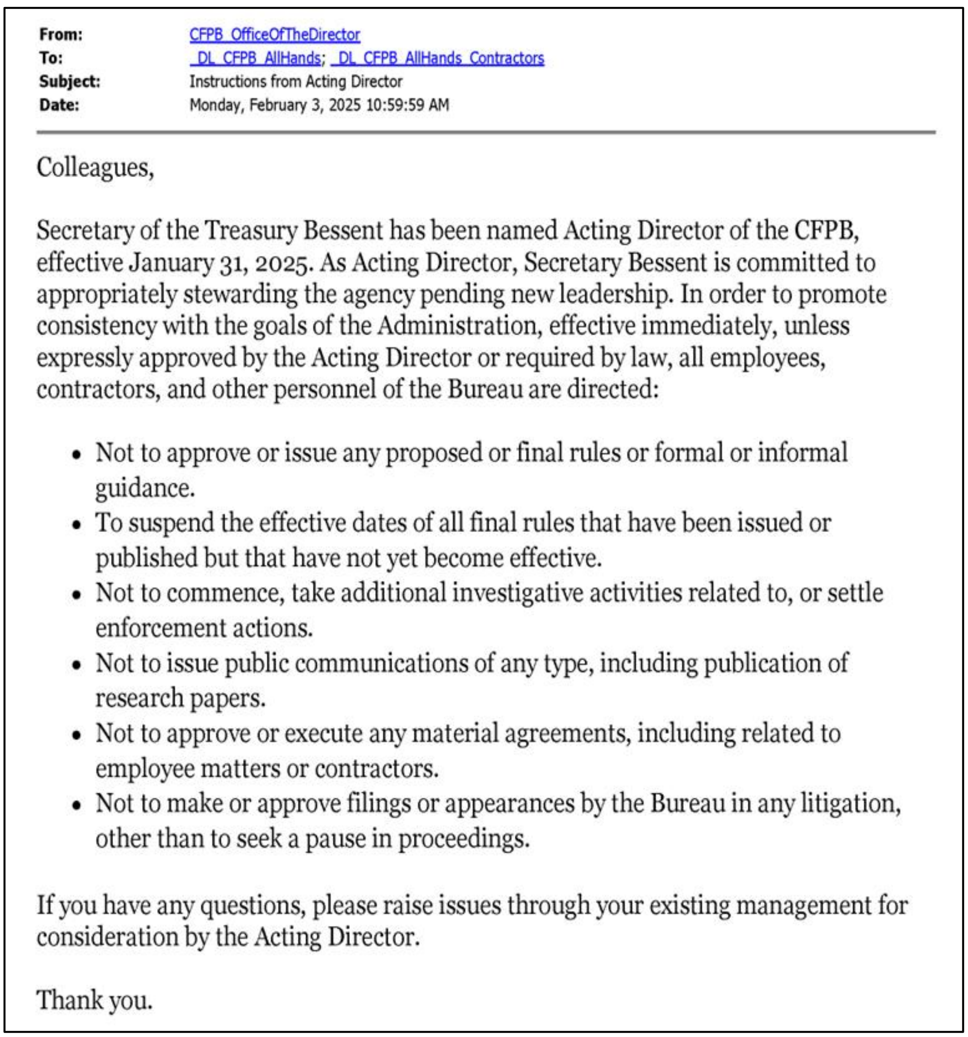
[18] *En banc* refers to court sessions with the entire membership of a court participating.

	618 employees rather than about 1,400 employees and have the agency perform certain statutory functions at a reduced level.
March 31	The CFPB files a motion to request that the U.S. Court of Appeals for the District of Columbia Circuit modify the April 28, 2025, appellate court order pending appeal to permit the agency to implement its workforce restructuring plan and carry out a RIF; grant a limited remand to the U.S. District Court for the District of Columbia with instructions to consider whether to dissolve or modify the March 28, 2025, district court order in light of the CFPB's revised plan; and hold the case in abeyance while the U.S. District Court for the District of Columbia reconsiders the March 28 district court order during the limited remand.
June 19	The U.S. Court of Appeals for the District of Columbia Circuit issues a limited remand order that, among other things, directs the U.S. District Court for the District of Columbia to consider the CFPB's request to modify, suspend, or dissolve the March 28, 2025, district court order in light of the CFPB's March 2026 workforce restructuring plan.
July 10	The U.S. District Court for the District of Columbia grants a joint motion of the parties to partially stay the proceedings until 2 days after a new CFPB director is confirmed or, if no new director is confirmed by January 3, 2027, until January 4, 2027.

CFPB Stop-Work Orders Resulted in CFPB Personnel Temporarily Not Performing Work on Enforcement, Supervision, and Other Functions

On February 3, 2025, an email was sent on behalf of the then–CFPB acting director instructing employees to stop much of their work, unless their work was "expressly approved by the Acting Director or required by law" (figure 2).

Figure 2. First Stop-Work Order Email, February 3, 2025



From: CFPB_OfficeOfTheDirector
To: _DL_CFPB_AllHands; _DL_CFPB_AllHands_Contractors
Subject: Instructions from Acting Director
Date: Monday, February 3, 2025 10:59:59 AM

Colleagues,

Secretary of the Treasury Bessent has been named Acting Director of the CFPB, effective January 31, 2025. As Acting Director, Secretary Bessent is committed to appropriately stewarding the agency pending new leadership. In order to promote consistency with the goals of the Administration, effective immediately, unless expressly approved by the Acting Director or required by law, all employees, contractors, and other personnel of the Bureau are directed:

- Not to approve or issue any proposed or final rules or formal or informal guidance.
- To suspend the effective dates of all final rules that have been issued or published but that have not yet become effective.
- Not to commence, take additional investigative activities related to, or settle enforcement actions.
- Not to issue public communications of any type, including publication of research papers.
- Not to approve or execute any material agreements, including related to employee matters or contractors.
- Not to make or approve filings or appearances by the Bureau in any litigation, other than to seek a pause in proceedings.

If you have any questions, please raise issues through your existing management for consideration by the Acting Director.

Thank you.

Source: CFPB email obtained from a public case docket.

On February 8, 2025, the newly appointed CFPB acting director sent an email to employees adjusting the scope of the work stoppage instruction (figure 3).

Figure 3. Second Stop-Work Order Email, February 8, 2025

From: Vought, Russell
To: _DL_CFPB_AllHands
Subject: Directives on Bureau Activities
Date: Saturday, February 8, 2025 8:50:28 PM

Dear Colleagues,
I am honored that President Trump designated me as Acting Director of the Bureau on February 7, 2025. As Acting Director, I am committed to implementing the President's policies, consistent with the law, and acting as a faithful steward of the Bureau's resources. To that end, I am directing that, effective immediately, unless expressly approved by the Acting Director or required by law, all employees, contractors, and other personnel of the Bureau shall:

- Not approve or issue any proposed or final rules or formal or informal guidance.
- Suspend the effective dates of all final rules that have been issued or published but that have not yet become effective.
- Not commence, take additional investigative activities related to, or settle enforcement actions.
- Not open any new investigation in any manner, and cease any pending investigations.
- Not issue public communications of any type, including publication of research papers and compliance bulletins.
- Not approve or execute any material agreements, including related to employee matters or contractors.
- Not make or approve filings or appearances by the Bureau in any litigation, other than to seek a pause in proceedings.
- Cease all supervision and examination activity.
- Cease all stakeholder engagement.

If you have any questions, please raise issues through your existing management for consideration by the Acting Director.

Thank you.

Russell T. Vought

Source: CFPB email obtained from a public case docket.

Two days later, on February 10, 2025, the CFPB acting director sent an email instructing agency employees to stop performing work altogether and to seek written approval from the acting director, by sending an email to the newly appointed chief legal officer, if they believed they needed to address an urgent matter (figure 4).

Figure 4. Third Stop-Work Order Email, February 10, 2025

From: Vought, Russell
To: _DL_CFPB_AllHands
Subject: Additional Directives on Bureau Activities
Date: Monday, February 10, 2025 8:30:43 AM

Good morning, CFPB staff,

As you have been informed by the Chief Operating Officer in an email yesterday, the Bureau's DC headquarters building is closed this week. Employees should not come into the office. Please do not perform any work tasks. If there are any urgent matters, please alert me through Mark Paoletta, Chief Legal Officer, to get approval in writing before performing any work task. His email is [redacted]. Otherwise, employees should stand down from performing any work task. Thank you for your attention on this matter.

Best,

Russ Vought

Acting Director

Bureau of Consumer Financial Protection

Source: CFPB email obtained from a public case docket.

Note: The February 10 email included one redaction as presented in a filing to the court.

> Employees charged 115,726 hours of administrative leave during one pay period in February. That is equivalent to about 1,447 employees being paid while not working.

On February 14, 2025, the human capital operations manager notified employees that they should use paid administrative leave unless otherwise instructed and that employees permitted to work should record their time consistent with normal practices. This instruction, in conjunction with the stop-work orders, resulted in an increase of 115,502 administrative leave hours recorded between the second and third pay periods of 2025.[19] See table 1 for the hours of administrative leave that CFPB employees recorded in pay periods 2–7. Following the March 28 district court order,[20] CFPB leadership instructed employees that if they were working or in a "work ready" status, they should resume "normal reporting" of their time and no longer record their time as administrative leave unless specifically authorized or directed by the Office of Human Capital. Accordingly, the number of hours of administrative leave recorded decreased significantly.[21]

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[19] Some of the administrative leave taken may have been for reasons outside the human capital operations manager's February 14, 2025, notice.

[20] National Treasury Employees Union v. Vought, No. 1:25-cv-381 (D.D.C. Mar. 28, 2025) (order granting preliminary injunction).

[21] Because the agency did not track employee hours working versus not working, we were unable to quantify the time that employees were in a work-ready status following the March 28, 2025, court order.

Table 1. Hours of Paid Administrative Leave Recorded by CFPB Employees, January 26–April 19, 2025

Pay period	Pay period dates (2025)	Hours of paid administrative leave recorded
2	January 26–February 8	224
3	February 9–22	115,726
4	February 23–March 8	106,689
5	March 9–22	81,885
6	March 23–April 5	38,773
7	April 6–19	858

Source: OIG analysis of CFPB documents and data.

