

Joe Sanders Says States are Moving to Center Stage in Consumer Protection Enforcement

As CFPB Faces Existential Funding Crisis

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States are aggressively seeking to fill the void in consumer protection as the Consumer Financial Protection Bureau (CFPB) faces the prospect of running out of operating funds. A coalition of Democratic attorneys general recently filed a lawsuit seeking to block the administration's efforts to eliminate funding for the agency.

Hinshaw partner Joe Sanders commented extensively in a *National Law Journal* article about these developments, stating that enforcement of consumer protection "is now [centered] on the state level, and seemingly will be for 2026." He added that the primary issue to watch for from the CFPB is not whether it changes regulatory guidance or how it addresses certain enforcement actions. Rather, "we're looking at [whether] the bureau [is] going to continue to exist."

How should clients approach the situation? Joe said he is telling his clients to proceed with caution:

"On the one hand [the CFPB] is saying, 'We're going to roll stuff back.' But on the other hand, they're saying, 'We're going to run out of money because we can't accept money and so we're going to shut down,'" Joe noted in the article. "Well, they can't do both things."

[Read the full article \(subscription may be required\)](#)

- *The National Law Journal*: "['Nonexistent' CFPB Gives Way to Surge in State Enforcement, Lawyers Say](#)" (December 24, 2025)

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