

**SUPPORT [S.J.Res. 135](#) to Protect the Rights of Whistleblower Employees**

In 2024, the Consumer Financial Protection Bureau (CFPB) cracked down on companies that pressure workers at financial institutions to sign coercive confidentiality agreements. But in a rule submitted to Congress, the Trump CFPB rescinded that guidance and made it easier for financial firms to coerce front-line compliance staff into silence. This means that employees at banks, debt collection agencies, payday lenders, and other financial services companies who witness illegal activity may believe they are prohibited from speaking up, and companies may have more room to hide misconduct from regulators.

Senator Warner's joint resolution of congressional disapproval would undo the Trump CFPB decision and restore the earlier rule: "Consumer Financial Protection Circular 2024-04: Whistleblower Protections Under CFPA Section 1057."

Endorsers: National Consumer Law Center (on behalf of its low-income clients), Consumer Federation of America, Center for Responsible Lending, Protect Borrowers, Americans for Financial Reform, National Community Reinvestment Coalition

Key Points

- **Financial companies sometimes use overly broad language in confidentiality agreements as a shield for corporate misconduct.** Firms claim these agreements protect sensitive data, but they can also be used to hide corporate misconduct and shield the company from scrutiny and accountability. Financial companies have been known to use the threat of lawsuits, financial or career harm, and job loss to pressure employees into signing restrictive non-disclosure agreements (NDAs). These agreements can create a chilling effect that silences whistleblowers and prevents federal regulators like the CFPB from uncovering illegal activities.
- **The Biden CFPB issued guidance to crack down on the use of confidentiality agreements to silence whistleblowers.** In 2024, the Biden CFPB issued a [circular](#) to protect front-line compliance workers at financial companies like banks, debt collection agencies, and payday lenders from being pressured into silence due to coercive confidentiality agreements. The circular warns that overly broad confidentiality agreements could violate the Consumer Financial Protection Act (CFPA) and its protections against whistleblower retaliation, if they fail to clearly allow employees to communicate with regulators or cooperate with investigations.
- **The Trump Administration withdrew this commonsense guidance, and this JRD seeks to restore it.** Although underlying statutes like the CFPA continue to protect the rights of whistleblower employees, the Trump Administration's rescission of this guidance signals to companies that they may have more leeway to draft broad confidentiality agreements without fear of facing any real consequences from the current CFPB. This makes it more likely that front-line compliance staff are pressured into silence. It is critical for Congress to restore the earlier guidance.