

# Court Issues “Pause” in NTEU Lawsuit Against CFPB

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As discussed [here](#), on February 9, the National Treasury Employees Union (NTEU), which includes members employed by the Consumer Financial Protection Bureau (CFPB or Bureau), filed a lawsuit in the District Court for the District of Columbia. The lawsuit challenges the actions of Acting Director Russell Vought, arguing that his efforts to “shut down” the CFPB are unconstitutional and violate the Congressional mandate outlined in the Dodd-Frank Act. Since then, President Trump has nominated Jonathan McKernan to be the new Director of the CFPB (discussed [here](#)). If confirmed by the Senate, McKernan will replace Acting Director Vought, who also serves as the head of the Office of Management and Budget.

On February 14, the court issued an agreed [order](#) in response to the NTEU’s motion for a temporary restraining order. The court, presided over by Judge Amy Berman Jackson, held a scheduling conference and issued several key directives to maintain the status quo until the resolution of the plaintiffs’ motion, which has been deemed a motion for a preliminary injunction with the parties consent.

## Key Provisions of the Order:

- **Preservation of CFPB Records:** The court ordered that defendants, including their officers, agents, servants, employees, and attorneys, must not delete, destroy, remove, or impair any data or other CFPB records covered by the Federal Records Act. This includes any data stored on CFPB premises, physical media, cloud servers, or other storage systems.
- **Employment Protections:** Defendants are prohibited from terminating any CFPB employee, except for cause related to the specific employee’s performance or conduct. Additionally, no notices of reduction-in-force may be issued to any CFPB employee.
- **Financial Restrictions:** The court ordered that defendants must not transfer money from the CFPB’s reserve funds, relinquish control or ownership of these funds, return any money to the Federal Reserve or the Department of Treasury, or take any steps to reduce the amount of money available to the CFPB below the amount available as of 4:00 PM on February 14, except to satisfy ordinary operating obligations.

## Next Steps:

The court has scheduled a hearing on the plaintiffs’ motion for a preliminary injunction for March 3 at 10:00 AM. Defendants must file any opposition to the motion by February 24 and plaintiffs must file their reply by February 27.

## RELATED INDUSTRIES + PRACTICES

- Consumer Financial Services
- Consumer Financial Protection Bureau (CFPB)