

Consumer financial enforcement after six months of the Trump-era CFPB

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When President Trump fired Consumer Financial Protection Bureau (“CFPB”) Director Rohit Chopra in February 2025, the Bureau entered a new phase that many expected would be characterized by inactivity or potentially even deregulation. In the immediate aftermath, even as Acting Director Russ Vought took the helm, the legacy of former Director Chopra and the Biden-era CFPB remained in the form of dozens of ongoing enforcement actions and consent orders under agency supervision.

After six months, Vought is still the acting director, and many of these legacy actions have been unwound. However, the CFPB is still prosecuting some cases, and others have carried on through state and/or private litigations.

In this article, we investigate the status of the enforcement actions and consent orders inherited by Acting Director Vought and consider what they suggest about the next six months (and three years) of consumer financial protection during the Trump administration.

Chopra’s plan

After the 2024 presidential election, the CFPB under former Director Chopra released recommendations to state legislatures and attorneys general (“AGs”) to strengthen state-level consumer protection to meet evolving risks in the modern economy, possibly expecting a change in CFPB priorities that would ultimately result in less consumer protection regulation at the federal level.¹

In addition to providing guidance for the states, the CFPB initiated eight new lawsuits between the election and President Trump’s inauguration against companies who allegedly violated consumer protection laws. These eight new actions joined 26 pre-existing lawsuits that remained ongoing at the end of the Biden administration in January 2025.²

Although only one of the eight new cases was resolved before former Director Chopra left his position, these new cases provided guidance to State AGs who may not have been able to identify the alleged conduct otherwise.³ Thus, at the time of former Director Chopra’s departure, the CFPB had a total of 33 enforcement action lawsuits outstanding.

Chopra’s enforcement actions and consent orders — where are they now?

After Vought became acting director, the CFPB faced a high degree of uncertainty in the structure and leadership of the agency: Acting Director Vought ordered a near shutdown of the CFPB in February, a federal judge ordered the CFPB to reopen in March, President Trump withdrew his nomination of Jonathan McKernan to CFPB director in May, and the CFPB rescinded nearly 70 guidance documents also in May.⁴

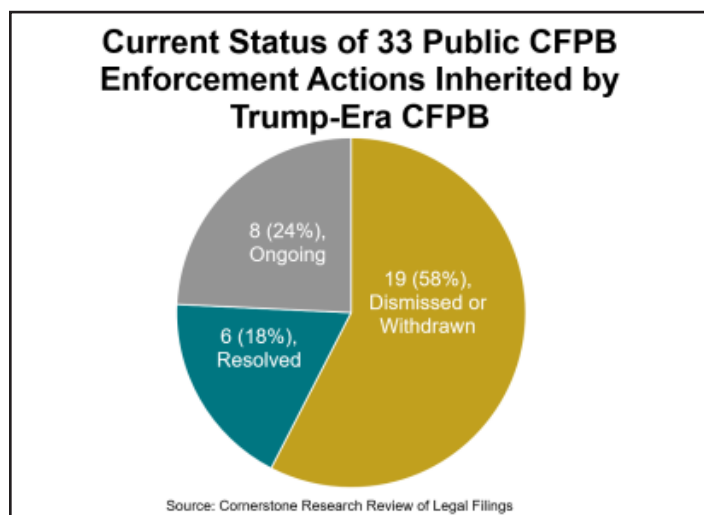
Private consumer class actions also remain as an alternative to CFPB enforcement.

Despite the turmoil, Acting Director Vought’s CFPB has established a set of priorities regarding enforcement actions. An internal April memo stated that the CFPB “will focus its enforcement and supervision resources on pressing threats to consumers, particularly service members and their families, and veterans” and specifically highlighted violations of “actual fraud against consumers” pertaining to “mortgages,” “FCRA/Reg V data furnishing violations,” “FDCPA/Reg F [violations] relating to consumer contracts/debts,” “various fraudulent overcharges, fees, etc.,” and “inadequate controls to protect consumer information resulting in actual loss to consumers.”⁵

The memo also stated that the CFPB will deprioritize matters concerning loans for “criminals,” “medical debt,” “peer-to-peer platforms and lending,” “student loans,” “remittances,” “consumer data,” and “digital payments.”⁶

The net effect of these priorities is that the CFPB is pursuing fewer public enforcement actions. An analysis of CFPB public enforcement actions shows that less than half (42%) of the 33 lawsuits active at the beginning of Acting Director Vought’s tenure have been pursued and only one new enforcement action suit has been filed.⁷

The majority of these 33 outstanding cases (19, or 58%) were either withdrawn by the CFPB, allowing the case to continue but without CFPB involvement, or voluntarily dismissed. Those 19 cases involve allegations against credit reporting agencies, mortgage originators, and other companies providing lending or payments services.



Some of these 19 dismissals and withdrawals appear consistent with the priorities described in the CFPB's April memo. For example, an action against National Collegiate Student Loan Trust was originally brought during the first Trump administration, but its dismissal is consistent with the agency's deprioritization of matters regarding student loans.

