

Consumer financial protection implications of recent CFPB regulatory changes

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Department of Consumer
and Business Services

Overview of the CFPB

- The Consumer Financial Protection Bureau (CFPB) was authorized by Congress via the Dodd Frank Act in 2010, following the 2007–08 financial crisis.
- It was designed to be a centralized home for consumer protection i.e., to protect consumers from unfair, deceptive, or abusive practices across the financial services industry.



How does the CFPB fulfill its mandate?

- Rulemaking – The CFPB can issue rules that (1) implement 19 enumerated consumer protection statutes and (2) that declare acts or practices associated with consumer financial products and services to be unlawful because they are unfair, deceptive, or abusive.
- Supervision – The CFPB can send in teams to examine the books, records and operations of:
 - Mortgage loan originators, brokers and servicers
 - parties offering loan modification or foreclosure relief services
 - Payday lenders
 - Private student lenders
 - “Larger participants” in a market for other consumer financial products or service
 - Any party the CFPB has reasonable cause to determine poses risks to consumers via the offering or provision of consumer financial products or services.
- Enforcement – The CFPB can bring civil suit for violation of “Federal consumer financial law.” It has returned over \$19.7 billion to consumers
- Ancillary Functions – consumer complaint portal, market monitoring, financial education, research and reports.

Deregulation under the new administration

January :
President
Trump takes
office and
issues a
regulatory
freeze

Feb. 3-9:
Acting Director
Russell Vought
orders the
CFPB to halt
nearly all
operations

April 17:
Vought issues
internal memo
ordering a 50%
reduction in
supervisory
exams

Sept. 4: CFPB
publishes its
semi-annual
regulatory
agenda, with
24 rulemaking
items largely
aimed at
curtailing CFPB
authority

Feb. 1:
President
Trump
removes CFPB
Director Rohit
Chopra

April 16:
Vought
announces
plan for an
88% staff
reduction
(Judge blocks
this action)

May 9: CFPB
rescinds 67
guidance
documents

Total enforcement actions
against financial services
firms fell 37% in the first
half of 2025, compared
with the last half of 2024.
Monetary penalties fell by
32% in the same period.

Impacts of federal regulatory changes

- Rule recission – Federal examiners and enforcers have reduced ability to investigate and pursue actions.
- Reduction in supervisory examinations – Federal regulators are less likely to catch violations.
- Reduction in enforcement action – Potential violations are less likely to be punished, and victims are less likely to be compensated.
- Reduction in ancillary functions – Consumers and state regulators may have decreased access to information.
- Overall impact on consumer financial protection: Companies may be emboldened by deregulation to engage in practices that can be unfair, deceptive, or abusive and consumers are less likely to receive redress for past or future harm.

Concurrent state authority

- Rulemaking: The CFPBs rulemaking authority is exclusive (except where it shares some authority with the FTC) and legally binding on DFR actions taken under federal law.
- Supervision: DFR does not share supervisory authority with the CFPB, but institutions supervised by the CFPB may also be supervised by DFR under our state statutes.
- Enforcement: Section 1042 of the CFPA allows states (including the AG and regulatory agencies like DFR) to bring enforcement actions. State statutes give an additional, independent jurisdictional hook.
- Ancillary functions: DFR engages in similar ancillary functions. It does not engage in market monitoring and research at the same level and its complaints portal is significantly less utilized.

What can Oregon do to fill the regulatory gap?

- Increase resources to DFR to:
 - Ramp up enforcement efforts under existing statutory authority
 - Increase supervisory capacity
 - Modernize and publicize state complaint portal
 - Step up multistate efforts
- Increase resources to DOJ to increase enforcement capacity under existing statutory authority

Questions?

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