



Consumer Financial
Protection Bureau

1700 G Street NW, Washington, DC 20552

April 11, 2025

MEMORANDUM FOR ALL COMPONENTS

FROM: THE ACTING DIRECTOR

A handwritten signature in blue ink, appearing to be 'C. J. W.', is written over the 'FROM' line.

SUBJECT: Prohibition on Improper Guidance Documents

For too long this agency has engaged in weaponized practices that treat legal restrictions on its authorities as barriers to be overcome rather than laws that we are oath-bound to respect. This weaponization occurs with particular force in the context of the Bureau's use of sub-regulatory "guidance." The use of guidance to regulate is unlawful and deprives the public of fair notice of what conduct is prohibited.

The Bureau will no longer engage in this practice. Effective immediately, Bureau components may not issue guidance documents that purport to create rights or obligations binding on persons or entities outside the Bureau. To avoid circumventing the rulemaking process, Bureau components shall adhere to the following principles when issuing guidance documents:

- Guidance documents should identify themselves as guidance, disclaim any force or effect of law, and avoid language suggesting that the public or regulated parties have obligations that go beyond those set forth in the applicable statutes or legislative rules.
- Guidance documents should clearly state that they are not final agency actions, have no legally binding effect on persons or entities outside the federal government, and may be rescinded or modified in the Bureau's complete discretion.
- Guidance documents should not be used for the purpose of coercing persons or entities outside the federal government into taking any action or refraining from taking any action beyond what is required by the terms of the applicable statute or regulation.
- Guidance documents should not use mandatory language such as "shall," "must," "required," or "requirement" to direct parties outside the federal government to take or refrain from taking action, except when restating—with citations to statutes, regulations, or binding judicial precedent—clear mandates contained in a statute or regulation. In all cases, guidance documents should clearly identify the underlying law that they are explaining.
- To the extent guidance documents set out voluntary standards (e.g., recommended practices), they should clearly state that compliance with those standards is voluntary and that noncompliance will not, in itself, result in any enforcement action.

All Bureau components shall implement these principles immediately with respect to all guidance documents. Components should also implement these principles consistent with policies issued by the Office of Management and Budget, including its Final Bulletin for Agency Good Guidance Practices, 72 Fed. Reg. 3432 (Jan. 25, 2007).

In light of the Bureau's track record, it is not enough to simply stop regulation through guidance prospectively. The Bureau must rescind all "guidance" that has unlawfully regulated private parties in the past. To that end, the Bureau is conducting a comprehensive internal review of guidance documents to ensure that the Bureau is not imposing rights or obligations through guidance. If private parties are aware of the Bureau's continued reliance on unlawful guidance, they are invited to utilize the CFPB's tip line on X: @cfpb_tipline, or by email: tipline@cfpb.gov.

For purposes of this memorandum and the internal review, guidance documents include any Bureau statements of general applicability and future effect, however styled (including "blog posts" and the like). This memorandum does not apply to adjudicatory actions that do not have the aim or effect of binding anyone beyond the parties involved, and it does not address documents informing the public of the Bureau's enforcement and supervision priorities or factors the Bureau considers in exercising its enforcement discretion. As such, it is not intended to, does not, and may not be relied upon to, create any rights, substantive or procedural, enforceable at law by any party in any matter civil or criminal.