On March 2, 2025, the acting chief human capital officer sent a message from the chief legal officer to employees stating that agency employees should be performing work "required by law" and did not need the prior approval of the chief legal officer to do so. The email, however, did not provide guidance on senior management's view of what work was "required by law," leading to a series of communications between divisions and senior CFPB leadership to determine what work could be performed under this directive (figure 5).

Figure 5. Email from the Chief Legal Officer Sent by the Acting Chief Human Capital Officer, March 2, 2025

From: Martinez, Adam (CFPB)
Cc: Paoletta, Mark (CFPB)
Subject: All Hands Message re: Work Required by Law
Date: Sunday, March 2, 2025 3:32:58 PM

Message from Mark Paoletta, Chief Legal Officer

On behalf of Acting Director Vought, I am writing to you to ensure that everyone is carrying out any statutorily required work, as he set forth in his February 8th email.

On February 8, 2025, you received an email from Acting Director Vought directing you to halt several classes of work unless "required by law" or expressly approved by the Acting Director. On February 10, 2025, you received an email from Acting Director Vought directing you to reach out to me for the authorization required by the February 8 email. These measures were intended to ensure that new leadership could establish operational control over the agency while ensuring that it would continue to fulfill its statutory duties. Many of you understood this and continued to perform functions required by law and sought approval from me to perform work, which I have promptly granted.

It has come to my attention, however, that some employees have not been performing statutorily required work. Let me be clear: Employees should be performing work that is required by law and do not need to seek prior approval to do so. If you have any questions, please reach out to me immediately, and I will promptly give you an answer and authorization if warranted. If you are aware of other employees that are needed to assist you in performing a statutorily required task but are not doing so, please raise this with me immediately.

Thank you for your attention to this matter.

Mark Paoletta
Chief Legal Officer
CFPB

Source: CFPB email obtained from a public case docket.

On April 1, 2025, in response to the March 28 district court order requiring the agency to not enforce the stop-work order or attempt to achieve a work stoppage, the acting chief human capital officer sent an email to CFPB employees stating that the acting director's February 10 stop-work order is without force or effect. Then, on April 11, an appellate court partially stayed the March 28 district court order and ruled that the CFPB may enforce a stop-work order if the agency conducted a particularized assessment and concluded that the work stoppage would not interfere with statutory duties.

We outline below the impacts of the stop-work orders on the agency's primary functions.

- Supervision and Examination. In response to the February stop-work orders, Supervision staff initially ceased all supervision and examination activities, pausing 274 examinations and

189 monitoring events, for a total of 463 supervisory events.[22] Since March 2025, Supervision has resumed some activities, such as closing supervisory events, coordinating with other federal regulatory agencies, and participating in Federal Financial Institutions Examination Council projects.[23] As previously noted, on April 16, 2025, the CFPB chief legal officer issued a memorandum outlining the agency's supervision and enforcement priorities for 2025. According to the priorities outlined in the memorandum, the number of supervisory events should decrease by 50 percent and Supervision should shift 70 percent of its focus to depository institutions and 30 percent to nondepository institutions.[24] In April 2025, CFPB leadership authorized Supervision staff to close certain matters requiring attention that did not align with these 2025 priorities.

In May 2025, the CFPB's chief legal officer approved some Supervision staff requests to restart certain division work, such as transitioning the oversight of depository institutions with total assets that recently exceeded and remained above $10 billion for four consecutive quarters to the CFPB.[25] Additionally, the chief legal officer required Supervision staff to develop a plan for resuming examinations that had been paused because of the stop-work orders, directing Supervision staff to assess which paused examinations aligned with the 2025 priorities memorandum and to develop a strategy for restarting examinations that did. In July 2025, CFPB leadership approved Supervision's strategy for certain types of examinations based on the underlying product line to be assessed.

On November 21, 2025, the CFPB issued a statement outlining changes to Supervision's approach for conducting examinations, in accordance with the April 2025 priorities memorandum. According to the statement, the agency would focus supervision resources on pressing threats to consumers, particularly service members and their families and veterans, and reduce its 8-week examination time frame commensurate with the defined scope of examinations for the 2026 examination cycle. Additionally, according to the statement, examiners must read a "humility pledge" to each supervised entity before conducting examinations.

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[22] For the purposes of this report, we refer to examinations and monitoring events collectively as *supervisory events*. The CFPB's practice is to schedule monitoring events at least quarterly between examinations to review supervisory and public information about an institution. Through these events, the CFPB maintains current information about an institution's activities, and examiners use this information to assess the institution's risk profile. We previously assessed the CFPB's periodic monitoring program. See Office of Inspector General, *The Bureau Can Improve Its Periodic Monitoring Program to Better Target Risk and Enhance Training for Examiners*, OIG Report 2020-SR-C-015, June 24, 2020.

[23] The Federal Financial Institutions Examination Council is a statutorily created interagency body empowered to (1) prescribe uniform principles, standards, and report forms for the federal examination of financial institutions by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the OCC, and the CFPB and (2) make recommendations to promote uniformity in the supervision of financial institutions.

[24] The April 16 memorandum did not specify what supervisory activity should be reduced to achieve the 50 percent reduction in activity. In 2024, Supervision completed 107 examinations and the monitoring of 332 depository institutions, and 93 examinations and the monitoring of 227 nondepository institutions, for a total of 759 supervisory events.

[25] Once a depository institution's total assets exceed $10 billion for four consecutive quarters, its consumer protection supervisory authority shifts from its prudential regulator to the CFPB. We previously assessed the CFPB's process for transitioning depository institutions with assets over $10 billion to its oversight. See Office of Inspector General, *The CFPB Can Improve Its Process for Onboarding Depository Institutions That Transition to Its Oversight*, OIG Report 2024-SR-C-021, December 2, 2024.

As of January 2026, a Supervision official told us that the CFPB authorized Supervision staff to resume 14 examinations that had been paused since the February 2025 stop-work orders.[26] Additionally, we were told that the CFPB approved Supervision's 2026 examination calendar, which included 64 examinations, and that Supervision staff were scheduled to start in May 2026. According to the official, Supervision staff have not initiated or resumed any monitoring events or conducted any activities under its examiner commissioning program since the February 2025 stop-work orders.[27]

- **Enforcement**. In response to the February stop-work orders, Enforcement staff halted all enforcement-related activity, pausing 80 investigations, and requested the chief legal officer's approval to proceed with ongoing litigation cases that had urgent deadlines. In March 2025, the acting Enforcement director also requested approval to conduct work related to, among other things, ongoing litigation and postjudgment cases, open investigations, the whistleblower tip line, and divisional coordination on several enforcement-related tasks.[28] The chief legal officer approved requests to conduct activities related to ongoing litigation, engage in intake and processing of whistleblower tips regarding potential federal consumer financial protection law violations, and conduct certain activities for postjudgment cases and open investigations.

  The CFPB's April 2025 priorities memorandum provided that the agency would focus its efforts on fraud matters for "identifiable affected consumers with material and measurable damages" and providing redress directly to consumers. In addition, the priorities highlighted plans to reduce the agency's focus on consumer data, peer-to-peer lending platforms, and digital payments. During the time period covered by our review, the CFPB dismissed 18 ongoing litigation cases that it had previously filed and withdrew as plaintiff in 1 ongoing litigation case.[29] For example, the CFPB dismissed ongoing lawsuits that it had brought against several large depository and nondepository institutions, such as a consumer reporting company and a financial technology company for alleged unfair or deceptive acts or practices and ineffective safeguards against fraud. In addition, the CFPB filed a motion to vacate 1 postjudgment case that it had brought, but its request was denied by the judge. As of January 2026, the CFPB authorized Enforcement to continue pursuing 7 ongoing litigations and 4 postjudgment cases that were underway before

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[26] Our data analysis supporting our CFPB travel card risk assessment shows that total employee travel costs decreased from about $500,000 a month from January 2024 to February 2025 to about $2,500 a month from March to September 2025. We assessed the CFPB's government travel card program for fiscal years 2023 and 2024 and the total dollar value of government travel card purchases in fiscal year 2025. See Office of Inspector General, *Fiscal Years 2023–2024 Risk Assessment of the CFPB's Government Travel Card Program*, March 10, 2026.

[27] The examiner commissioning program is a key component of the CFPB's supervision program and addresses the professional development of the agency's examination workforce. We previously assessed the CFPB's examiner commissioning program. See Office of Inspector General, *The CFPB Can Enhance Certain Aspects of Its Examiner Commissioning Program*, OIG Report 2024-SR-C-013, May 15, 2024.

[28] The CFPB's enforcement process includes various phases for investigations and enforcement actions. The CFPB conducts investigations to gather facts and identify potential federal consumer financial law violations to determine whether the agency should file an enforcement action. For the purposes of this report, we refer to enforcement actions that are subject to litigation or under appeal as *ongoing litigation* and to enforcement actions resolved in an administrative proceeding or civil action that have ongoing compliance obligations as *postjudgment cases*.

[29] According to the October 2024–December 2025 *Semi-Annual Report of the Consumer Financial Protection Bureau*, most of the ongoing litigation cases were filed during the former CFPB director's tenure and constituted "agency overreach" that should have never been initiated. The report also states that the agency is proceeding with ongoing litigation cases that align with the April 2025 supervision and enforcement priorities.

February 2025. Also, as of January 2026, the CFPB initiated 2 investigations and 6 postjudgment cases. The courts overseeing 5 of the 6 postjudgment cases entered proposed stipulated final judgments and orders, which required three entities to pay civil money penalties. Specifically, two entities were ordered to pay $1 and one entity was ordered to pay $4 million in civil money penalties to the CFPB's victims relief fund.[30]

- Consumer Response and Education. The Dodd-Frank Act requires the CFPB to establish a unit that has a telephone number, a website, and a database to centrally collect, monitor, and respond to consumer complaints regarding consumer financial products or services.[31] In addition, the act requires the CFPB to establish an Office of Financial Education that develops and implements initiatives to educate and encourage consumers to make informed financial decisions.[32]

  According to a CFPB official, CRE ceased work in response to the February 2025 stop-work orders. According to the official, between February 10 and March 3, 2025, the CRE Office of Consumer Response ceased monitoring and responding to consumer complaints related to consumer financial products and services. In addition, the CRE Office of Financial Education ceased developing and implementing initiatives to improve consumers' financial literacy and decisionmaking capabilities. In the contracting section below, we detail how the CFPB's contract cancellations affected CRE's ability to collect and manage consumer complaints.

