

# Congress of the United States

Washington, DC 20515

November 19, 2025

The Honorable Russell Vought  
Acting Director  
Consumer Financial Protection Bureau  
1700 G St NW  
Washington, DC 20552

Dear Acting Director Vought:

We write to inquire about the Consumer Financial Protection Bureau’s (CFPB) investigations and enforcement work against the growing use of stay-or-pay contracts and other types of coercive contractual provisions—such as Training Repayment Agreement Provisions (TRAPs)—that may violate federal consumer financial protection laws. As the CFPB explained in 2023, the “CFPB intends to evaluate the use of training repayment agreement provisions (TRAPs) or other employer-driven debts for potential violations of consumer financial laws and is committed to using all its tools to address the risks they may cause for consumers.”<sup>1</sup> Across the Trump Administration, federal regulators and enforcement officials have retreated from efforts to protect workers from these predatory contracts. Evidence suggests that the CFPB is engaged in this retreat by dropping cases related to Unfair, Deceptive, or Abusive Acts or Practices (UDAAPs),<sup>2,3,4</sup> and amid a broader effort by the Trump Administration to dismantle the CFPB entirely.<sup>5</sup>

Stay-or-pay contract schemes, like TRAPs, have become increasingly prevalent across the United States, with serious consequences for workers. A 2024 study found that 1-in-12 workers in the U.S. are subject to a TRAP, with the percentage growing from 4.1 percent in 2014 to 8.7 percent in 2020.<sup>6</sup> Proponents claim these contract schemes are intended to incentivize employers to invest in their workers through training and other development opportunities by requiring workers to repay the supposed cost of training when they leave their jobs.<sup>7</sup> In practice, TRAPs are often presented as “take it or leave it” conditions of employment, shifting the financial responsibility for training, equipment, and even alleged lost profits onto workers.<sup>8</sup> TRAPs have been

<sup>1</sup> Press Release, Consumer Financial Protection Bureau, Consumer risks posed by employer-driven debt (July 20, 2023), <https://www.consumerfinance.gov/data-research/research-reports/issue-spotlight-consumer-risks-posed-by-employer-driven-debt/full-report/>.

<sup>2</sup> Press Release, National Consumer Law Center, CFPB Abruptly Drops Enforcement Actions Against Corporations Accused of Ripping Off Consumers (Feb. 27, 2025), <https://www.nclc.org/cfpb-abruptly-drops-enforcement-actions-against-corporations-accused-of-ripping-off-consumers/>.

<sup>3</sup> Troy Garriss, *CFPB Drops UDAAP Discrimination Case – Mortgage Lenders Need to Know*, Garriss Horn LLP (May 7, 2025), <https://www.garrishorn.com/blog/cfpb-drops-udaap-discrimination-appeal-mortgage-lenders-need-to-know>.

<sup>4</sup> Rachael Kennedy, *CFPB drops overdraft fee case against Navy Federal Credit Union*, Payment Expert (July 2, 2025), <https://paymentexpert.com/2025/07/02/cfpb-ends-navy-federal-overdraft-fee-case/>.

<sup>5</sup> Press Release, Federal Policy Watch, Trump Administration Attempts to Close the CFPB, Block Agency’s Work (June 12, 2025), <https://www.epi.org/policywatch/trump-administration-closes-the-cfpb/>.

<sup>6</sup> J.J. Prescott, *First Evidence on the Use of Training Repayment Agreements in the US Labor Force*, ProMarket (Mar. 27, 2024), <https://www.promarket.org/2024/03/27/first-evidence-on-the-use-of-training-repayment-agreements-in-the-us-labor-force/>.

<sup>7</sup> Bill Hulse & Glenn Spencer, *The CFPB Is Making it Harder to Hire and Train Employees*, U.S Chamber of Commerce (July 29, 2022), <https://www.uschamber.com/workforce/the-cfpb-is-making-it-harder-to-hire-and-train-employees>.

<sup>8</sup> *FACT SHEET: Training Repayment Agreement Provision (TRAPs), Stay-or-Pay Contracts and the Economy*, Student Borrower Protection Center (2024), <https://protectborrowers.org/wp-content/uploads/2025/09/FACT-SHEET-FTC-Ban-on-TRAPs.pdf>.

used to hold employees responsible for up to \$75,000,<sup>9</sup> and in some instances exceeded the amount in which a worker was ever compensated.<sup>10</sup> As a result, TRAPs can prevent workers from leaving a job, even if an employer ultimately chooses not to enforce the provision.

Unfortunately, the Trump Administration has abandoned efforts to protect workers from anticompetitive practices—such as TRAPs—that suppress worker mobility and drive down wages. In August, President Trump issued an executive order revoking a Biden-era order that empowered federal agencies to build worker power by limiting harmful contract terms, like non-compete agreements and TRAPs.<sup>11</sup> Earlier this year, the National Labor Relations Board General Counsel rescinded its public guidance outlining why most stay-or-pay contracts are unlawful.<sup>12</sup> On September 5, 2025, the Federal Trade Commission formally withdrew from defending its rule banning non-competes and TRAPs and instead announced plans to review the use of non-competes on a case-by-case basis.<sup>13</sup> It is also unclear whether the U.S. Department of Labor is prioritizing their defense of workers trapped in stay-or-pay contracts.

In recent years, the CFPB highlighted the harms that employer-driven debt can pose to workers. Following a formal public inquiry into employer-driven debt launched in 2022, the CFPB released a 2023 report that detailed the growing prevalence of TRAPs and other forms of employer-driven debt.<sup>14</sup> The report found that TRAPs risk suppressing wages and forcing workers to remain in jobs they want to leave. Following this report, the CFPB reportedly partnered with state attorneys general to protect workers from these types of harm. In a press release announcing a multi-state settlement with HCA Healthcare (HCA) for unlawfully requiring entry-level nurses to enter years-long, abusive TRAPs earlier this year, it was disclosed for the first time that the investigation into HCA’s use of TRAPs had once been conducted jointly with the CFPB.<sup>15</sup> The settlement alleges that HCA violated the prohibition on “abusive” acts and practices under the federal Consumer Financial Protection Act<sup>16</sup>—a prohibition that can be enforced directly by state attorneys general, or by the CFPB. Despite its participation in the investigation that led to a settlement with the company, the CFPB was absent from the settlement. This raises concerns that the CFPB may no longer be prioritizing its role in constraining employers’ use of debt to exploit workers.

<sup>9</sup> See *Bland v. Edward D. Jones & Co.*, 375 F. Supp. 3d 962, 969-71 (N.D. Ill. 2019).

<sup>10</sup> Complaint, *Su v. Advanced Care Staffing, LLC*, No. 1:23-cv-02119 (E.D.N.Y. Mar. 20, 2023), Dkt. No. 1, <https://www.dol.gov/sites/dolgov/files/OPA/newsreleases/2023/03/23-481-NAT.Su%20v.%20Advanced%20Care%20Staffing%20%26%20Sam%20Klein%20complaint.pdf>.

<sup>11</sup> Executive Order No. 14,337, 90 Fed. Reg. 40227 (Aug. 19, 2025), <https://www.federalregister.gov/documents/2025/08/19/2025-15824/revocation-of-executive-order-on-competition>.