Others are less straightforward, such as the voluntary dismissal of cases against mortgage lenders like Vanderbilt Mortgage and Finance and 1st Alliance Lending.⁸ While the April memo identifies violations related to mortgages as "the highest priority," the CFPB may have dismissed the cases on the basis that the allegations are not "actual fraud against consumers."⁹

Of the 14 cases from the Biden administration the CFPB did not unwind, 12 appear to align with the priorities stated in the April memo: two involve mortgage lending, one involves data furnishing violations, four involve fair debt collection practices, and five involve fraudulent fees. Five of these 12 cases have been closed while seven remain ongoing.¹⁰

The CFPB under Acting Director Vought has also filed a new public enforcement action against Synapse Financial Technologies, Inc. The Bureau alleges that the company "fail[ed] to maintain adequate records of the location of consumers' funds and fail[ed] to ensure those records matched the records maintained by its partnering banks, causing consumers to lose access to their funds."¹¹

Consistent with the priorities identified in the April memo, this case appears to correspond to "inadequate controls to protect consumer information resulting in actual loss to consumers."¹² Along with the complaint, the CFPB filed a proposed stipulated

final judgment and order providing injunctive relief and a civil monetary penalty of \$1.00.¹³

As with the public enforcement actions he inherited from former Director Chopra, Acting Director Vought has sought to unwind several consent orders the CFPB entered as part of previous settlements.

For some consent orders, the CFPB has terminated ongoing monitoring while leaving the terms of the consent order unchanged.¹⁴ In another consent order with Wise US Inc., the CFPB decreased the civil penalty to less than 3% of the original fine.¹⁵ However, the CFPB and Acting Director Vought have not found universal success in remediating consent orders they find inappropriate; a joint motion by the Bureau and Townstone Financial, Inc. to vacate their 2024 settlement regarding redlining allegations was denied by a federal judge.¹⁶

State attorney general and private consumer actions alongside (or in spite of) the CFPB

Despite the CFPB reprioritization, a number of cases pursued by the Bureau under former Director Chopra continue with State AGs or private consumers as plaintiffs in lawsuits with similar allegations.

Launching new actions may prove difficult if the Bureau resumes cuts to jobs and operations.

New York State Attorney General Letitia James has been prominent in pushing multiple cases forward. In certain matters, such as NY's ongoing litigation against Acima Holdings and its case against MoneyGram that settled in June, AG James was already engaged in prosecuting alleged violations against consumers and continued to litigate the case alone when the CFPB withdrew.¹⁷

In other cases, such as NY's suits against Capital One and the company behind Zelle, AG James filed new complaints after the CFPB withdrew its own enforcement actions.¹⁸

Private consumer class actions also remain as an alternative to CFPB enforcement. At least three dismissed CFPB enforcement actions involved allegations that were either the subject of existing private plaintiff litigation or are being investigated by private plaintiff attorneys for potential litigation.¹⁹

What's next?

Looking forward, we may see more litigation surrounding former subjects of CFPB enforcement attention as private plaintiff attorneys continue collecting information without involvement of the Bureau.

In addition, some state legislatures have been working to adjust state laws according to the guidance circulated by the CFPB under former Director Chopra. Bills to this effect have

been introduced in New York, California, and Illinois.²⁰ If these bills are passed into law, it could give AGs in those states even greater authority to prosecute certain conduct that the current CFPB is less likely to address.

Finally, it is possible that the CFPB will initiate new actions related to mortgage lending, veterans, and other priority items outlined in the CFPB's April memo. However, after the D.C. Circuit Court removed a preliminary injunction that blocked mass layoffs of CFPB staff in August, launching new actions may prove difficult if the Bureau resumes cuts to jobs and operations.²¹

Acting Director Vought could revert to his February stance and cease all CFPB activity completely. In that event, consumer financial protection enforcement and litigation may need to proceed primarily under the power of states and private consumer plaintiffs until the next administration.

Notes:

¹ "Strengthening State-Level Consumer Protections," Consumer Financial Protection Bureau, January 14, 2025, <https://bit.ly/46xgkzD>.

² This total of 34 lawsuits includes 33 enforcement actions available in the CFPB Enforcement Action database in addition to a case filed against SoLo Funds, Inc. in May 2024, which is not listed in the CFPB database. See, "Enforcement Actions," Consumer Financial Protection Bureau, February 6, 2025, <https://bit.ly/46unMLJ>; David N. Anthony, "CFPB Files Lawsuit Against SoLo Funds for Alleged Deceptive Lending Practices," Consumer Financial Services Law Monitor, May 20, 2024, <https://bit.ly/4nJZGnp>.

³ One of the eight new cases, *CFPB v. Draper & Kramer Mortgage Corporation*, did result in a consent order on January 24, 2025. This was after the change in presidential administrations but before former Director Chopra left the Bureau. See, "Draper & Kramer Mortgage Corporation," Consumer Financial Protection Bureau, June 2, 2025, <https://bit.ly/3KzcY7H>.