  According to data provided by the CFPB, the total number of consumer complaints received each month has increased from about 534,700 in January 2025 to about 897,000 in June 2026. Only a small percentage of these complaints require manual processing, while the vast majority of complaints received are automatically routed to companies after being submitted to the CFPB. From February 2025 to June 2026, about 24,100 complaints required manual processing each month, on average. The number of complaints requiring manual processing peaked in December 2025 at about 31,000 and fell to about 15,800 in June 2026. Before June 2026, the CFPB informally referred to the total number of complaints requiring manual processing as the consumer complaint backlog. The agency recently created a formal definition of the consumer complaint backlog to include complaints requiring manual processing that are more than 30 days old.[33]

  The employee and contractor stop-work orders and contract actions related to the consumer complaint database resulted in a backlog of about 16,400 consumer complaints that required manual routing, or about 3.5 percent of the total of about 475,100 complaints that the CFPB received in March 2025. In February and March 2025, a senior CRE official requested and received the chief legal officer's approval for (1) CRE staff to assess the nature of the backlog and (2) perform statutory work, such as investigating and responding to consumer complaints. The chief legal officer approved the requests on February 27 and March 2, 2025, respectively. In March 2025, an official with the CRE Office of Financial Education sought clarification on whether and when the office should resume its assigned work tasks. In response, the chief legal officer

[30] A senior Enforcement official informed us that one of the two entities paid the $1 civil money penalty and the third entity paid the $4 million civil money penalty.

[31] 12 U.S.C. § 5493(b)(3).

[32] 12 U.S.C. § 5493(d).

[33] See the "Management Actions Taken" section for more information about changes to the CFPB's complaint processing approach.

referenced his March 2 email and mentioned that the office should be performing statutory work. A CFPB official stated that most of CRE's work resumed on March 3, 2025. We understand that all core CRE services and tools, such as the financial education publications program, financial education content and resources, complaint management system, and manual complaint review and routing, continued to be operational as of January 2026.

According to our analysis of data provided by the CFPB, as of June 2026, the agency had about 17,100 consumer complaints that require manual routing, of which about 3,800, or about 22 percent, have been pending for more than 30 days.[34] About 17,100 consumer complaints requiring manual processing represents about 1.9 percent of the approximate total of 897,000 complaints that the CFPB received in June 2026.

- Research, Monitoring, and Regulations. RMR officials and staff indicated that the division ceased conducting its statutory monitoring and research functions in response to the February 2025 stop-work orders.[35] On March 3, 2025, a senior RMR official emailed the chief legal officer indicating that RMR leadership reviewed the division's work against the Dodd-Frank Act and other statutes and determined that virtually all of RMR's work addresses statutory obligations. The official further stated that, absent specific direction from CFPB leadership, RMR staff intended to resume discussing and presenting research findings with external stakeholders and to resume posting research findings. That same day, the chief legal officer instructed the senior official to proceed with the proposed implementation strategies. A senior RMR official informed us that, as of January 2026, RMR staff continue to conduct research and market monitoring activities. During the time period of our review, RMR staff have posted on the agency's website several research findings on consumer finance topics, including consumer credit, private student loans, and mortgage data.

[34] As previously noted, a senior CRE official explained that the fluctuations in the backlog volume are a result of the varying amounts of consumer complaints that require manual routing to a company. Consumer complaints that require manual review include (1) complaint referrals from other regulators, the White House, and Congress; (2) complaints with incomplete consumer information; and (3) complaints against companies that do not participate in the CFPB's consumer complaint program. The senior CRE official also noted that the backlog includes complaints received more than a month ago as well as complaints received minutes before capturing the current backlog volume.

[35] 12 U.S.C. § 5493(b)(1) requires the CFPB director to "establish a unit whose functions shall include 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."

CFPB Workforce Reduction Actions Had Limited Impact on Operations Because Court Orders Stopped Their Implementation

CFPB leadership initiated several workforce reduction actions from February to April 2025. Those actions included offering the DRP, dismissing probationary and term employees, and initiating RIFs. These measures had a limited impact on operations because these actions, with the exception of the DRP, were halted by court orders.[36]

Offering the DRP

On February 5, 2025, a day before the initial deadline set by OPM for federal employees to submit their intention to voluntarily participate in the DRP, the CFPB's former deputy director announced that the agency would implement the terms of the voluntary DRP. The deadline for federal employees to voluntarily apply for the DRP was paused until February 12, 2025, as a result of a court order. Sixty-seven CFPB employees accepted the deferred resignation offer.

Dismissing Probationary and Term Employees

From February 11 to February 13, 2025, the CFPB dismissed all 182 of its probationary and term employees. A CFPB advisor approved dismissing probationary and term employees on February 10 and February 12, 2025, respectively. The acting chief human capital officer dismissed 83 probationary employees on February 11, 2025. The CFPB's messages dismissing the probationary employees stated that the agency had concluded that those dismissed were "not fit for continued employment because [their] ability, knowledge and skills do not fit the Agency's current needs." The messages also cited several statutory and regulatory authorities as the basis for that action.[37] The acting chief human capital officer dismissed 99 term employees on February 13, 2025, including 49 term employees who were in their probationary period. A CFPB official explained that the 49 term employees in their probationary period were not dismissed on February 11 because of an oversight attributable to the 1-day prior notice for conducting those dismissals. The messages to dismissed term employees stated that the dismissal actions implemented Executive Order, *Implementing The President's "Department of Government*

[36] Separately, from January 20, 2025, to January 31, 2026, 575 employees voluntarily departed the agency or their term expired.

[37] The provisions cited were 5 U.S.C. §§ 7511 and 3321(a); 5 C.F.R. §§ 315.803–804 and 316.304.

Efficiency" Workforce Optimization Initiative, dated February 11, 2025.[38] Our review of performance information provided by the CFPB found that none of the dismissed probationary and term employees had performance issues. In addition, a CFPB official told us that none of these employees had conduct issues. See table 2 for the distribution of dismissed probationary and term employees by division or function.

Table 2. Number of Dismissed Probationary and Term Employees by Division or Function

Division or other function	Number of employees as of April 5, 2025[a]	Number (and percentage of division or function) of dismissed probationary and term employees	Number of employees who would have been retained
Director's Office	84	27 (32%)	57
CRE	148	4 (3%)	144
Enforcement	243	42 (17%)	201
Supervision	453	15 (3%)	438
Operations	314	15 (5%)	299
RMR	221	35 (16%)	186
External Affairs	39	3 (8%)	36
Legal	83	9 (11%)	74
Other programs[b]	38	32 (84%)	6
Total	1,623	182 (11%)	1,441

Source: OIG analysis of CFPB documents and data.

[a] We deducted the 67 employees who elected to take the DRP from this column.

[b] *Other programs* include services provided centrally to other CFPB divisions.

From February 11 to February 21, 2025, the CFPB reinstated 12 probationary and term employees who had previously elected to participate in the DRP, had probationary or trial periods conclude before their dismissal, or had been in the process of retiring. Additionally, on February 26, 2025, OPM instructed the CFPB to reinstate employees who were military spouses, veterans, or disabled veterans, which resulted in the reinstatement of an additional 10 employees.

In March 2025, the CFPB reinstated all remaining probationary and term employees following the March 13 and March 28 orders issued by two federal district courts.[39]

[38] The president established the U.S. Department of Government Efficiency (DOGE) through Executive Order 14158, *Implementing The President's "Department of Government Efficiency" Workforce Optimization Initiative*, on January 20, 2025. This executive order instructed agencies, among other things, to undertake preparations to develop a data-driven hiring plan, in consultation with its DOGE team lead; initiate large-scale RIFs, consistent with applicable law; and separate from temporary employees working in areas that will likely be subject to RIFs. According to a CFPB official, DOGE employees served as CFPB advisors to the acting director starting on February 6, 2025.

[39] National Treasury Employees Union v. Vought, No. 1:25-cv-381 (D.D.C. Mar. 28, 2025) (order granting preliminary injunction); Maryland v. USDA, No. 1:25-cv-748 (D. Md. Mar. 13, 2025) (order granting temporary restraining order).

Initiating Reductions in Force

In February 2025, the CFPB initiated efforts to conduct a RIF. On February 13, the CFPB sought OPM's approval to waive both the 60-day notice period given to employees selected for dismissal through a RIF and the 90-day rule requiring federal agencies to submit descriptions of competitive areas[40] before the effective date of a RIF.[41] That same day, a CFPB advisor notified officials and staff responsible for handling RIFs that they should issue notices to employees no later than February 14. On February 14, OPM approved the CFPB's requests for exceptions to the 60-day notice period and the 90-day rule. However, a February 14 district court order prohibited the CFPB from terminating any employee, except for cause related to performance or conduct, or issuing RIF notices until the court ruled on the NTEU's motion for preliminary injunction.[42] The March 28 district court order prohibited the CFPB from terminating employees, except for cause, and from issuing RIF notices.

In April 2025, the CFPB initiated efforts to conduct a second RIF following an April 11 appellate court order partially staying the March 28 district court order and ruling that the CFPB may avoid reinstating probationary and term employees and may terminate employees or issue RIF notices if the agency performed particularized assessments to conclude that these employees were unnecessary to perform statutory work.[43] On April 15, 2025, the acting chief human capital officer again requested OPM's approval for exceptions to the 60-day notice and the 90-day rule.[44] On April 17, the acting director sent RIF notices to about 1,400 employees, or about 87 percent of the agency's employees. The RIF notices stated that the employees would lose access to their work systems on April 18 and would be removed from federal service on June 16. The RIF notices also stated that the employees were being dismissed because their positions were eliminated. According to the CFPB chief legal officer's declaration, in preparation for the RIF, the chief legal officer and two CFPB attorneys reviewed the agency's staffing and concluded that the CFPB's operations and support functions could be performed by a total of 207 employees, or about 13 percent of the agency's 1,623 employees at that time. For example, the RIF would have reduced the staffing of Supervision from 453 to 50 employees and Enforcement from 243 to 50 employees. Table 3 outlines the proposed division-level impact of those planned reductions.

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40 As previously noted, according to OPM, *competitive areas* define boundaries within which employees compete for retention. Competitive areas include employees within organizational units and geographical locations. Within competitive areas, agencies define *competitive levels* that include groups of interchangeable positions. Employees in competitive levels have positions in the same grade and occupational series and have similar duties, qualification requirements, pay schedules, and working conditions.