<sup>12</sup> Press Release, National Labor Relations Board, GC 25-05 Rescission of Certain General Counsel Memoranda (Feb. 14, 2025), <https://www.nlr.gov/news-outreach/news-story/gc-25-05-rescission-of-certain-general-counsel-memoranda>.

<sup>13</sup> Press Release, Federal Trade Commission, Federal Trade Commission Files to Accede to Vacatur of Non-Compete Clause Rule (Sept. 5, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/09/federal-trade-commission-files-accede-vacatur-non-compete-clause-rule>.

<sup>14</sup> Press Release, Consumer Financial Protection Bureau, Consumer risks posed by employer-driven debt (July 20, 2023), <https://www.consumerfinance.gov/data-research/research-reports/issue-spotlight-consumer-risks-posed-by-employer-driven-debt/full-report/>.

<sup>15</sup> Press Release, State of California Department of Justice, Attorney General Bonta Secures \$1.53 Million Settlement with One of Nation’s Largest Hospital Systems for Unlawful Training Repayment Agreements with Nurses (July 24, 2025), <https://oag.ca.gov/news/press-releases/attorney-general-bonta-secures-153-million-settlement-one-nation%E2%80%99s-largest>.

<sup>16</sup> Complaint, *California v. HCA Healthcare*, No. 25CV471131 (Cal. Super. July 24, 2025), <https://oag.ca.gov/system/files/attachments/press-docs/2.%20HCA%20Healthcare%20-%20Complaint%20FILE%20STAMPED.pdf>.

As the CFPB has demonstrated repeatedly, the Dodd-Frank Act’s prohibition on UDAAPs is the agency’s most nimble tool to deal with emerging risks—prohibiting a broad set of illegal conduct without regard to the specific consumer financial product or service offered by a company.<sup>17</sup> Under your leadership, the CFPB also appears poised to severely limit its own capacity to use this critical tool, which could impact enforcement related to TRAPs like those identified at HCA.<sup>18</sup>

Workers deserve to know whether the CFPB is working to protect them from employment practices that your agency previously found may “pose substantial risks to consumers.”<sup>19</sup> Therefore, we request you answer the following questions in writing by December 19, 2025:

1. Since the beginning of the Trump Administration, how many complaints related to employer-driven debt or training-related repayment obligations has the CFPB received? How many of those complaints have escalated into investigations and/or enforcement?
2. Since the beginning of the Trump Administration, how many investigations or lawsuits related to employer-driven debt or training-related repayment obligations has the CFPB closed? How were these decisions made?
3. Why did the CFPB not participate in the HCA settlement filed in California, Nevada, and Colorado? Was the CFPB’s absence related to the CFPB deprioritizing investigations into employer-driven debt?

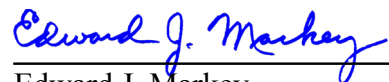
Thank you for your attention to this matter.

Sincerely,



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Summer L. Lee  
Member of Congress



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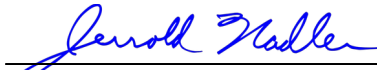
Edward J. Markey  
United States Senator


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<sup>17</sup> *Unfair, Deceptive, or Abusive Acts or Practices*, Consumer Finance Protection Bureau (Oct. 2012), [https://files.consumerfinance.gov/f/documents/cfpb\\_unfair-deceptive-abusive-acts-practices-udaaps\\_procedures\\_2023-09.pdf](https://files.consumerfinance.gov/f/documents/cfpb_unfair-deceptive-abusive-acts-practices-udaaps_procedures_2023-09.pdf).


<sup>18</sup> Eamonn K. Moran & Ashley Feighery, *CFPB Announces Updated Regulatory and Rulemaking Priorities*, Holland & Knight (Aug. 19, 2025), <https://www.hklaw.com/en/insights/publications/2025/08/cfpb-announces-updated-regulatory-and-rulemaking-priorities>.


<sup>19</sup> Press Release, Consumer Financial Protection Bureau, Consumer risks posed by employer-driven debt (July 20, 2023), <https://www.consumerfinance.gov/data-research/research-reports/issue-spotlight-consumer-risks-posed-by-employer-driven-debt/full-report/>.

  
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Ferrol Nadler  
Member of Congress


  
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Lateefah Simon  
Member of Congress


  
\_\_\_\_\_  
Eleanor Holmes Norton  
Member of Congress


  
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Henry C. "Hank" Johnson, Jr.  
Member of Congress

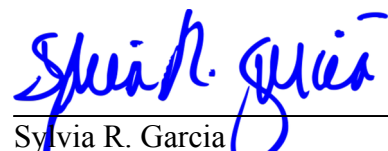
  
\_\_\_\_\_  
Rashida Tlaib  
Member of Congress


  
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James P. McGovern  
Member of Congress

  
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Delia C. Ramirez  
Member of Congress


  
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Chris Van Hollen  
United States Senator

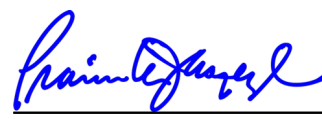
  
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Elizabeth Warren  
United States Senator

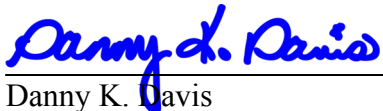
  
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Sylvia R. Garcia  
Member of Congress

  
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Bernard Sanders  
United States Senator

  
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Seth Magaziner  
Member of Congress

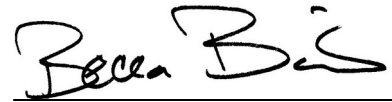
  
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Alex Padilla  
United States Senator

  
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Pramila Jayapal  
Member of Congress



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Danny K. Davis  
Member of Congress



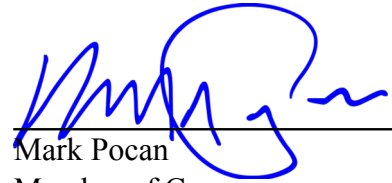
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Becca Balint  
Member of Congress



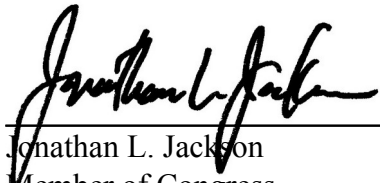
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Ted W. Lieu  
Member of Congress



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Mark Pocan  
Member of Congress



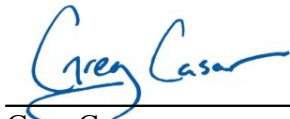
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Jonathan L. Jackson  
Member of Congress



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Andre Carson  
Member of Congress



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Greg Casar  
Member of Congress



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Alma S. Adams, Ph.D.  
Member of Congress



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Richard Blumenthal  
United States Senator



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Laura Friedman  
Member of Congress



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Ayanna Pressley  
Member of Congress



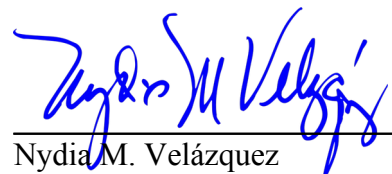
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Jamie Raskin  
Member of Congress