⁴ "Trump Administration Orders Consumer Protection Agency to Stop Work, Closes Building," AP News, February 9, 2025, <https://bit.ly/4nDl6m0>; "Federal Judge Blocks Trump from Dismantling Consumer Financial Protection Bureau," AP News, March 28, 2025, <https://bit.ly/4nfMp5Z>; "119th Congress (2025-2026): PN25-32 — Jonathan McKernan — Bureau of Consumer Financial Protection," *Congress.gov*, May 12, 2025, <https://bit.ly/48zKXH4>; "Federal Register 90, no. 90 (May 12, 2025): 20084-20087 - Interpretative Rules, Policy Statements, and Advisory Opinions; Withdrawal," *Office of the Federal Register, National Archives and Records Administration*, <https://bit.ly/4nmOH3A>.

⁵ Declaration of Mark Paoletta, National Treasury Employees Union, et al., v. Russell Vought, in his official capacity as Acting Director of the Consumer Financial Protection Bureau, et al., Case No. 1:25-cv-00381-ABJ, United States District Court for the District of Columbia, April 18, 2025, Doc. 109 at 6-8 ("CFPB April Memo"), pp. 1-2.

⁶ CFPB April Memo, p. 3.

⁷ "Synapse Financial Technologies, Inc.," Consumer Financial Protection Bureau, August 21, 2025, <https://bit.ly/3Kgarzd>.

⁸ "US CFPB dismisses lawsuit against Berkshire unit over risky home loans," Reuters, February 27, 2025, <https://bit.ly/4pFXyPm>; Katryna Perera, "CFPB Drops TransUnion Suit In Enforcement Retreat," Law360, February 28, 2025, <http://bit.ly/48vtlfA>.

⁹ CFPB April Memo, p. 1.

¹⁰ The remaining two cases concern credit repair services and student loans, not priority areas according to the CFPB April Memo. However, the CFPB had already obtained a final judgment against defendants and filed oppositions to defendants' respective motions for reconsideration in both actions under former Director Chopra, so neither action required any further briefing from the CFPB after Acting Director Vought assumed his role. One of these cases is now resolved, and the court is still considering a motion for reconsideration in the other.

¹¹ "Synapse Financial Technologies, Inc.," Consumer Financial Protection Bureau, August 21, 2025, <https://bit.ly/3Kgarzd>.

¹² CFPB April Memo, p. 2.

¹³ "Synapse Financial Technologies, Inc.," Consumer Financial Protection Bureau, August 21, 2025, <https://bit.ly/3Kgarzd>.

¹⁴ See, e.g., "Draper & Kramer Mortgage Corporation," Consumer Financial Protection Bureau, June 2, 2025, <https://bit.ly/3VrXftF>.

¹⁵ "CFPB Amends Wise Order for Remittance Practices," Consumer Financial Protection Bureau, May 15, 2025, <https://bit.ly/4gHaSIU>.

¹⁶ *Order, Bureau of Consumer Financial Protection v. Townstone Financial, Inc. and Barry Sturmer*, Case No. 20-cv-4176, United States District Court for the Northern District of Illinois Eastern Division, June 12, 2025, Doc.152, at pp. 14-15.

¹⁷ "Attorney General James Sues Predatory Lender For Cheating Thousands of New Yorkers," New York State Attorney General, August 14, 2024, <https://bit.ly/4n9gnsq>; "Attorney General James Secures \$250,000 from MoneyGram for Violating Consumer Protection Laws," New York State Attorney General, June 16, 2025, <https://bit.ly/4nHCNAR>.

¹⁸ "Attorney General James Sues Capital One for Bait-and-Switch Tactics That Cost Customers Millions," New York State Attorney General, May 14, 2025, <https://bit.ly/4mryOaA>; "Attorney General James Sues Company Behind Zelle for Enabling Widespread Fraud," New York State Attorney General, August 13, 2025, <https://bit.ly/4o4aPjd>.

¹⁹ "In re: Capital One 360 Savings Account Interest Rate Litigation," September 8, 2025, <https://bit.ly/4gDpqzI>; Bruno Ortega, "Rocket Mortgage Kickbacks Investigation," Migliaccio and Rathod LLP, March 10, 2025, <http://bit.ly/4gV4sfl>; Chris Stiner, "Horizon Card – Class Action Investigation," Ahdoot Wolfson Attorneys, April 27, 2025, <https://bit.ly/4mvUPFL>.

²⁰ Joseph DeFazio et al., "Proposed New York FAIR Business Practices Act Aims to Expand Consumer Protections Against Unfair, Deceptive, or Abusive Practices," Consumer Financial Services Law Monitor, June 16, 2025, <https://bit.ly/4muBXXg>; Stefanie Jackman et al., "California Introduces Legislation to Fill the Void of Federal Consumer Protection Regulations," Consumer Financial Services Law Monitor, April 11, 2025, <https://bit.ly/4nlcSce>; "104th General Assembly of the State of Illinois (2025-2026): SB1512," *Legiscan*, introduced February 4, 2025, <https://bit.ly/3Vrlhoz>.

²¹ Jon Hill, "DC Circ. Paves Way For Trump Admin To Resume CFPB Cuts," Law360, August 15, 2025, <http://bit.ly/4mt8XiA>.

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