41 According to 5 C.F.R. § 351.801(b), the head of an agency may request the OPM director's approval for an exception to the 60-day notice period if the agency must initiate a RIF because of unforeseeable circumstances. The minimum notice period must cover at least 30 days before the effective date of the employee's release.

42 National Treasury Employees Union v. Vought, No. 1:25-cv-381 (D.D.C. Feb. 14, 2025) (order prohibiting further personnel actions).

43 National Treasury Employees Union. v. Vought, No. 25-5091 (D.C. Cir. Apr. 11, 2025) (order staying in part the D.D.C. March 28 preliminary injunction).

44 According to the acting chief human capital officer, OPM denied the CFPB's request for an exception to the 60-day notice but approved the request for an exception to the 90-day rule.

Table 3. The Number of Employees Intended to Be Dismissed Under the CFPB's April 2025 RIF by Division or Function

Division or other function	Number of employees as of April 5, 2025[a]	Number of employees (and percentage of division or function) intended to be dismissed under the RIF	Number of employees intended to be retained following the RIF
Director's Office	84	79 (94%)	5
CRE	148	128 (86%)	20
Enforcement	243	193 (79%)	50
Supervision	453	403 (89%)	50
Operations	314	284 (90%)	30
RMR	221	199 (90%)	22
External Affairs	39	37 (95%)	2
Legal	83	56 (67%)	27
Other programs[b]	38	37 (97%)	1
Total	1,623	1,416 (87%)	207

Source: OIG analysis of CFPB documents and data.

[a] We deducted the 67 employees who elected to take the DRP from this column.

[b] *Other programs* include services provided centrally to other CFPB divisions.

The proposed RIF action has not been implemented because, on April 18, 2025, a federal district court issued an order preventing the CFPB from implementing the RIF notices and discontinuing employee access to work systems to allow the court to make a determination as to whether the CFPB conducted a particularized assessment, as required by the April 11 appellate court order.[45] On April 28, the appellate court modified the April 11 court order to enjoin the CFPB from issuing RIF notices to employees after the CFPB appealed the April 18 district court order.[46] On August 15, the appellate court vacated the March 28 district court order, permitting the CFPB to terminate employees.[47] However, the appellate court delayed the effective date of the August 15 order until 7 days after the disposition of any timely petition for rehearing or petition for rehearing en banc. On September 29, the NTEU filed a petition for rehearing en banc.[48] On December 17, the appellate court granted the NTEU's petition for rehearing en banc, vacated

[45] National Treasury Employees Union v. Vought, No. 1:25-cv-381 (D.D.C. Apr. 18, 2025) (order to enjoin the planned RIF).

[46] National Treasury Employees Union v. Vought, No. 25-5091, (D.C. Cir. Apr. 28, 2025) (order to modify the D.C. Cir. April 11 order and partially restore the D.D.C. March 28 preliminary injunction).

[47] National Treasury Employees Union v. Vought, No. 25-5091, (D.C. Cir. Aug. 15, 2025) (order to vacate the D.D.C. March 28 preliminary injunction).

[48] National Treasury Employees Union v. Vought, No. 25-5091, (D.C. Cir. Sep. 29, 2025) (the NTEU's petition for rehearing en banc).

the August 15 appellate court order, and restored the April 11 partial stay as modified by the April 28 appellate court order. The oral argument before the en banc court occurred on February 24, 2026.[49]

When we requested information from the CFPB that supported its particularized assessment that the employees proposed for RIFs were unnecessary to perform statutory work duties, the CFPB directed us to the declaration of the chief legal officer filed by the CFPB in connection with the April 18, 2025, court proceeding.[50] The declaration summarizes the action taken by the chief legal officer and two other CFPB attorneys to conduct "a particularized assessment to determine which employees are unnecessary for the CFPB to perform its statutory duties." As noted above, at the conclusion of the April 18 court proceeding, the district court issued an order preventing the CFPB from implementing the RIF notices to allow the court to make a determination as to whether the CFPB conducted a particularized assessment, as required by the April 11 appellate court order.

On March 27, 2026, the deputy director requested the acting director's approval to implement a workforce restructuring plan that would retain 556 employees and reduce the workforce by 618 employees. Four days later, on March 31, 2026, the acting director approved the proposed workforce restructuring plan, which supersedes all previous RIF plans and decisions regarding the size or functioning of the CFPB. That same day, the CFPB filed a motion requesting that the appellate court modify the April 28, 2025, appellate court order to permit the agency to implement its workforce restructuring plan and carry out a RIF; grant a limited remand to the district court with instructions to consider whether to dissolve or modify the March 28, 2025, district court order in light of the CFPB's revised plan; and hold the case in abeyance while the district court reconsiders the March 28 court order during the limited remand. On June 19, 2026, the appellate court issued a limited remand order, directing the district court to consider whether to modify, suspend, or dissolve the March 28, 2025, preliminary injunction, and on July 9, 2026, the parties filed a joint motion to temporarily stay these proceedings. On July 10, 2026, the district court granted the joint motion to partially stay these proceedings until 2 days after a new CFPB director is confirmed or, if no new director is confirmed by January 3, 2027, until January 4, 2027.

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[49] National Treasury Employees Union v. Vought, No. 25-5091, (D.C. Cir. filed Dec. 17, 2025) (order granting the NTEU's petition for rehearing en banc, vacating the D.C. Cir. August 15 order and restoring the D.C. Cir. April 11 partial stay as modified by the April 28 order).

[50] National Treasury Employees Union v. Vought, No. 1:25-cv-381 (D.D.C. Apr. 18, 2025) (Paoletta declaration).

CFPB Contract Actions Resulted in Service Disruptions That Temporarily Impacted the Consumer Complaint Database and Other Operational Processes

Beginning in February 2025, CFPB leadership made a series of recommendations and decisions related to CFPB contracts that changed frequently, in some cases multiple times in a day. For example, on February 10, a Procurement official, following the acting director's February 8 stop-work email, instructed Procurement staff to issue stop-work orders to almost all the agency's contractors. On February 11, the chief financial officer required division leadership to identify and provide justifications for maintaining contracts that directly supported the agency's statutory functions. CFPB officials and division leadership documented and frequently revised the justifications for those contract actions in a shared master spreadsheet located on a filesharing platform. Also on February 11, 2025, on behalf of the acting director, the chief legal officer instructed the chief financial officer to terminate most contracts, including all Supervision, Enforcement, and CRE contracts. See appendix B for contract stop-work and cancellation emails. CFPB leadership then reconsidered their approach and the agency shifted to a process that involved the chief financial officer and chief legal officer reviewing individual contracts to determine whether those contracts supported primary or operational support functions.[51]

Procurement staff responded to our data requests regarding contract actions by manually compiling information from various spreadsheets, emails, and other documents because, according to an interviewee, Procurement experienced difficulties retroactively capturing historical contract data. Given the manual nature of the CFPB compiling the contract information and the data reliability concerns associated with such an exercise, we summarize our qualified understanding of the various populations and provide a high-level description of what occurred with some key illustrative examples. Our qualified description of what occurred to the agency's contracts, including the numbers of contracts noted below, relies on a combination of testimonial evidence, targeted reviews of CFPB documents, information in the FPDS, and contract data provided by the CFPB. We did not conduct a contract-by-contract review because there were hundreds of contracts at issue.

The CFPB entered into termination agreements with the GSA for its regional office leases in February 2025. A year later, in February 2026, the CFPB and the OCC entered into a termination agreement for the agency's headquarters lease in the District of Columbia as a result of the OCC transferring ownership of the property to the GSA. As of March 2026, the CFPB was coordinating with the GSA to establish a new lease for a reduced amount of space in the same headquarters property.

[51] We were unable to determine when the CFPB shifted to the process requiring review of contracts by the chief financial officer and the chief legal officer. According to a CFPB procurement official, representatives from DOGE initially instructed the CFPB to terminate all of its contracts. The procurement official told us that the process then changed to require review of contracts by the chief financial officer and the chief legal officer.

Contracts

As of January 20, 2025, the agency had 525 active contracts.[52] From January 20 to February 10, the CFPB canceled 9 contracts related to media subscriptions and 3 contracts related to minority and women inclusion training.[53] According to a CFPB official, the agency took these actions to align with guidance from the chief operating officer on media contracts and Executive Order 14151 on diversity, equity, and inclusion in the federal government.[54] On February 10, per the CFPB acting director's stop-work orders for all CFPB employees and contractors, a Procurement official instructed staff to issue stop-work orders on all contracts except for those related to the Civil Penalty Fund and 6 contracts related to building maintenance services, the service desk, and the CRE call center.[55] The following day, February 11, the chief legal officer directed staff to notify contractors of the agency's intention to cancel contracts for the convenience of the government; documentation provided to us showed varying numbers of contracts—from 87 to 345—for which Procurement issued those notices. From February 12 to February 24, 2025, Procurement canceled 79 contracts through termination modifications before the NTEU and the CFPB entered into an agreement that the CFPB would pause all contract termination actions through March 28, 2025.[56]

On March 28, 2025, a district court ordered the CFPB to rescind all notices of contract termination issued on or after February 11, absent an individualized assessment that the contract was not necessary to fulfill the CFPB's statutory functions. On April 1, in response to the court order, CFPB leadership notified staff that the agency would be taking steps to comply with a preliminary injunction and instructed staff to (1) rescind contract terminations that were issued on or after February 11, (2) refrain from canceling contracts without the chief legal officer's approval, and (3) discontinue contract terminations that were in process. Following this court order, the agency issued continuation of services notices to some contractors that had previously received stop-work orders. The CFPB did not cancel any more contracts through January 2026. See appendix C for examples of a stop-work order, a termination notice, and a termination modification. See appendix D, table D-1, for a list of 91 canceled contracts from January 20, 2025, to January 31, 2026.

Separately, from February 10, 2025, to January 31, 2026, 204 CFPB contracts expired. According to an interviewee, CFPB division leadership concluded that these contracts did not support statutorily mandated functions.

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52 For the purpose of this report, we include indefinite delivery contract *task orders* and blanket purchase agreement *calls* in our count of total contracts.

53 Procurement explained that the three contracts related to minority and women inclusion training were blanket purchase agreements with no orders placed under them or obligated funds; we include them in our total count of canceled contracts.