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Kirsten Gillibrand  
United States Senator



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Nydia M. Velázquez  
Member of Congress



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Val Hoyle  
Member of Congress



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Robert C. "Bobby" Scott  
Member of Congress



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Ilhan Omar  
Member of Congress



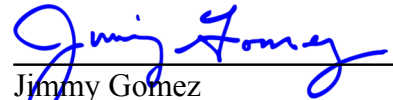
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Mark DeSaulnier  
Member of Congress



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Chris Deluzio  
Member of Congress



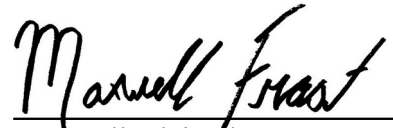
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Jimmy Gomez  
Member of Congress



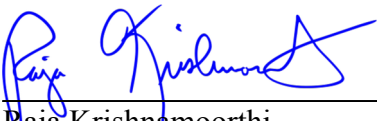
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Ruben Gallego  
United States Senator



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Maxwell Alejandro Frost  
Member of Congress



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Raja Krishnamoorthi  
Member of Congress



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Dwight Evans  
Member of Congress




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Mazie K. Hirono  
United States Senator




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Thomas R. Suozzi  
Member of Congress



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Jack Reed  
United States Senator



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Alexandria Ocasio-Cortez  
Member of Congress



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Gabe Amo  
Member of Congress



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Sheldon Whitehouse  
United States Senator

# Congress of the United States

Washington, DC 20515

November 19, 2025

The Honorable Lori Chavez-DeRemer  
Secretary of Labor  
U.S. Department of Labor  
200 Constitution Ave NW  
Washington, DC 20210

Dear Secretary Chavez-DeRemer:

We write to inquire about the status of the U.S. Department of Labor's (DOL) investigations and enforcement work relating to employers' growing use of stay-or-pay contracts and other types of coercive contracts, such as Training Repayment Agreement Provisions (TRAPs). Given the Trump Administration's withdrawal from enforcement against coercive practices across other agencies, we strongly urge the DOL to use its worker protection authorities to protect workers from anticompetitive agreements.

Stay-or-pay contract schemes, like TRAPs, have become increasingly prevalent across the United States, with serious consequences for workers. A 2024 study found that 1-in-12 workers in the U.S. are subject to a TRAP, with the percentage growing from 4.1 percent in 2014 to 8.7 percent in 2020.<sup>1</sup> Proponents claim these contract schemes are intended to incentivize employers to invest in their workers through training and other development opportunities by requiring workers to repay the supposed cost of training when they leave their jobs.<sup>2</sup> In practice, TRAPs are often presented as "take it or leave it" conditions of employment, shifting the financial responsibility for training, equipment, and even alleged lost profits onto workers.<sup>3</sup> TRAPs have been used to hold employees responsible for up to \$75,000,<sup>4</sup> and in some instances exceeded the amount in which a worker was ever compensated.<sup>5</sup> As a result, TRAPs can prevent workers from leaving a job, even if an employer ultimately chooses not to enforce the provision.

Unfortunately, the Trump Administration has abandoned efforts to protect workers from anticompetitive practices—such as TRAPs—that suppress worker mobility and drive down wages. In August, President Trump issued an executive order revoking a Biden-era order that had empowered federal agencies to build worker power by limiting harmful contract terms, like non-compete agreements and TRAPs.<sup>6</sup> On September 5, 2025, the Federal Trade Commission formally withdrew from defending its rule banning non-competes and TRAPs

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<sup>1</sup> J.J. Prescott et al., *First Evidence on the Use of Training Repayment Agreements in the US Labor Force*, ProMarket (Mar. 27, 2024) <https://www.promarket.org/2024/03/27/first-evidence-on-the-use-of-training-repayment-agreements-in-the-us-labor-force/>.

<sup>2</sup> Bill Hulse & Glenn Spencer, *The CFPB Is Making it Harder to Hire and Train Employees*, U.S Chamber of Commerce (July 29, 2022), <https://www.uschamber.com/workforce/the-cfpb-is-making-it-harder-to-hire-and-train-employees>.

<sup>3</sup> *FACT SHEET: Training Repayment Agreement Provision (TRAPs), Stay-or-Pay Contracts and the Economy*, Student Borrower Protection Center (2024), <https://protectborrowers.org/wp-content/uploads/2025/09/FACT-SHEET-FTC-Ban-on-TRAPs.pdf>.

<sup>4</sup> See *Bland v. Edward D. Jones & Co.*, 375 F. Supp. 3d 962, 969-71 (N.D. Ill. 2019).

<sup>5</sup> Complaint, *Su v. Advanced Care Staffing, LLC*, No. 1:23-cv-02119 (E.D.N.Y. Mar. 20, 2023), Dkt. No. 1, <https://www.dol.gov/sites/dolgov/files/OPA/newsreleases/2023/03/23-481-NAT.Su%20v.%20Advanced%20Care%20Staffing%20%26%20Sam%20Klein%20complaint.pdf>.

and instead announced plans to review the use of non-competes on a case-by-case basis.<sup>7</sup> Earlier this year the National Labor Relations Board General Counsel rescinded its public guidance outlining why most stay-or-pay contracts are unlawful.<sup>8</sup> It is also unclear whether the Consumer Financial Protection Bureau is prioritizing the harms to consumers caused by workers trapped in stay-or-pay contracts.

In recent years, the DOL has shined a spotlight on the issue of TRAPs and other types of stay-or-pay contracts through lawsuits and high-profile press releases about these cases.<sup>9</sup> In both court filings and press releases, the Department declared that stay-or-pay contracts “exploit workers through a system akin to modern-day indentured servitude.”<sup>10</sup> Bringing even more attention to this issue in late 2024, the Solicitor of Labor highlighted the use of stay-or-pay contracts in its Enforcement Report on Coercive Contractual Provisions and how DOL’s regulations and several court cases have established that employers are generally not allowed to recover many of these types of costs from employees.<sup>11</sup> Yet, since the beginning of the Trump Administration there has been no update on DOL’s work to combat TRAPs or other forms of stay-or-pay contracts. It also appears that your agency quickly settled one of its key TRAPs cases just weeks after you were sworn into your role, yet the terms of this settlement still have not been made public.<sup>12</sup>

Workers deserve to know whether the DOL is working to protect them from coercive employment practices. Therefore, we request you answer the following questions in writing by December 19, 2025:

1. Since the beginning of the Trump Administration, how many complaints has the DOL received from workers about stay-or-pay contracts? Of these complaints, how many has the DOL investigated? What were the findings in those investigations?

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<sup>6</sup> Executive Order No. 14,337, 90 Fed. Reg. 40227 (Aug. 19, 2025), <https://www.federalregister.gov/documents/2025/08/19/2025-15824/revocation-of-executive-order-on-competition>.

<sup>7</sup> Press Release, Federal Trade Commission, Federal Trade Commission Files to Accede to Vacatur of Non-Compete Clause Rule (Sept. 5, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/09/federal-trade-commission-files-accede-vacatur-non-compete-clause-rule>; Press Release, Federal Trade Commission, FTC Takes Action to Protect Workers from Noncompete Agreements (Sept. 4, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/09/ftc-takes-action-protect-workers-noncompete-agreements>.

