

## Jonathan McKernan No Longer CFPB Director Nominee, Bureau Remains in Limbo

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Secretary of the Treasury Scott Bessent announced on May 9 that Jonathan McKernan would be nominated to be Undersecretary of Domestic Finance at the Department of the Treasury, effectively withdrawing McKernan's previous nomination as CFPB Director.<sup>[1]</sup>

McKernan was nominated for the position of Bureau Director in February.<sup>[2]</sup> Although approved by the Senate Banking Committee on March 6, McKernan's nomination never made it to the Senate for confirmation, at least in part because the Trump administration wanted to make further progress on its efforts to "shrink the CFPB down to the right size."<sup>[3]</sup>

The news of McKernan's Treasury Department nomination accompanies a flurry of Bureau-related news, as President Trump and Acting Director Russell Vought both recently nullified a suite of Bureau rules and guidance materials.<sup>[4]</sup> And, since President Trump's inauguration, the Bureau has been the subject of a work stoppage,<sup>[5]</sup> attempted mass layoffs,<sup>[6]</sup> and a lawsuit accusing the administration of impermissibly working to dismantle the agency.<sup>[7]</sup>

Amid this activity, the nomination of McKernan, a longtime regulatory lawyer and former member of the Federal Deposit Insurance Corporation Board of Directors, had signaled an eventual resumption of the Bureau's regulatory role—in some form—under the Trump administration. Now, the absence of any nominee for Bureau Director casts further doubt on whether or how the agency will resume operations and likely signals a shift toward consolidation of regulatory authority within Treasury.<sup>[8]</sup> We will continue to update this space as more news about the Bureau's future rolls out.

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[1] Press Release, Dep't of Treasury, "United States Department of the Treasury Announces New Appointment" (May 9, 2025).

[2] White House, "Nomination Sent to the Senate" (Feb. 12, 2025).

[3] See Am. Banker, "Senate Eyes May for CFPB Nomination vote, Scott Says" (Apr. 8, 2025) (reflecting opinion of Senator Tim Scott, chair of the Senate Banking Committee).

[4] S.J. Res. 18, 119th Cong. (2025) (enacted); S.J. Res. 28, 119th Cong. (2025) (enacted); “Interpretive Rules, Policy Statements, and Advisory Opinions; Withdrawals,” 90 Fed. Reg. 20084 (May 12, 2025).

[5] NPR, “New CFPB Chief Closes Headquarters, Tells All Staff They Must Not Do ‘Any Work Tasks’” (updated Feb. 10, 2025).

[6] Reuters, “US Consumer Watchdog Says It Will Lay Off Most Remaining Staff” (Apr. 17, 2025).

[7] See *Nat’l Treasury Emps. Union, et al. v. Vought*, Case 1:25-cv-00381-ABJ (D.C. Cir. Apr. 1, 2025).

[8] See Scott Bessent, Secretary, Dep’t of Treasury, Remarks at the Economic Club of New York (Mar. 6, 2025) (calling for financial regulators to work in parallel through “coordination via Treasury”).

2 Min Read

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