54 Executive Order 14151, *Ending Radical And Wasteful Government DEI Programs And Preferencing*, January 20, 2025.

55 Based on the contract data provided by the CFPB, we could not determine the number of contracts related to the Civil Penalty Fund. For some services, Procurement issued partial stop-work orders. The CFPB did not differentiate for us between partial and full stop-work orders. Therefore, we cannot determine the number of partial or full stop-work orders that the CFPB issued.

56 On February 19, 2025, the chief legal officer instructed staff to stop initiating formal contract cancellations. The March 28, 2025, federal district court order required the CFPB to rescind all notices of contract termination issued on or after February 11, 2025 (National Treasury Employees Union v. Vought, No. 1:25-cv-381 (D.D.C. Mar. 28, 2025) (order granting preliminary injunction)).

From February 2025 to January 2026, the CFPB reinstated, with the chief legal officer's approval, 16 contracts because division leadership, with the concurrence of the chief financial officer, determined that those agreements supported primary or operational functions. The agency also awarded 59 new contracts from February 11, 2025, to January 31, 2026, to replace expiring contracts that supported primary or operational functions. The 16 reinstated and the 59 new contracts are primarily for the Enforcement and Operations divisions and for administrative services, including personnel security and information technology services. The reinstated contracts for Enforcement provide access to public records databases that help staff identify individuals and information for litigation and investigations, and the new contracts permit Enforcement to hire court reporters. The reinstated and new contracts for Operations, among other things, are related to services for Enforcement staff to help provide redress to harmed consumers and data tools and systems that support statutorily mandated obligations. Appendix D, table D-1, identifies the 16 of 91 canceled contracts that were reinstated from January 20, 2025, to January 31, 2026, and table D-2 provides a listing of the newly awarded contracts from February 11, 2025, to January 31, 2026.

According to a CFPB official, as of February 23, 2026, the CFPB has received 25 settlement requests from vendors valued at about $1.7 million to reimburse them for work that was in progress. As of January 2026, the CFPB has paid 4 settlement requests that were converted to claims totaling $80,969.[57] Procurement officials noted that they expected more vendors to submit settlement requests for canceled contracts.

As discussed above, between the February 2025 stop-work orders and October 2025, the CFPB did not conduct any examinations; therefore, the contract cancellations that supported examinations did not have any additional effect on supervisory activity. Enforcement leadership received approval from the chief legal officer to reactivate most contracts needed to perform key operational functions.

Below are examples of how the contract actions affected statutorily mandated and key operational support CFPB functions in other areas.

- CRE. The Dodd-Frank Act requires the CFPB to establish a toll-free telephone number and a database to facilitate collecting, monitoring, and responding to consumer complaints.[58]
    - In 2024, on average, the CRE call center received more than 51,000 calls a month related to consumer inquiries, complaints, and status updates on complaints. For 1 day, February 12, 2025, CRE's system for supporting its phone complaints was taken down because the CFPB sent the contractor a termination notice the previous day.[59] However, CRE's work resumed once the CFPB rescinded the termination notice on February 12, 2025.

[57] A CFPB official explained that a claim is a formal, written demand from the contractor to the government that has prescribed elements and processes outlined by the *Federal Acquisition Regulation*, whereas a settlement is discretionary and less formal.

[58] 12 U.S.C. § 5493(b)(3)(A).

[59] We received conflicting information about the call center contract. Procurement data showed that the contract did not receive a stop-work order or a termination notice; however, a March 2025 internal report indicated that the call center experienced a 1-day outage on February 12, 2025, due to the contract cancellation. We also received copies of the February 11 termination email and the February 12 rescission email.

- CRE's consumer complaint database is a secure online environment that protects consumers' privacy and the confidentiality of company responses. From February 11 to March 3, 2025, as a result of a termination notice sent to the contractor that performs technical operations and maintenance support needed to load data into the consumer complaint database, the database experienced technical and processing issues, contributing to delays in consumer complaints being routed to institutions. On February 26, 2025, a senior CRE official requested reactivation of the contract. The following day, the chief legal officer approved the reactivation request and the CFPB rescinded the termination notice. According to a senior CRE official, CRE staff noticed the issues once they resumed work on March 3, 2025. On March 6, 2025, the senior official requested the reactivation of eight contracts for tools and licenses necessary to perform primary functions, such as collecting, tracking, and responding to complaints. The CFPB had already rescinded a termination notification for one of these contracts on March 3, 2025, which was before the senior official's request. On March 13, the chief legal officer approved the request to keep the seven remaining contracts. According to a report provided by the CFPB, the disruption of services, as well as the employee stop-work orders, resulted in a backlog of about 16,400 consumer complaints. As of June 2026, the agency had about 17,100 consumer complaints that require manual routing, of which about 3,800, or about 22 percent, have been pending for more than 30 days.[60]

- Operations. Title 29 of the Code of Federal Regulations requires federal agencies to comply with Management Directive 715 to, among other things, establish an equal employment opportunity complaint tracking and monitoring system.[61] The CFPB's Office of Civil Rights (OCR) uses an application to collect and manage equal employment opportunity complaint data. On February 12, 2025, the CFPB issued a stop-work order and a termination notification for the contract for that application; therefore, OCR staff lost access to equal employment opportunity complaint data. On February 28, 2025, a senior OCR official and the acting chief human capital officer requested reactivation of the contract. That same day, the CFPB rescinded the termination notice for the contract.

- Information Technology. Under the Federal Information Security Modernization Act of 2014, federal agencies must implement a program to continuously monitor organizational information security status. The CFPB uses contractor resources to support its information security continuous monitoring (ISCM) program, which includes an ongoing assessment of information systems controls and status monitoring. On February 11 and February 12, 2025, the agency issued a stop-work order and a termination notification for its contract supporting the ISCM program, respectively. This termination limited the CFPB's ability to assess the security status of information systems and maintain ongoing awareness of its cybersecurity posture.[62]

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[60] Refer to footnote 34 for a senior CFPB official's explanation for the increase in the backlog.

[61] 29 C.F.R. § 1614.102(e); Equal Employment Opportunity Management Directive 715.

[62] The impact of the cancellation of the ISCM contract is addressed in our annual audit of the CFPB's information security program. We concluded that the CFPB's overall information security program is not effective. See Office of Inspector General, *2025 Audit of the CFPB's Information Security Program*, OIG Report 2025-IT-C-012, October 31, 2025.

A Procurement official noted that federal employees were initially reassigned to fill in for contractors. This contract has not been reinstated.

Occupancy Agreements

On February 12, 2025, the CFPB requested that the GSA initiate the termination of the agency's four regional office leases. On February 21, 2025, the GSA terminated those leases effective immediately. According to a CFPB official, the agency stopped paying rent for its regional office leases in February 2025 but has yet to completely vacate those properties as of March 2026. The associated fees for network connectivity and building security ceased because the contract for network connectivity expired in September 2025 and the responsibility for building security transferred to the GSA when the leases were terminated in February 2025. An official also noted that no fees were incurred because of the early termination of these GSA leases. The CFPB anticipates that it will incur costs related to staff travel, disposing of equipment and furniture, and shipping once the agency can resume vacating the spaces.

On February 12, 2025, and again on December 5, 2025, the agency informed the OCC—lessor of its headquarters office in the District of Columbia—of its intent to terminate its headquarters lease. On December 22 and 23, 2025, the CFPB entered into two memorandums of understanding with the GSA to transfer operational, maintenance, custodial, guard, and x-ray maintenance services to the GSA with the understanding that on December 31, 2025, ownership of the property would transfer from the OCC to the GSA. As a result of the GSA taking ownership of the property, the CFPB and the OCC signed a termination agreement on February 11, 2026, for the CFPB's headquarters office. A CFPB official informed us that, as of March 2026, the CFPB was only occupying some areas of the building and was coordinating with the GSA to establish a new lease for a reduced amount of space in the building. Further, a CFPB official informed us that as a result of the quick transfer of building ownership from the OCC to the GSA, the CFPB was still paying for some of the building contracts for network connectivity, badging and building access control, and the facilities work order system; however, ultimately the GSA will set up its own network connectivity and the remaining contracts will be transferred to the GSA.

Management Actions Taken

In June 2026, following the issuance of our draft report to the CFPB, the agency issued a press release announcing steps it was taking "to increase effectiveness of the [consumer complaint] process."[63] Among other actions, the agency announced that it would now consider complaints awaiting manual routing for more than 30 calendar days from the date of submission to constitute its backlog. Under the updated approach, the agency considers the remainder of complaints requiring manual routing—that is, those 30 days or less since submission—to be routine works in progress. Previously, any complaints requiring manual routing constituted the "backlog" with no aging component.

[63] CFPB News Release, *The CFPB is Correcting Flaws to Restore Integrity and Utility to the Consumer Complaint System*, June 24, 2026.

Appendix A: Scope and Methodology

We reviewed the CFPB's workforce and contract actions taken from January 2025 to January 2026 to determine how these actions affected the CFPB's primary and operational support functions. In addition, we assessed the termination of the occupancy agreements for the CFPB's headquarters and regional offices through March 2026. The CFPB's workforce and contract actions are the subject of pending litigation; therefore, we did not assess whether these actions complied with applicable laws, regulations, or policies.

To determine the effect of these actions, we reviewed

- applicable sections of the Dodd-Frank Act
- the CFPB's collective bargaining agreement
- publicly available court case exhibits, including declarations, emails, memorandums, and other documents from current and former employees and the litigants' counsel
- relevant federal court decisions
- emails and other documents outlining the instructions and procedures for the CFPB's workforce and contract action plans as well as the agency's headquarters and regional office spaces
- emails from division officials requesting reinstatement of contracts that support statutorily required functions
- memorandums and emails communicating dismissals and reinstatements to term and probationary employees and employees subject to the RIF
- data on employees affected by the workforce actions
- data on contracts affected by the contract actions
- data on administrative leave charged by employees in conjunction with the stop-work orders and relevant federal court decisions
- data on the amount of employees' salaries and benefits and other expenses paid by the CFPB in conjunction with the stop-work orders and relevant federal court decisions
- data pertaining to the primary and support functions affected by the stop-work orders

We also interviewed CFPB officials and staff to gain an understanding of the procedures followed in taking these actions and the effects of the actions on the CFPB's execution of its primary and support functions. CFPB interviewees told us that because (1) updates to contract lists occurred as the chief legal officer made decisions and (2) procurement experienced difficulties retroactively capturing historical contract data, the agency could not produce complete and accurate data on contract cancellations and other contract actions. Procurement staff responded to our data requests regarding contract actions by manually compiling information from various spreadsheets, emails, and other documents. As a result, we have qualified our understanding of the contract cancellations and other contract actions that we report and sought to generally describe what occurred largely based on a combination of testimonial evidence and targeted reviews of CFPB documents and information in the FPDS and USAspending.gov in addition to contract data provided by the CFPB.