<sup>8</sup> Press Release, National Labor Relations Board, GC 25-05 Rescission of Certain General Counsel Memoranda (Feb. 14, 2025), <https://www.nlr.gov/news-outreach/news-story/gc-25-05-rescission-of-certain-general-counsel-memoranda>.

<sup>9</sup> Press Release, U.S. Department of Labor, Department of Labor Seeks Court Order to Stop Brooklyn Staffing Agency From Demanding Employees Stay 3 Years or Repay Wages (Mar. 20, 2023) <https://www.dol.gov/newsroom/releases/sol/sol20230320>; Solicitor of Labor Enforcement Report – Coercive Contractual Provisions: Fiscal Year 2024, U.S. Department of Labor (2024), <https://www.dol.gov/sites/dolgov/files/SOL/reports/SOL2024-Enforcement-Report.pdf>.

<sup>10</sup> Press Release, U.S. Department of Labor, Department of Labor Seeks Court Order to End IT Staffing Agency Practices that Exploit Workers Through a System Akin to Modern-Day Indentured Servitude (July 10, 2024), <https://www.dol.gov/newsroom/releases/sol/sol20240710>.

<sup>11</sup> Solicitor of Labor Enforcement Report – Coercive Contractual Provisions: Fiscal Year 2024, U.S. Department of Labor (2024), <https://www.dol.gov/sites/dolgov/files/SOL/reports/SOL2024-Enforcement-Report.pdf>.

<sup>12</sup> Complaint, *Su v. Smoothstack, Inc.*, No. 1:24-cv-02295, (E.D. Va. Dec. 18, 2024), <https://www.courtlistener.com/docket/69546623/su-v-smoothstack-inc/>.

2. Since the beginning of the Trump Administration, how many cases has the DOL filed against companies for their use of stay-or-pay contracts, including TRAPs?
3. Since the beginning of the Trump Administration, how many cases regarding stay-or-pay contracts, including TRAPs, has the DOL withdrawn? How many cases has the DOL settled? Under what terms did the DOL withdraw or settle such cases, including the case against Smoothstack?<sup>13</sup>
4. During the Trump Administration, has the DOL issued an opinion letter on how stay-or-pay contracts should be handled under the Fair Labor Standards Act? If not, will the DOL issue an opinion letter on the subject?
5. Since the beginning of the Trump Administration, has the DOL's interpretation of how existing laws and policies should be used to regulate stay-or-pay contract provisions changed?

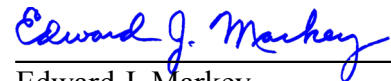
Thank you for your attention to this matter.

Sincerely,



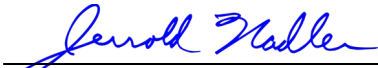
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Summer L. Lee  
Member of Congress



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Edward J. Markey  
United States Senator



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Jerrold Nadler  
Member of Congress



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Lateefah Simon  
Member of Congress



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Eleanor Holmes Norton  
Member of Congress



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Henry C. "Hank" Johnson, Jr.  
Member of Congress



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James P. McGovern  
Member of Congress



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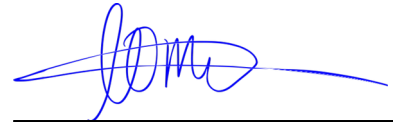
Rashida Tlaib  
Member of Congress

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<sup>13</sup> Ibid.



Delia C. Ramirez  
Member of Congress



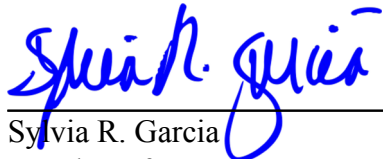
Ilhan Omar  
Member of Congress



Chris Van Hollen  
United States Senator




Elizabeth Warren  
United States Senator



Sylvia R. Garcia  
Member of Congress



Bernard Sanders  
United States Senator



Seth Magaziner  
Member of Congress




Alex Padilla  
United States Senator



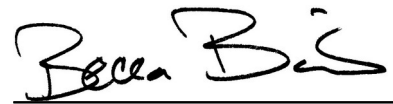
Pramila Jayapal  
Member of Congress



Alma S. Adams, Ph.D.  
Member of Congress



Danny K. Davis  
Member of Congress



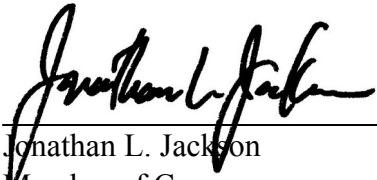
Becca Balint  
Member of Congress



Ted W. Lieu  
Member of Congress



Mark Pocan  
Member of Congress



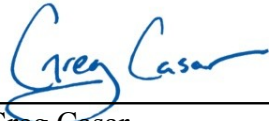
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Jonathan L. Jackson  
Member of Congress



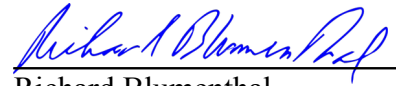
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Andre Carson  
Member of Congress



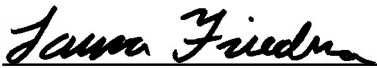
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Greg Casar  
Member of Congress



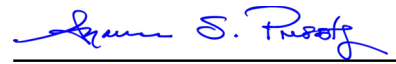
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Richard Blumenthal  
United States Senator



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Laura Friedman  
Member of Congress



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Ayanna Pressley  
Member of Congress



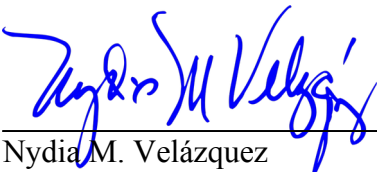
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Kirsten Gillibrand  
United States Senator



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Val Hoyle  
Member of Congress



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Nydia M. Velázquez  
Member of Congress



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Robert C. "Bobby" Scott  
Member of Congress



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Mark DeSaulnier  
Member of Congress



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Chris Deluzio  
Member of Congress



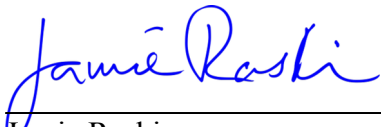
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Jimmy Gomez  
Member of Congress



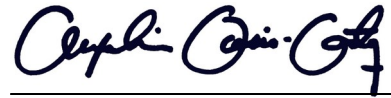
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Ruben Gallego  
United States Senator



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Jamie Raskin  
Member of Congress



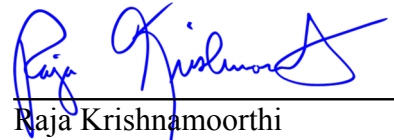
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Alexandria Ocasio-Cortez  
Member of Congress



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Maxwell Alejandro Frost  
Member of Congress



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Raja Krishnamoorthi  
Member of Congress



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Dwight Evans  
Member of Congress



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Mazie K. Hirono  
United States Senator



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Thomas R. Suozzi  
Member of Congress



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Jack Reed  
United States Senator



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Gabe Amo  
Member of Congress



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Sheldon Whitehouse  
United States Senator

# Congress of the United States

Washington, DC 20515

November 19, 2025

The Honorable Andrew N. Ferguson  
Chairman  
Federal Trade Commission  
600 Pennsylvania Avenue NW  
Washington DC 20580

Dear Chairman Ferguson:

We write in strong opposition to the Federal Trade Commission's (FTC) decision not to defend its rule banning non-compete provisions.<sup>1</sup> This landmark rule would not only have banned most existing and all new non-compete agreements, but it also included critical protections against de facto non-compete agreements, such as stay-or-pay contracts and Training Repayment Agreement Provisions (TRAPs) that impose punishing costs on an employee for leaving their job. The FTC's decision, combined with other actions across the Trump Administration, raise serious questions about the agency's commitment to investigating and protecting workers from the growing use of these coercive contracts. We strongly urge the FTC to reconsider its decision and to use its antitrust and consumer protection authorities to protect workers from anticompetitive agreements.

