



Press Release

CFPB Headed for Shutdown in Wake of DOJ Action

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In a move that may reshape the architecture of federal financial-regulation oversight, the Trump Administration Department of Justice has formally declared that the Consumer Financial Protection Bureau's (CFPB) statutory funding mechanism—transfers from the Federal Reserve System's "combined earnings"—can no longer support the agency while the Fed continues to report losses. In a new insight, Director of Financial Services Thomas Kingsley discusses the funding challenges as well as the risk of shutting down the CFPB.

He concludes:

For years, Republicans and industry have railed against an activist CFPB endlessly expanding its own powers and responsibilities. The function, role, and structure of the CFPB can and should be reconsidered, but moving fast and breaking things necessarily entails breaking things. Over the past two decades, the CFPB has supplanted a significant body of existing consumer protections at other federal regulators. Halting operations at the CFPB without a plan for replacing these protections is not without risks to both consumers and the administration.

[Read the analysis.](#)