We focused on the CFPB's largest primary divisions—Supervision, Enforcement, CRE, and RMR—and the Operations Division, which handles many support functions for the agency. We requested a meeting with the acting director, but the chief legal officer advised us that the acting director was unavailable and directed us to meet with him instead. The chief legal officer declined our interview request because of ongoing litigation related to certain actions within our scope.[64] We were therefore unable to obtain a more complete range of perspectives on the questions outlined in the requests. We consider our inability to conduct such an interview to be a scope limitation for our effort.

We conducted our work from April 2025 to May 2026. We did not perform our work in accordance with generally accepted government auditing standards or the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

[64] Refer to footnote 3 for the chief legal officer's proposal to provide written responses to our questions in lieu of an interview.

Appendix B: Contract Stop-Work and Termination Emails

On February 10 and February 11, 2025, the CFPB sent two emails to employees instructing them to stop work on and cancel almost all contracts. Specifically, on February 10, a Procurement official, following the acting director's February 10 stop-work email, instructed Procurement to issue stop-work orders to almost all the agency's contractors. The CFPB shared this email, and we redacted information that identifies CFPB employees and contractors. Then, on February 11, on behalf of the acting director, the chief legal officer instructed the chief financial officer to terminate most contracts, including all Supervision, Enforcement, and CRE contracts. We obtained this email from a public case docket.

From: [redacted]
To: [redacted]
Cc: [redacted]

Subject: Additional Directives on Bureau Activities for Contractors
Date: Monday, February 10, 2025 1:11:03 PM
Importance: High

Attention CORs and Contractors

Per the Acting Director's email to employees this morning re: "Additional Directives on Bureau Activities", this notice also means that <u>contractors must not perform any work tasks</u>. Please treat this as an official stop work notice. We are separately notifying the CORs whose contractors are performing essential services and permitted to work (see list below).

OFP is working on notifying vendors individually of the stop work order in accordance with contract terms and conditions.

Essential Contracts:

- CO: [redacted]: Security Guards (Vendor: [redacted]): COR: [redacted], ACOR: [redacted]
- CO: [redacted]: Mailroom (AbilityOne program – Vendor: [redacted] COR: [redacted]
- CO: [redacted]: Janitorial (a.k.a. Cleaning) (Vendor: [redacted] COR: [redacted], ACOR: [redacted]
- CO: [redacted] Building O&M (a.k.a. Facilities Maintenance) (Vendor: [redacted] COR: [redacted], ACOR: [redacted]
- CO: [redacted]: Service Desk (Vendor: [redacted] COR: [redacted], ACOR: [redacted] '
- CO: [redacted]. Contact Center for CRE (Details to follow): COR: [redacted]
- CO: [redacted] Civil Penalty Fund Contracts (Details to follow): COR: [redacted], ACOR: [redacted]

Regards, OFP

Consumer Financial Protection Bureau
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Paoletta, Mark (CFPB)
To: Gueye, Jafnar (CFPB)
Cc: Young, Christopher (CFPB); Martinez, Adam (CFPB); Wick, Jordan (CFPB)
Subject: Cancellation of CFPB contracts
Date: Tuesday, February 11, 2025 4:32:33 PM

Good afternoon, Jafnar,

On behalf of Acting Director Vought, I have reviewed CFPB contracts and authorize and direct the cancellation of all contracts in the following divisions: Enforcement (102 contracts), Supervision (16 contracts), External Affairs (3 contracts), Consumer Response (20 contracts), Office of Director (33 contracts),and Legal Division (all except 2 contracts – FD Online Licenses and litigation data). Further, on behalf of the Acting Director, I direct the cancellation of the contract for concrete repairs.

Mark Paoletta
Chief Legal Officer
CFPB

Appendix C: Examples of Contract Action Emails

In February 2025, the acting director instructed Procurement to initiate a series of actions to halt performance under almost all CFPB contracts. Specifically, the agency (1) issued stop-work orders, (2) issued termination notices, and (3) formally canceled 79 contracts through contract modifications before a federal district court issued an order to stop the cancellations. Below are examples of a stop-work order, termination notice, and termination modification. The CFPB shared these documents, and we redacted information that identifies CFPB employees and contractors.

[redacted]

From: [redacted]
Sent: Monday, February 10, 2025 3:32 PM
To: [redacted]
Cc: [redacted]
Subject: Stop Work Order for Contract [redacted]

Good afternoon,

Per FAR 52.242-15, please consider this a Stop Work Order for contract [redacted]. At this time, CFPB is issuing a stop work order for 90 days. Please stop [redacted] as outlined under CLIN 0002 (Option Year 1) and the upcoming CLIN 0003 (Option Year 2). Please do not incur any work under this contract. Please stop any work under any subcontracts you may have.

Please confirm receipt and understanding of the above.

Reference
FAR 52.242-15
Stop-Work Order (Aug 1989)

(a) The Contracting Officer may, at any time, by written order to the Contractor, require the Contractor to stop all, or any part, of the work called for by this contract for a period of 90 days after the order is delivered to the Contractor, and for any further period to which the parties may agree. The order shall be specifically identified as a stop-work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of 90 days after a stop-work is delivered to the Contractor, or within any extension of that period to which the parties shall have agreed, the Contracting Officer shall either-

(1) Cancel the stop-work order; or

(2) Terminate the work covered by the order as provided in the Default, or the Termination for Convenience of the Government, clause of this contract.

(b) If a stop-work order issued under this clause is canceled or the period of the order or any extension thereof expires, the Contractor shall resume work. The Contracting Officer shall make an equitable adjustment in the delivery schedule or contract price, or both, and the contract shall be modified, in writing, accordingly, if-

(1) The stop-work order results in an increase in the time required for, or in the Contractor's cost properly allocable to, the performance of any part of this contract; and

(2) The Contractor asserts its right to the adjustment within 30 days after the end of the period of work stoppage; provided, that, if the Contracting Officer decides the facts justify the action, the Contracting Officer may receive and act upon the claim submitted at any time before final payment under this contract.

(c) If a stop-work order is not canceled and the work covered by the order is terminated for the convenience of the Government, the Contracting Officer shall allow reasonable costs resulting from the stop-work order in arriving at the termination settlement.

1

(d) If a stop-work order is not canceled and the work covered by the order is terminated for default, the Contracting Officer shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop-work order.

Thank you,

[redacted]
Contracting Officer | Office of Finance and Procurement
[redacted]

Consumer Financial Protection Bureau
consumerfinance.gov

From: [redacted]
To: [redacted]
Cc: [redacted]
Subject: Termination for Convenience of the Government – [redacted]
Date: Tuesday, February 11, 2025 5:06:00 PM

[redacted]

Pursuant to FAR clause 52.212-4(l), the Consumer Financial Protection Bureau (CFPB) hereby terminates in its entirety the subject contract, effective today. As such, you are directed to immediately stop all work under the subject contract, terminate all subcontracts, and place no further orders. You are also directed to provide by electronic means similar instructions to all subcontractors and suppliers. You are required to keep detailed, individual records of your steps taken and expenditures, if any, you intend to claim as a result of the CFPB terminating this contract. We request that you provide within 30 days the entirety of the termination settlement proposal(s), if any, you will be submitting for the subject contract. Finally, it is necessary that you immediately confirm receipt of this termination for convenience notice via an electronic mail (e-mail) response to [redacted] the Contracting Officer for the subject contract, and me.

Respectfully,

[redacted]
Contract Specialist
Office of Finance and Procurement
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552
[redacted]

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE

PAGE 1 OF PAGES 2

2. AMENDMENT/MODIFICATION NO.	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. *(If applicable)*
P00002	02/11/2025		

6. ISSUED BY CODE CFP	7. ADMINISTERED BY *(If other than Item 6)* CODE CFPB
Consumer Financial Protection Burea OFFICE OF PROCUREMENT 1700 G STREET, NW WASHINGTON DC 20552	Consumer Financial Protection Burea OFFICE OF PROCUREMENT 1700 G STREET, NW WASHINGTON DC 20552

8. NAME AND ADDRESS OF CONTRACTOR *(No., street, county, State and ZIP Code)*

[redacted]

CODE | FACILITY CODE

(x) 9A. AMENDMENT OF SOLICITATION NO.

9B. DATED *(SEE ITEM 11)*

X 10A. MODIFICATION OF CONTRACT/ORDER NO. [redacted]

10B. DATED *(SEE ITEM 13)* [redacted] 2021

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended. ☐ is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning ________ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted ; or (c) By separate letter or electronic communication which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted , such change may be made by letter or electronic communication, provided each letter or electronic communication makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA *(If required)*

See Schedule

13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

CHECK ONE	
	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: *(Specify authority)* THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES *(such as changes in paying office, appropriation date, etc.)* SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
X	D. OTHER *(Specify type of modification and authority)* Unilateral, FAR 52.212-4(l) Termination for the Government's Convenience

E. IMPORTANT: Contractor ☒ is not ☐ is required to sign this document and return ________ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION *(Organized by UCF section headings, including solicitation/contract subject matter where feasible.)*

GSA Contract #: [redacted]

The purposes of this unilateral modification are as follows:

1) To terminate this award unilaterally effective 02/11/2025 in accordance with in accordance with FAR 52.212-4(l) Termination for the Government's Convenience; and

2) to change the end period of (Base Year/ Option Period X/ contract period) and the overall period of performance end date to 02/11/2025.

Therefore as a result of this modification, the subject contract is terminated for the convenience of the government.

Continued ...