Stay-or-pay contract schemes, like TRAPs, have become increasingly prevalent across the United States, with serious consequences for workers. A 2024 study found that 1-in-12 workers in the U.S. are subject to a TRAP, with the percentage growing from 4.1 percent in 2014 to 8.7 percent in 2020.<sup>2</sup> Proponents claim these contract schemes are intended to incentivize employers to invest in their workers through training and other development opportunities by requiring workers to repay the supposed cost of training when they leave their jobs.<sup>3</sup> In practice, TRAPs are often presented as "take it or leave it" conditions of employment, shifting the financial responsibility for training, equipment, and even alleged lost profits onto workers.<sup>4</sup> TRAPs have been used to hold employees responsible for up to \$75,000,<sup>5</sup> and in some instances exceeded the amount in which a worker was ever compensated.<sup>6</sup> As a result, TRAPs can prevent workers from leaving a job, even if an employer ultimately chooses not to enforce the provision.

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<sup>1</sup> Press Release, Federal Trade Commission, Federal Trade Commission Files to Accede to Vacatur of Non-Compete Clause Rule (Sept. 5, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/09/federal-trade-commission-files-accede-vacatur-non-compete-clause-rule>.

<sup>2</sup> J.J. Prescott et al., *First Evidence on the Use of Training Repayment Agreements in the US Labor Force*, ProMarket (Mar. 27, 2024) <https://www.promarket.org/2024/03/27/first-evidence-on-the-use-of-training-repayment-agreements-in-the-us-labor-force/>.

<sup>3</sup> Bill Hulse & Glenn Spencer, *The CFPB Is Making it Harder to Hire and Train Employees*, U.S Chamber of Commerce (July 29, 2022), <https://www.uschamber.com/workforce/the-cfpb-is-making-it-harder-to-hire-and-train-employees>.

<sup>4</sup> *FACT SHEET: Training Repayment Agreement Provision (TRAPs), Stay-or-Pay Contracts and the Economy*, Student Borrower Protection Center (2024), <https://protectborrowers.org/wp-content/uploads/2025/09/FACT-SHEET-FTC-Ban-on-TRAPs.pdf>.

<sup>5</sup> See *Bland v. Edward D. Jones & Co.*, 375 F. Supp. 3d 962, 969-71 (N.D. Ill. 2019).

<sup>6</sup> Complaint, *Su v. Advanced Care Staffing, LLC*, No. 1:23-cv-02119 (E.D.N.Y. Mar. 20, 2023), Dkt. No. 1, <https://www.dol.gov/sites/dolgov/files/OPA/newsreleases/2023/03/23-481-NAT.Su%20v.%20Advanced%20Care%20Staffing%20%26%20Sam%20Klein%20complaint.pdf>.

Unfortunately, the Trump Administration has abandoned efforts to protect workers from anticompetitive practices—such as TRAPs—that suppress worker mobility and drive down wages. In August, President Trump issued an executive order revoking a Biden-era order that had empowered federal agencies to build worker power by limiting harmful contract terms, like non-compete agreements and TRAPs.<sup>7</sup> Under the Trump Administration, the National Labor Relations Board General Counsel rescinded its public guidance outlining why most stay-or-pay contracts, such as TRAPs, are unlawful.<sup>8</sup> It is also unclear whether the Consumer Financial Protection Bureau and U.S. Department of Labor are prioritizing their defense of workers trapped in stay-or-pay contracts.

Now, the FTC is also reversing its efforts to protect workers from anticompetitive agreements. In recent years, the FTC has engaged in substantial policy and enforcement work focused on traditional non-competes and de facto non-competes, including TRAPs. Beginning in 2018, during the first Trump Administration, the FTC convened public hearings and workshops about these coercive contract provisions and solicited public comments about their use numerous times. In 2021, the FTC launched multiple investigations into the use of non-competes, resulting in decrees settling charges that these contract provisions were unfair methods of competition and requiring the companies to eliminate them. Most importantly, in April 2024, the FTC issued a final rule that banned nearly all non-compete agreements, including TRAPs with financial penalties that were not reasonably related to the cost of training. However, on September 5, 2025, the FTC sought to dismiss its appeal of a district court ruling that overturned the noncompete rule, effectively giving up on defending this widely popular rule and undermining the antitrust laws the FTC is charged with enforcing.<sup>9</sup>

Workers deserve to know whether the FTC is working to protect them from anticompetitive employment practices. Therefore, we request you answer the following questions in writing by December 19, 2025:

1. In a dissenting statement, FTC Commission Slaughter noted that the FTC’s decision to withdraw from defending the non-compete rule may violate the legal process of notice and comment set forth by the Administrative Procedure Act.<sup>10</sup> Please share whether the FTC plans to provide notice and comment on the existing rule and allow the American public to weigh in on it before you abandon it.
2. Since January 20, 2025, how many FTC staff have been assigned to review complaints, conduct investigations, and/or bring enforcement actions or lawsuits against companies abusing non-competes and stay-or-pay contracts, including TRAPs?
3. Since January 20, 2025, please provide the number of: (1) complaints that the FTC has received from workers about stay-or-pay contracts, including TRAPs; (2) investigations that the FTC has opened into the use of stay-or-pay contracts, including TRAPs, based on those complaints; (3) lawsuits that the FTC

<sup>7</sup> Executive Order No. 14,337, 90 Fed. Reg. 40227 (Aug. 19, 2025), <https://www.federalregister.gov/documents/2025/08/19/2025-15824/revocation-of-executive-order-on-competition>.

<sup>8</sup> Press Release, National Labor Relations Board, GC 25-05 Rescission of Certain General Counsel Memoranda (Feb. 14, 2025), <https://www.nlr.gov/news-outreach/news-story/gc-25-05-rescission-of-certain-general-counsel-memoranda>.

<sup>9</sup> Press Release, Federal Trade Commission, Federal Trade Commission Files to Accede to Vacatur of Non-Compete Clause Rule (Sept. 5, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/09/federal-trade-commission-files-accede-vacatur-non-compete-clause-rule>.

