Press Release

Supreme Court Rules CFPB Structure Unconstitutional

ALLISON EDWARDS | JUNE 29, 2020

Today the Supreme Court ruled the Consumer Financial Protection Bureau’s (CFPB) structure unconstitutional. Unlike most other financial regulators, the CFPB was structured to have a single director who could only be fired for cause — a significant constitutional controversy since its inception. In a new analysis, AAF’s Director of Financial Services Policy Thomas Wade discusses the implications of the Court’s decision for the CFPB, the consumer finance industry, and other similar regulators such as the Federal Housing Finance Agency (FHFA).

An excerpt:

The intent of Congress in attempting to shield the Bureau from political influence was not in and of itself a concern – Congress just failed in its approach to the problem. Although the Supreme Court has undoubtedly reached the correct decision, their verdict will have wide-ranging ramifications for not just the CFPB, but also the FHFA and other independent agencies.

Read the Analysis