Except as provided herein, all terms and conditions of the document referenced in Item 9 A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER *(Type or print)*		16A. NAME AND TITLE OF CONTRACTING OFFICER *(Type or print)*	
		[redacted]	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
(Signature of person authorized to sign)		[redacted] *(Signature of Contracting Officer)*	02/21/2025

Previous edition unusable

STANDARD FORM 30 (REV. 11/2016)
Prescribed by GSA FAR (48 CFR) 53.243

CONTINUATION SHEET

REFERENCE NO. OF DOCUMENT BEING CONTINUED: [redacted]

PAGE 2 OF 2

NAME OF OFFEROR OR CONTRACTOR: [redacted]

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	Period of Performance: [redacted]2021 to 02/11/2025				

NSN 7540-01-152-8067

OPTIONAL FORM 336 (4-86)
Sponsored by GSA
FAR (48 CFR) 53.110

Appendix D: Canceled, Reinstated, and New Contract Data

We assessed contract actions taken from January 20, 2025, to January 31, 2026, including cancellations and reinstatements. As depicted in table D-1, the CFPB canceled 91 contracts during this time period. For example, from January 20 to February 10, 2025, the CFPB canceled 9 contracts related to media subscriptions and 3 contracts related to minority and women inclusion training. These actions were taken to align with guidance from the chief operating officer on media contracts and Executive Order 14151 on diversity, equity, and inclusion in the federal government. Then, from February 12 to February 24, 2025, following direction from the chief legal officer, Procurement canceled 79 contracts through termination modifications before a federal court issued orders to stop any further contract cancellations. The 91 contracts were canceled before a federal district court issued an order to stop any further contract cancellations. The CFPB did not cancel any more contracts from February 25 to January 31, 2026. Table D-1 also identifies the 16 contracts that the agency subsequently reinstated because division leadership determined that the agency needed those services to support primary functions.

In table D-2, we list the 59 new contracts that the CFPB awarded from the day the chief legal officer directed staff to notify contractors of the agency's intention to cancel contracts for the convenience of the government, February 11, 2025, to January 31, 2026. For the 59 new contracts, a Procurement official explained that these agreements supported statutorily mandated functions.

Table D-1. Canceled and Reinstated Contracts, January 20, 2025–January 31, 2026

Count	Division	Description of services	Cancellation date	Reinstatement date[a]	Number of calendar days between cancellation and reinstatement
1	Consumer Response	Administrative Support	2/20/2025	-	-
2	Consumer Response	Administrative Support	2/24/2025	-	-
3	Director	Training Services	1/23/2025	-	-
4	Director	Training Services	1/27/2025	-	-
5	Director	Training Services	1/28/2025	-	-
6	Director	508 Support Services[b]	2/20/2025	3/18/2025	26
7	Director	Legal Services	2/20/2025	-	-
8	Director	Evaluation and Research Services	2/20/2025	-	-
9	Director	Evaluation and Research Services	2/20/2025	-	-
10	Director	Expert Services	2/20/2025	-	-
11	Director	Evaluation and Research Services	2/20/2025	-	-
12	Director	Evaluation and Research Services	2/20/2025	-	-
13	Director	Administrative Support	2/21/2025	-	-
14	Director	Evaluation and Research Services	2/21/2025	-	-
15	Director	Evaluation and Research Services	2/21/2025	-	-
16	Director	Evaluation and Research Services	2/21/2025	-	-
17	Enforcement	Investigative Software	2/12/2025	3/21/2025	37
18	Enforcement	Administrative Support	2/12/2025	3/21/2025	37
19	Enforcement	IT Software	2/12/2025	-	-
20	Enforcement	Training Services	2/12/2025	-	-
21	Enforcement	Training Services	2/12/2025	-	-
22	Enforcement	Training Services	2/12/2025	-	-
23	Enforcement	IT Software	2/12/2025	-	-
24	Enforcement	IT Software	2/12/2025	-	-

Count	Division	Description of services	Cancellation date	Reinstatement date[a]	Number of calendar days between cancellation and reinstatement
25	Enforcement	Training Services	2/12/2025	-	-
26	Enforcement	Expert Services	2/12/2025	-	-
27	Enforcement	Expert Services	2/20/2025	-	-
28	Enforcement	Expert Services	2/20/2025	-	-
29	Enforcement	Expert Services	2/20/2025	-	-
30	Enforcement	Expert Services	2/20/2025	-	-
31	Enforcement	Foreclosure Data	2/20/2025	-	-
32	Enforcement	Expert Services	2/20/2025	-	-
33	Enforcement	Expert Services	2/21/2025	-	-
34	Enforcement	Expert Services	2/21/2025	-	-
35	Enforcement	Administrative Support	2/21/2025	-	-
36	Enforcement	Expert Services	2/21/2025	-	-
37	Enforcement	Expert Services	2/21/2025	-	-
38	Enforcement	Expert Services	2/24/2025	-	-
39	External Affairs	IT Software	2/12/2025	3/14/2025	30
40	External Affairs	Editorial Support Services	2/24/2025	-	-
41	Legal	Expert Services	2/20/2025	-	-
42	Legal	Expert Services	2/20/2025	-	-
43	Legal	Expert Services	2/24/2025	-	-
44	Operations	Media Subscription	2/5/2025	-	-
45	Operations	Media Subscription	2/6/2025	-	-
46	Operations	Media Subscription	2/10/2025	-	-
47	Operations	Media Subscription	2/10/2025	-	-
48	Operations	Media Subscription	2/10/2025	-	-
49	Operations	Media Subscription	2/10/2025	-	-
50	Operations	Media Subscription	2/10/2025	-	-
51	Operations	Media Subscription	2/10/2025	-	-

Count	Division	Description of services	Cancellation date	Reinstatement date[a]	Number of calendar days between cancellation and reinstatement
52	Operations	Legal Subscription	2/13/2025	2/14/2025	1
53	Operations	IT Software	2/13/2025	4/2/2025	48
54	Operations	IT Software	2/13/2025	2/14/2025	1
55	Operations	IT Software	2/13/2025	3/21/2025	36
56	Operations	IT Software	2/13/2025	3/20/2025	35
57	Operations	Server Maintenance	2/13/2025	2/26/2025	13
58	Operations	Office Equipment	2/13/2025	-	-
59	Operations	Cybersecurity Support Services	2/13/2025	-	-
60	Operations	Cybersecurity Support Services	2/13/2025	-	-
61	Operations	Cybersecurity Support Services	2/13/2025	-	-
62	Operations	Administrative Support	2/13/2025	-	-
63	Operations	Legal Newspaper Subscription	2/13/2025	-	-
64	Operations	IT Software	2/21/2025	4/11/2025	49
65	Operations	IT Software	2/21/2025	4/11/2025	49
66	Operations	IT Software	2/21/2025	-	-
67	Operations	Administrative Support	2/21/2025	-	-
68	Operations	IT Software	2/24/2025	3/3/2025	7
69	Operations	IT Software	2/24/2025	3/21/2025	25
70	Operations	IT Software	2/24/2025	3/20/2025	24
71	Operations	Administrative Support	2/24/2025	3/6/2025	10
72	Operations	IT Software	2/24/2025	-	-
73	Operations	Administrative Support	2/24/2025	-	-
74	Operations	IT Software	2/24/2025	-	-
75	Operations	Training Services	2/24/2025	-	-
76	Operations	IT Software	2/24/2025	-	-
77	Operations	IT Software	2/24/2025	-	-

Count	Division	Description of services	Cancellation date	Reinstatement date[a]	Number of calendar days between cancellation and reinstatement
78	Operations	IT Software	2/24/2025	-	-
79	Operations	Training Services	2/24/2025	-	-
80	Operations	Training Services	2/24/2025	-	-
81	Operations	IT Subscriptions	2/24/2025	-	-
82	RMR	Media Subscription	2/10/2025	-	-
83	RMR	Consumer Credit Information	2/12/2025	-	-
84	RMR	Business Application Software	2/12/2025	-	-
85	RMR	Survey Data	2/12/2025	-	-
86	RMR	Consumer Credit Information	2/12/2025	-	-
87	RMR	Consumer Credit Information	2/12/2025	-	-
88	RMR	IT Software	2/20/2025	-	-
89	RMR	Mortgage Data	2/24/2025	-	-
90	Supervision	Training Services	2/12/2025	-	-
91	Supervision	Training Services	2/21/2025	-	-

Source: OIG analysis of CFPB documents and data.

[a] Contracts that were not reinstated do not have a reinstatement date or number of calendar days between cancellation and reinstatement.

[b] Section 508 of the Rehabilitation Act requires federal agencies to ensure that technology is accessible to employees and members of the public with disabilities to the extent it does not pose an undue burden on the agency.

Table D-2. New Contracts Awarded, February 11, 2025–January 31, 2026

Count	Division	Description of services	Contract start date
1	Director	Mediation Services	5/1/2025
2	Director	Mediation Services	6/11/2025
3	Director	Administrative Support	9/19/2025
4	Director	Administrative Support	12/29/2025
5	Enforcement	Litigation Support	5/16/2025
6	Enforcement	Litigation Support	5/16/2025
7	Enforcement	Litigation Support	6/12/2025
8	Enforcement	Administrative Support	6/25/2025
9	External Affairs	IT Software	9/24/2025
10	Legal	Litigation Support	1/13/2026
11	Operations	IT Software	2/27/2025
12	Operations	IT Software	3/21/2025
13	Operations	Training Services	3/24/2025
14	Operations	IT Software	3/26/2025
15	Operations	IT Software	3/28/2025
16	Operations	IT Software	3/28/2025
17	Operations	Shipping and Delivery Services	3/31/2025
18	Operations	Personnel Security Support	4/13/2025
19	Operations	IT Software	5/1/2025
20	Operations	IT Software	5/2/2025
21	Operations	Redress Services	5/8/2025
22	Operations	Redress Services	5/8/2025
23	Operations	Training Services	5/22/2025
24	Operations	IT Software	5/30/2025
25	Operations	IT Software	5/30/2025
26	Operations	IT Software	5/31/2025
27	Operations	IT Software	6/4/2025
28	Operations	Administrative Support	6/17/2025
29	Operations	Redress Services	7/22/2025
30	Operations	IT Software	7/30/2025
31	Operations	Administrative Support	8/6/2025
32	Operations	Administrative Support	8/25/2025
33	Operations	IT Software	8/28/2025

Count	Division	Description of services	Contract start date
34	Operations	IT Software	8/31/2025
35	Operations	IT Software	9/1/2025
36	Operations	Electricity Services	9/1/2025
37	Operations	Gas Services	9/1/2025
38	Operations	Office Equipment Lease	9/5/2025
39	Operations	Redress Services	9/8/2025
40	Operations	Redress Services	9/17/2025
41	Operations	IT Software	9/19/2025
42	Operations	IT Software	9/19/2025
43	Operations	Newspaper and Periodical	9/23/2025
44	Operations	Administrative Support	9/24/2025
45	Operations	IT Software	9/26/2025
46	Operations	Law Library Subscription	9/27/2025
47	Operations	IT Software	9/29/2025
48	Operations	IT Software	9/29/2025
49	Operations	IT Software	9/30/2025
50	Operations	IT Software	9/30/2025
51	Operations	IT Software	9/30/2025
52	Operations	Administrative Support	9/30/2025
53	Operations	IT Software	11/2/2025
54	Operations	IT Software	11/26/2025
55	Operations	IT Software	11/28/2025
56	Operations	IT Software	12/18/2025
57	Operations	IT Software	12/31/2025
58	Operations	IT Software	1/5/2026
59	RMR	Data Analysis Provider	9/28/2025

Source: OIG analysis of CFPB documents and data.