<sup>10</sup> Press Release, Federal Trade Commission, Dissenting Statement of Commissioner Rebecca Kelly Slaughter Regarding the Dismissal of Appeals in Noncompete Rule Litigations (Sept. 5, 2025), [https://www.ftc.gov/system/files/ftc\\_gov/pdf/slaughter-noncompetes-litigation-withdrawal-statement.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/slaughter-noncompetes-litigation-withdrawal-statement.pdf).

has filed against companies due to their use of stay-or-pay contracts, including TRAPs; and (4) decrees or settlements that the FTC has reached over the use of stay-or-pay contracts, including TRAPs.

4. Please explain how the agency's new approach to one-off enforcement actions will provide a meaningful substitute for the FTC's market-wide non-compete rule.

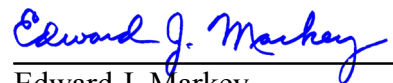
Thank you for your attention to this matter.

Sincerely,



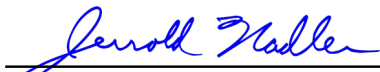
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Summer L. Lee  
Member of Congress



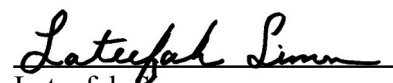
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Edward J. Markey  
United States Senator



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Jerrold Nadler  
Member of Congress




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Lateefah Simon  
Member of Congress



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Eleanor Holmes Norton  
Member of Congress



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Henry C. "Hank" Johnson, Jr.  
Member of Congress



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James P. McGovern  
Member of Congress



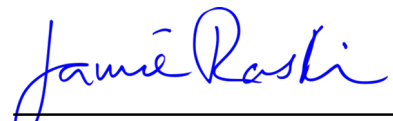
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Rashida Tlaib  
Member of Congress



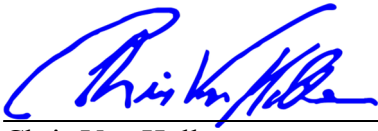
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Delia C. Ramirez  
Member of Congress



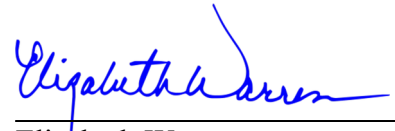
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Jamie Raskin  
Member of Congress



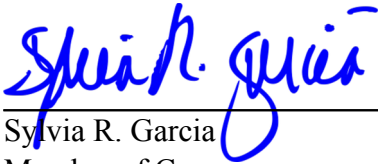
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Chris Van Hollen  
United States Senator



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Elizabeth Warren  
United States Senator



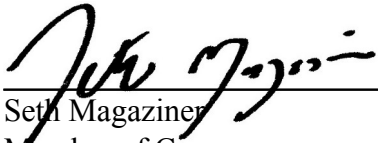
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Sylvia R. Garcia  
Member of Congress



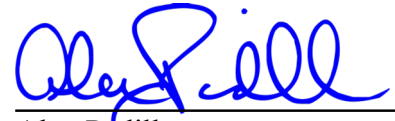
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Bernard Sanders  
United States Senator



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Seth Magaziner  
Member of Congress



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Alex Padilla  
United States Senator



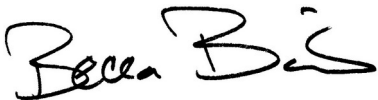
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Pramila Jayapal  
Member of Congress



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Danny K. Davis  
Member of Congress



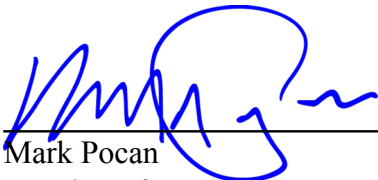
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Becca Balint  
Member of Congress



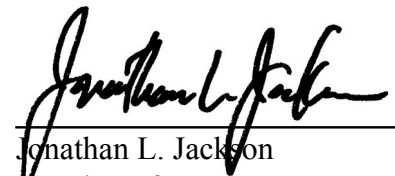
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Ted W. Lieu  
Member of Congress



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Mark Pocan  
Member of Congress



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Jonathan L. Jackson  
Member of Congress



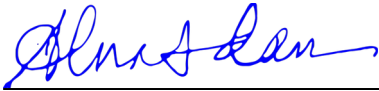
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Andre Carson  
Member of Congress



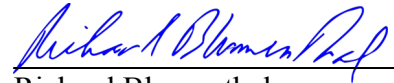
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Greg Casar  
Member of Congress



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Alma S. Adams, Ph.D.  
Member of Congress



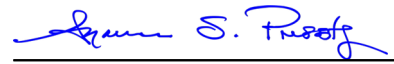
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Richard Blumenthal  
United States Senator



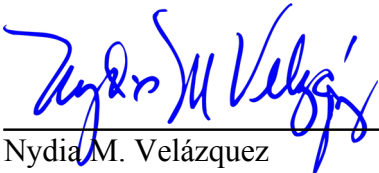
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Laura Friedman  
Member of Congress



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Ayanna Pressley  
Member of Congress



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Nydia M. Velázquez  
Member of Congress



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Kirsten Gillibrand  
United States Senator



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Val Hoyle  
Member of Congress



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Robert C. "Bobby" Scott  
Member of Congress



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Ilhan Omar  
Member of Congress



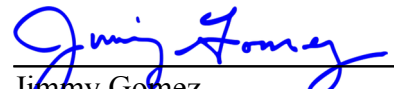
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Mark DeSaulnier  
Member of Congress



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Chris Deluzio  
Member of Congress



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Jimmy Gomez  
Member of Congress



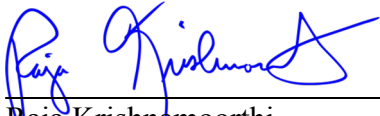
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Ruben Gallego  
United States Senator



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Maxwell Alejandro Frost  
Member of Congress



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Raja Krishnamoorthi  
Member of Congress



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Dwight Evans  
Member of Congress



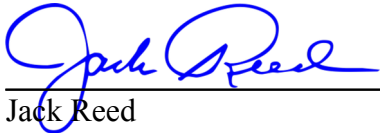
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Mazie K. Hirono  
United States Senator



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Thomas R. Suozzi  
Member of Congress



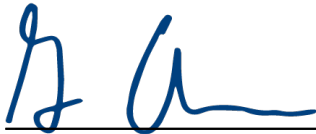
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Jack Reed  
United States Senator



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Alexandria Ocasio-Cortez  
Member of Congress



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Gabe Amo  
Member of Congress



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Sheldon Whitehouse  
United States Senator

# Congress of the United States

Washington, DC 20515

November 19, 2025

The Honorable William B. Cowen  
Acting General Counsel  
National Labor Relations Board  
1015 Half Street SE  
Washington, D.C. 20570

Dear Acting General Counsel Cowen:

We write to urge the National Labor Relations Board (NLRB) to reinstate and enforce rescinded guidance outlined in memo GC 25-01 on the growing use of stay-or-pay contracts and other types of coercive contractual provisions—such as Training Repayment Agreement Provisions (TRAPs)—that violate federal worker protection laws.<sup>1</sup> The NLRB’s decision to rescind this guidance, combined with other actions across the Trump Administration, raises serious questions about the agency’s commitment to investigating and protecting workers from coercive practices. We strongly urge the NLRB to reinstate this rescinded guidance and protect workers from anticompetitive agreements.

