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President Trump's FY 2020 budget continues attempt to subject CFPB to appropriations process

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Like his FY 2018 and FY 2019 budgets, President Trump's [FY 2020 budget](#) would make the CFPB subject to the regular Congressional appropriations process.

Pursuant to Section 1017 of the Dodd-Frank Act, subject to the Act's funding cap, the Fed is required to transfer to the CFPB on a quarterly basis "the amount determined by the [CFPB] Director to be reasonably necessary to carry out the authorities of the Bureau under Federal consumer financial law, taking into account such other sums made available to the Bureau from the preceding year (or quarter of such year.)"

The FY 2020 budget contains a line item for "Restructure the Consumer Financial Protection Bureau" that shows a \$23 million reduction in funding in FY 2020. A document accompanying the budget entitled "[2020 Major Savings and Reforms](#)" states that the proposed budget would "cap transfers by the Federal Reserve Board to the CFPB during 2020 to \$485 million, equivalent to the 2015 level." This would be followed by a \$508 million funding reduction in FY 2021 and increasing funding reductions each year up to a \$607 million reduction in FY 2029. (The reductions are based on the estimated funding that would be available to the CFPB from the Fed under current law.) Over the ten-year period, total funding reductions are projected to be about \$5 billion, which is less than the approximately \$6.5 billion in ten-year reductions estimated in the FY 2019 budget.

The accompanying document describes the "restructure" to which the FY 2020 budget is referring is as "limit[ing] its mandatory funding in 2020, and provid[ing] discretionary appropriations beginning in 2021." Of course, legislative action would be required to implement the President's proposed "restructuring." During former Director Cordray's tenure, numerous bills were introduced by Republican lawmakers that sought to make the CFPB subject to the regular appropriations process. At Director Kraninger's recent appearance before the [House Financial Services Committee](#), several Republican Senators were critical of the CFPB's insulation from the appropriations process.

The [appropriations bill](#) signed into law by President Trump in February that ended the partial government shutdown includes a provision dealing with CFPB funding requests. It provides that during FY 2109, when the CFPB Director requests a funds transfer from the Fed, the CFPB "shall notify the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Financial Services of the House of Representatives, and the Committee on Banking, Housing, and Urban Affairs of the Senate of such request." Such notification must also be posted on the CFPB's website.

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Ballard Spahr
LLP

Article By [Ballard Spahr LLP](#)
[Barbara S. Mishkin](#)
[Consumer Finance Monitor](#)

[Financial Institutions & Banking](#)
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