Appendix E: Management Response

cfpb Consumer Financial Protection Bureau

445 12th Street SW, Washington, DC 20024

August 21, 2026

Michael VanHuysen
Associate Inspector General for Audits & Evaluations
Office of Inspector General
Board of Governors of the Federal Reserve System
Bureau of Consumer Financial Protection
20th Street and Constitution Avenue NW
Washington, DC 20551

Dear Mr. VanHuysen:

The Consumer Financial Protection Bureau (Bureau or CFPB) writes this letter to comment on the Office of Inspector General for the Board of Governors of the Federal Reserve System and Bureau of Consumer Financial Protection (OIG) Draft Report, *Impacts of Certain CFPB Workforce and Contract Actions on Agency Operations* (Draft Report). The Draft Report focuses on a brief, transitional period in early 2025. In particular, it details certain personnel and contract actions and how they impacted CFPB during this transitional period, giving the impression that the Bureau has been idled or not performing much, if any, work. In fact, the Bureau corrected the overreach of the last administration in all facets of its operations and adopted a robust agenda to align with President Trump's priorities.

In early 2025, the Bureau needed to pause its work to allow then-Acting Director Vought and his team to thoroughly review CFPB's activities. It provided time for new Bureau leadership to identify and implement much needed changes. The Bureau subsequently took extensive action to correct for the overreach of the prior administration, implement a robust deregulatory agenda, and streamline its bloated operations. Many of the Bureau's accomplishments during this time are discussed in its Semi-Annual Report, covering late 2024 through the end of 2025.[1] Below are just a few examples of the Bureau's significant achievements during then-Acting Director Vought's tenure, which the Draft Report does not address.

Consumer Response

Since January 2025, in large part due to developments in technology, the Bureau has seen a large spike in consumer complaints. Despite this, the Bureau has continued to process consumer complaints efficiently and effectively while making extensive improvements to its complaint process. For example, the Bureau's consumer complaint system has been long plagued by users abusing the system which has wasted resources and impeded the timely processing of legitimate

[1] https://www.consumerfinance.gov/data-research/research-reports/semi-annual-report-october-2024-december-2025/

consumerfinance.gov

complaints. The Bureau has taken several important steps to address this issue.[2] The Bureau launched two-factor authentication, requiring users who create online accounts to verify both their email address and mobile phone number. It also added clarifying text and new relationship categories to emphasize that third parties must disclose their involvement in the complaint process. The CFPB plans to implement address validation at the complaint submission step to ensure companies can act on high-quality information.

The Bureau has also been working to align the operations of its Complaint Portal with its statutory mandate. As part of that undertaking, the Bureau has been engaging with credit reporting agencies because they were not uniformly reporting how they respond to the growing number of consumer complaints. The Bureau updated its company portal manual to provide clear information on how companies should use the various substantive and administrative response closure categories.

Financial Education

The Bureau has continued to develop and implement relevant, effective, and responsive financial education programs and digital resources to improve the financial literacy of consumers and to help people spot fraud and scams, avoid them, and take steps to recover. The CFPB's 2026 Financial Literacy Annual Report details the Bureau's extensive financial education work during then-Acting Director Vought's tenure, including several projects focusing on service members and older Americans.[3]

Briefly, the Office of Service Members Affairs (OSA) has partnered with other federal regulators to address fraud and scams targeting the military community and their families. OSA also provided regular training to military stakeholders on key consumer protection statutes. In addition, the Office of Older Americans (OA) has hosted webinars and participated in several conferences to share information on scams targeting the elderly and also provide educational resources. OA continues to partner with federal, state, and local aging and law enforcement agencies to address frauds and scams targeting older Americans.

The Bureau is also actively working to promote implementation of Trump Accounts, which are tax-advantaged investment accounts for U.S. citizens under 18. Trump Accounts are one of the President's signature achievements and they give the opportunity for young people to save and invest for their future as well as develop the financial knowledge, skills, and habits to put them on the path to adult financial well-being.

Supervision and Enforcement

Shortly after then-Acting Director Vought arrived at CFPB, the Bureau announced a new approach to its supervisory and enforcement work. The Bureau would no longer pursue matters based on novel legal theories and it would avoid burdensome duplicative actions.

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[2] https://www.consumerfinance.gov/about-us/newsroom/the-cfpb-is-correcting-flaws-to-restore-integrity-and-utility-to-the-consumer-complaint-system/

[3] https://files.consumerfinance.gov/f/documents/cfpb_flar-2025-report_2026-05.pdf

The Bureau completely revamped its supervisory work. Instead of engaging in ever expanding fishing expeditions, the Bureau shifted to a targeted approach to supervision focusing on ascertaining compliance of clearly identified product lines, directly tied to the governing statutory and regulatory regime. In line with this new targeted approach, the Bureau also streamlined how it staffs exams. Previously, the Bureau overstaffed examinations and spent significant resources on unnecessary travel, spending only a portion of time onsite and the rest in hotels, working remotely, while collecting per diem. Now the exam team size and the length of the exam is reduced to reflect targeted queries and be commensurate with the risk tier for the particular entity's product line. In 2025, the Bureau was able to successfully close out 1,477 of its 1,946 outstanding Supervisory Actions (76%), some of which were over a decade old. Although the Draft Report claims that "Supervision staff have not initiated or resumed any monitoring events" since February 2025, the Bureau has in fact been engaged in monitoring entity compliance with consent orders, resulting in the closure of many matters.

The Bureau has also drastically changed its approach to enforcement. The Bureau's new approach is guided by its recently published Enforcement Principles.[4] Instead of chasing headlines by targeting companies based on dubious legal theories and demanding extortionate penalties, the Bureau now focuses its enforcement on addressing actual harm to consumers and providing them with relief as quickly as possible. When the Bureau identifies an issue, it will first seek to address the matter collaboratively with the institution. This new approach maximizes the benefit to consumers, and ensures any harm can be addressed quickly, instead of waiting years for the resolution of litigation. For example, the Bureau recently employed this approach to resolve a matter with Bilt.[5] CFPB officials met with Bilt to understand the issues caused by its transition to a new bank partner and what steps Bilt had taken to ensure customers affected by challenges with the transition were made whole. The Bureau's new approach ensured consumers received redress within weeks instead of waiting years.

Rulemaking and regulatory activities

The Bureau has adopted a robust agenda to implement President Trump's priorities. The CFPB issued a final rule amending Regulation B, the regulation implementing the Equal Credit Opportunity Act (ECOA). Specifically, the CFPB aligned Regulation B with the text of ECOA and the color-blind principles of the Constitution by removing the "effects test" from the regulation and affirmatively stating that ECOA does not recognize disparate-impact liability. It also modified the prohibition on "discouragement" to focus on statements of intent to discriminate rather than statements that merely create negative impressions. Lastly, the rule prohibited creditors from using race, color, national origin, or sex as common characteristics under Special Purpose Credit Programs ("SPCPs") and imposed additional requirements for for-profit creditors wishing to use SPCPs.

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[4] https://www.consumerfinance.gov/enforcement/enforcement-principles/
[5] https://www.consumerfinance.gov/about-us/newsroom/the-cfpb-works-to-ensure-bilt-consumers-are-made-whole/

The CFPB also issued a final rule that revised certain provisions of Regulation B, subpart B, which implements changes to ECOA made by section 1071 of the Dodd-Frank Act by refocusing coverage under the rule to core lenders, products, and data points. These changes eliminated unnecessary compliance burdens that raised the cost and may lower the availability of credit for small businesses and communities.

The Bureau is engaged in implementing a vigorous deregulatory agenda to correct the onerous and overreaching regulations of the prior administration. The CFPB has been reviewing existing regulations to identify opportunities to streamline requirements, reduce unnecessary regulatory burden, and improve consistency with statutory authority. This work includes reassessing prior regulatory actions, aligning policy decisions with current administration priorities, and ensuring the CFPB's rules remain targeted, lawful, and efficient. For example, the Bureau rescinded dozens of sub-regulatory documents (e.g., policy statements, advisory opinions, etc.) to ease compliance burdens on regulated entities.[6] The Bureau has also withdrawn two orders that would have subjected entities to Bureau supervisory authorities.

The above commentary highlights just a few examples of the extensive work accomplished at the Bureau under then-Acting Director Vought's leadership. The temporary pause in early 2025 was, in fact, transitory and necessary to ensure a successful realignment of the Bureau's focus and priorities. The Draft Report does not account for the Bureau's bold and aggressive agenda and the extensive work it has done to correct the misguided approach of the prior administration.

Regards,

Victoria Dorfman
General Counsel
Consumer Financial Protection Bureau

[6] https://www.govinfo.gov/content/pkg/FR-2025-05-12/pdf/2025-08286.pdf

4

Abbreviations

CRE	Division of Consumer Response and Education
DRP	deferred resignation program
DOGE	U.S. Department of Government Efficiency
FPDS	Federal Procurement Data System
GAO	U.S. Government Accountability Office
GSA	U.S. General Services Administration
ISCM	information security continuous monitoring
NTEU	National Treasury Employees Union
OCC	Office of the Comptroller of the Currency
OCR	Office of Civil Rights
OPM	U.S. Office of Personnel Management
RIF	reduction in force
RMR	Division of Research, Monitoring, and Regulations

OIG

Office of Inspector General
Board of Governors of the Federal Reserve System
Consumer Financial Protection Bureau

Hotline

Report fraud, waste, abuse, and mismanagement involving the programs and operations of the Board or the CFPB.

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OIG Hotline
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Mail Center I-2322
Washington, DC 20551

1-800-827-3340

General Contact Information

Office of Inspector General
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Mail Center I-2322
Washington, DC 20551

202-973-5000

Media and Congressional Inquiries

oig.media@frb.gov