Stay-or-pay contract schemes, like TRAPs, have become increasingly prevalent across the United States, with serious consequences for workers. A 2024 study found that 1-in-12 workers in the U.S. are subject to a TRAP, with the percentage growing from 4.1 percent in 2014 to 8.7 percent in 2020.<sup>2</sup> Proponents claim these contract schemes are intended to incentivize employers to invest in their workers through training and other development opportunities by requiring workers to repay the supposed cost of training when they leave their jobs.<sup>3</sup> In practice, TRAPs are often presented as “take it or leave it” conditions of employment, shifting the financial responsibility for training, equipment, and even alleged lost profits onto workers.<sup>4</sup> TRAPs have been used to hold employees responsible for up to \$75,000,<sup>5</sup> and in some instances exceeded the amount in which a worker was ever compensated.<sup>6</sup> As a result, TRAPs can prevent workers from leaving a job, even if an employer ultimately chooses not to enforce the provision.

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<sup>1</sup> Press Release, National Labor Relations Board, GC 25-05 Rescission of Certain General Counsel Memoranda (Feb. 14, 2025), <https://www.nlr.gov/news-outreach/news-story/gc-25-05-rescission-of-certain-general-counsel-memoranda>.

<sup>2</sup> J.J. Prescott et al., *First Evidence on the Use of Training Repayment Agreements in the US Labor Force*, ProMarket (Mar. 27, 2024) <https://www.promarket.org/2024/03/27/first-evidence-on-the-use-of-training-repayment-agreements-in-the-us-labor-force/>.

<sup>3</sup> Bill Hulse & Glenn Spencer, *The CFPB Is Making it Harder to Hire and Train Employees*, U.S. Chamber of Commerce (July 29, 2022), <https://www.uschamber.com/workforce/the-cfpb-is-making-it-harder-to-hire-and-train-employees>.

<sup>4</sup> *FACT SHEET: Training Repayment Agreement Provision (TRAPs), Stay-or-Pay Contracts and the Economy*, Student Borrower Protection Center (2024), <https://protectborrowers.org/wp-content/uploads/2025/09/FACT-SHEET-FTC-Ban-on-TRAPs.pdf>.

<sup>5</sup> See *Bland v. Edward D. Jones & Co.*, 375 F. Supp. 3d 962, 969-71 (N.D. Ill. 2019).

<sup>6</sup> Complaint, *Su v. Advanced Care Staffing, LLC*, No. 1:23-cv-02119 (E.D.N.Y. Mar. 20, 2023), Dkt. No. 1, <https://www.dol.gov/sites/dolgov/files/OPA/newsreleases/2023/03/23-481-NAT.Su%20v.%20Advanced%20Care%20Staffing%20%26%20Sam%20Klein%20complaint.pdf>.

Unfortunately, the Trump Administration has abandoned efforts to protect workers from anticompetitive practices—such as TRAPs—that suppress worker mobility and drive down wages. In August, President Trump issued an executive order revoking a Biden-era order that empowered federal agencies to build worker power by limiting harmful contract terms, like non-compete agreements and TRAPs.<sup>7</sup> On September 5, 2025, the Federal Trade Commission formally withdrew from defending its rule banning non-competes and TRAPs and instead announced plans to review the use of non-competes on a case-by-case basis.<sup>8</sup> It is also unclear whether the Consumer Financial Protection Bureau and U.S. Department of Labor are prioritizing their defense of workers trapped in stay-or-pay contracts.

In recent years, the NLRB has been one of the most responsive government agencies to the growing prevalence of TRAPs and the harms they pose to workers.<sup>9,10</sup> The Board consistently secured settlement agreements requiring employers to abandon TRAPs and reimburse workers for money paid on these unlawful debts.<sup>11</sup> Former NLRB General Counsel Jennifer Abruzzo issued a guidance memo on stay-or-pay contracts (GC 25-01) that instructed regional NLRB offices on how to approach these contract terms.<sup>12</sup> Despite this guidance providing meaningful protection and resolution for workers, you rescinded that guidance earlier this year.<sup>13</sup>

The now rescinded guidance aligned with NLRB Administrative Law Judge Sarah Karpinen’s ruling that overly broad non-competes are an unlawful employment agreement provision. The ruling highlighted how coercive contract provisions like non-competes and TRAPs would cause a reasonable employee to refrain from engaging in protected activities due to the consequences they would face if they are fired or forced to leave their job.<sup>14</sup> It is now unclear if or how the NLRB is responding to workers who submit complaints to your agency when they

<sup>7</sup> Executive Order No. 14,337, 90 Fed. Reg. 40227 (Aug. 19, 2025), <https://www.federalregister.gov/documents/2025/08/19/2025-15824/revocation-of-executive-order-on-competition>.

<sup>8</sup> Press Release, Federal Trade Commission, Federal Trade Commission Files to Accede to Vacatur of Non-Compete Clause Rule (Sept. 5, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/09/federal-trade-commission-files-accede-vacatur-non-compete-clause-rule>.

<sup>9</sup> Press Release, National Labor Relations Board, Region 9-Cincinnati Issues Complaint Alleging Unlawful Non-Compete and Training Repayment Agreement Provisions (TRAPs) (Sept. 7, 2025), <https://www.nlr.gov/news-outreach/region-09-cincinnati/region-9-cincinnati-issues-complaint-alleging-unlawful-non-compete-and-training-repayment-agreement-provisions-traps>.

<sup>10</sup> Press Release, National Labor Relations Board, Region 9-Cincinnati Issues Complaint Against CommuniCare Family of Companies Alleging Unlawful Stay-or-Pay Agreement (Nov. 7, 2024), <https://www.nlr.gov/news-outreach/region-09-cincinnati/region-9-cincinnati-issues-complaint-against-communicare-family>.

<sup>11</sup> Press Release, National Labor Relations Board, Region 9-Cincinnati Secures Settlement Requiring Juvly Aesthetics to Rescind Unlawful Non-Compete and Training Repayment Agreement Provisions (TRAPs) and Pay Over \$25,000 to Employees, (Feb. 6, 2024), [Region 9-Cincinnati Secures Settlement Requiring Juvly Aesthetics to Rescind Unlawful Non-Compete and Training Repayment Agreement Provisions \(TRAPs\) and Pay Over \\$25,000 to Employees | National Labor Relations Board](https://www.nlr.gov/news-outreach/region-9-cincinnati/region-9-cincinnati-secures-settlement-requiring-juvly-aesthetics-to-rescind-unlawful-non-compete-and-training-repayment-agreement-provisions-traps-and-pay-over-25000-to-employees).

<sup>12</sup> Press Release, National Labor Relations Board, General Counsel Abruzzo Issues Memo on Seeking Remedies for Non-Compete and Stay-or-Pay Provisions (Oct. 7 2024), <https://www.nlr.gov/news-outreach/news-story/general-counsel-abruzzo-issues-memo-on-seeking-remedies-for-non-compete>.

