

Consumer Financial Protection Bureau survives constitutional challenge



Nicholas Kurk, CIPP/US, Hussein Jaward, CIPP/US | Tuesday, July 7, 2020

The Consumer Financial Protection Bureau (CFPB), the federal agency responsible for enforcing the nation's consumer privacy laws governing certain financial institutions, survived a constitutional challenge before the United States Supreme Court last week. At issue was whether the law that renders the CFPB's director terminable only for-cause (and not at the government's will) violates constitutional separation of powers principles, and if so, whether the CFPB may continue to exist at all.

The Supreme Court ruled that the director must be terminable at-will, but stopped short of invalidating the law establishing the CFPB itself. Consequently, the CFPB remains operational subject to the director's new terms of employment—and able to enforce the nation's robust financial privacy laws that carry steep fines and penalties.

Attorneys from McDonald Hopkins' national Data Privacy and Cybersecurity Practice Group are available to counsel financial institutions subject to the CFPB's jurisdiction on complying with financial privacy laws and regulations.



Nicholas Kurk, CIPP/US

[Team member bio](#)



Hussein Jaward, CIPP/US

[Team member bio](#)