



## The Daily Dish

# CFPB, Constitutional But Not Sensible

**DOUGLAS HOLTZ-EAKIN | MAY 17, 2024**

The Supreme Court ruled yesterday that the funding structure for the Consumer Financial Protection Bureau (CFPB) was constitutional. When the CFPB was founded in 2010, Congress authorized it to request desired funding from the Federal Reserve, up to an (inflation-adjusted) cap of \$785.4 million. The plaintiffs in the case argued this was unconstitutional because of an Article I clause providing that money could be drawn from the Treasury only “[in Consequence of Appropriations made by Law](#)” - seemingly implying the need for an appropriations act. Justice Clarence Thomas, writing the opinion for a 7-2 majority, said that Congress has wide discretion in structuring the way federal agencies are funded.

The future existence of the CFPB is now assured. Previously, the Court had ruled that the provision stating that the CFPB director could only be removed “for cause” was an unconstitutional violation of the separation of powers. The director can now be removed at the president’s discretion.