<sup>13</sup> Press Release, National Labor Relations Board, GC 25-05 Rescission of Certain General Counsel Memoranda (Feb. 14 2025), <https://www.nlr.gov/news-outreach/news-story/gc-25-05-rescission-of-certain-general-counsel-memoranda>.

<sup>14</sup> Press Release, National Labor Relations Board, Region 25-Indianapolis Wins Administrative Law Judge Decision Requiring Indiana HVAC Company to Rescind Unlawful Noncompete & Solicitation Clauses and Reinstate Unlawfully Terminated Union Organizer (June 18, 2024), <https://www.nlr.gov/news-outreach/region-25-indianapolis/region-25-indianapolis-wins-administrative-law-judge-decision>.

have TRAPs imposed on them and how the NLRB is complying with your legal obligation to prosecute cases consistently with Board precedent.<sup>15</sup>

Workers deserve to know whether the NLRB is working to protect them from employment practices that your agency has previously found to be unlawful. Therefore, we request you answer the following questions in writing by December 19, 2025:

1. Since rescinding the stay-or-pay guidance memo (GC 25-01) on February 14, 2025, what is the NLRB's approach to handling complaints involving stay-or-pay contracts, such as TRAPs? What has the NLRB done to communicate these changes to the public?
2. Since the beginning of the Trump Administration, have there been any amendments or exceptions to existing allegations or complaints filed with the NLRB relating to TRAPs, stay-or-pay, or non-compete provisions? If so, how many? Please provide information on the grounds for the amendments or exceptions.
3. If the NLRB receives unfair labor practice charges regarding TRAPs, stay-or-pay contracts, and/or non-competes, what factors will the NLRB consider when deciding whether to prosecute the case? How will these factors comply with your statutory obligation to prosecute cases consistently with NLRB precedent on overly broad work rules?<sup>16</sup>
4. Since the beginning of the Trump Administration, how many merit determinations or settlements has the NLRB reached involving stay-or-pay contracts? Please provide case numbers and relevant documents.
5. What is the status of each complaint or case involving a stay-or-pay allegation? Have you closed or dismissed any cases involving TRAPs or stay-or-pay contracts?

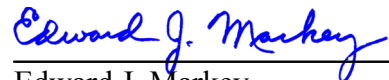
Thank you for your attention to this matter.

Sincerely,



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Summer L. Lee  
Member of Congress



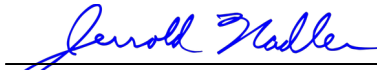
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Edward J. Markey  
United States Senator


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<sup>15</sup> Press Release, National Labor Relations Board, Board Adopts New Standard for Assessing Lawfulness of Work Rules (Aug. 2, 2023), <https://www.nlr.gov/news-outreach/news-story/board-adopts-new-standard-for-assessing-lawfulness-of-work-rules>.

<sup>16</sup> Ibid.


  
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Ferrol Nadler  
Member of Congress


  
\_\_\_\_\_  
Lateefah Simon  
Member of Congress


  
\_\_\_\_\_  
Eleanor Holmes Norton  
Member of Congress


  
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Henry C. "Hank" Johnson, Jr.  
Member of Congress

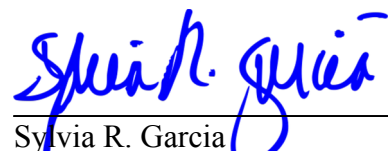
  
\_\_\_\_\_  
James P. McGovern  
Member of Congress


  
\_\_\_\_\_  
Rashida Tlaib  
Member of Congress

  
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Delia C. Ramirez  
Member of Congress


  
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Chris Van Hollen  
United States Senator

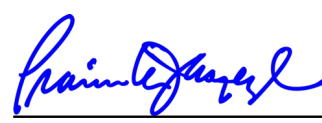
  
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Elizabeth Warren  
United States Senator

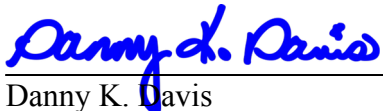
  
\_\_\_\_\_  
Sylvia R. Garcia  
Member of Congress

  
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Bernard Sanders  
United States Senator

  
\_\_\_\_\_  
Seth Magaziner  
Member of Congress

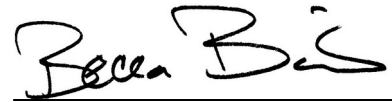
  
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Alex Padilla  
United States Senator

  
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Pramila Jayapal  
Member of Congress



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Danny K. Davis  
Member of Congress



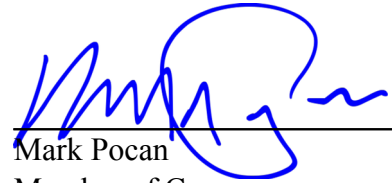
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Becca Balint  
Member of Congress



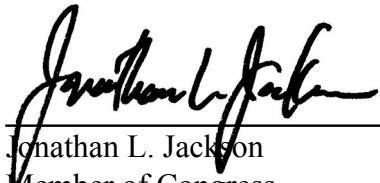
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Ted W. Lieu  
Member of Congress



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Mark Pocan  
Member of Congress



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Jonathan L. Jackson  
Member of Congress



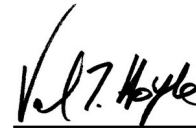
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Andre Carson  
Member of Congress



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Greg Casar  
Member of Congress



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Val Hoyle  
Member of Congress



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Alma S. Adams, Ph.D.  
Member of Congress



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Richard Blumenthal  
United States Senator



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Laura Friedman  
Member of Congress



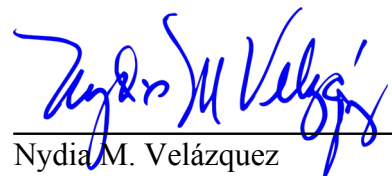
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Ayanna Pressley  
Member of Congress



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Kirsten Gillibrand  
United States Senator



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Nydia M. Velázquez  
Member of Congress



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Robert C. "Bobby" Scott  
Member of Congress



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Ilhan Omar  
Member of Congress



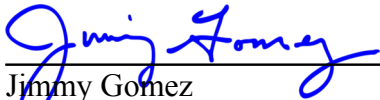
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Mark DeSaulnier  
Member of Congress



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Chris Deluzio  
Member of Congress




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Jimmy Gomez  
Member of Congress



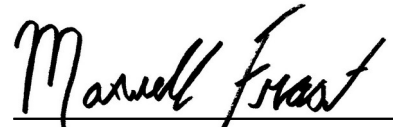
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Ruben Gallego  
United States Senator



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Jamie Raskin  
Member of Congress



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Maxwell Alejandro Frost  
Member of Congress



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Raja Krishnamoorthi  
Member of Congress



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Dwight Evans  
Member of Congress



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Mazie K. Hirono  
United States Senator



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Thomas R. Suozzi  
Member of Congress



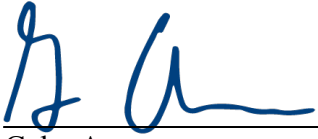
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Jack Reed  
United States Senator



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Alexandria Ocasio-Cortez  
Member of Congress



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Gabe Amo  
Member of Congress



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Sheldon Whitehouse  
United States Senator