

Consumer Financial Protection Bureau
1700 G Street NW
Washington, D.C. 20552



December 30, 2020

Briefing memorandum for the Director

Director Preview Calls for the Bureau's Roll out of the Taskforce on Federal Consumer Financial Law Final Report

DATE	January 4 - 5, 2021	
TIME	January 4 – To be scheduled / January 5 – 9:00AM – 12:00pm EST.	
LOCATION	Director's Office	
PARTICIPANTS	Director Kraninger External Stakeholders	
STAFF CONTACT	Matt Cameron, Assistant Director, OSM x Redacted	
ASSOCIATE DIRECTOR	Andrew Duke, Policy Associate Director, CEEA	Andrew Duke <small>Digitally signed by Andrew Duke Date: 2020.12.31 12:12:05 -05'00'</small>
APPROVAL	Delicia Hand, Deputy Associate Director, CEEA	

Objective

This memorandum describes your preview calls to OSM stakeholders on Monday, January 4 and Tuesday, January 5, 2021. The Bureau's announcement of the Taskforce on Federal Consumer Financial Law Final Report will be rolled out through multiple outreach efforts from January 4-6, 2021. The press release and publication of the report will occur at 12pm on Tuesday, January 5, 2021.

Key Points to Make

Please see your attached Director Preview Call Talking Points (Tab 1), which were Bureau cleared on December 30. An FAQ document is also included as Tab 2.

Day-of Release Rollout Schedule

DIRECTOR PREVIEW CALLS

Time TBD / Monday, January 4, 2021 (2 total calls)

Intergovernmental Affairs

1. John Ryan, President and CEO, Conference of State Banking Supervisors

The CSBS has had a long and productive relationship with the Bureau and the Director. This call is intended to deepen that relationship. Second, the CSBS submitted and published a comment letter in response to the Taskforce's (TF) RFI. In the comment letter John Ryan, CSBS President and CEO expressed concerns about the Taskforce's mission, its perspective on federalism, and how the TF intended to engage with and obtain input from state officials with oversight and enforcement authorities over consumer financial products and/or services and the intersection of those authorities with federal consumer financial laws. As part of the TF's outreach and engagement strategy, Taskforce Chair, Todd Zywicki, met with the CSBS senior staff, including the senior vice president, in July to seek their input on a variety of topics for the report. Subsequent to that meeting, CSBS expressed appreciation for the Taskforce initiated federal – state engagement, via a blog. *Contact Information:*

Redacted

2. Jeffrey Dinwoodie, Principal Deputy Assistant Secretary for Financial Institutions, U.S. Department of the Treasury

Mr. Dinwoodie assumed much of Bimal Patel's portfolio after Mr. Patel left the agency in July 2020, including Treasury's chairmanship of the FBIIC. Mr. Dinwoodie's first direct engagement with the Bureau occurred on August 31, when he

and Mr. Robert Green, U.S. Treasury Senior Advisor met with members of the Taskforce on Federal Consumer Financial Law as part of the Taskforce's commitment to engage with external stakeholders to gain insights regarding the financial service industry and financial consumer protection laws.

Contact Information: **Redacted**

DIRECTOR-LEVEL CALLS CONTINUED

9:00am to 12:00pm / Tuesday, January 5, 2021 (11 total calls)

Financial Institutions

1. **Rob Nichols**, President and CEO, American Bankers Association

Attended March 2020 Task Force Roundtable

Contact Information: Sheila Chablani at **Redacted**

or **Redacted**

2. **Bill Himpler**, President and CEO, American Financial Services Association

Attended March 2020 Task Force Roundtable & RFI

Commenter

Contact Information: **Redacted**

3. **Greg Baer**, President, Bank Policy Institute

Attended March 2020 Task Force Roundtable & RFI

Commenter

Contact Information: **Redacted**

4. **Richard Hunt**, President and CEO, Consumer Bankers Association

Attended March 2020 Task Force Roundtable & RFI

Commenter

Contact Information: Melanie Duffy at

Redacted

5. **Francis Creighton**, President and CEO, Consumer Data Industry Association

Attended March 2020 Task Force Roundtable & RFI
Commenter

Contact Information: Anita Popwell at

Redacted

6. **Jodie Kelly**, CEO, Electronic Transaction Association

Attended March 2020 Task Force Roundtable

Contact Information:

Redacted

7. **David Hirschmann**, President and CEO Center for Capital Markets
Competitiveness (CCMC), U.S. Chamber of Commerce

Attended March 2020 Task Force Roundtable & RFI

Commenter

Contact Information: Anika Schoonhoven at

Redacted

Legislative Affairs

House of Representatives:

1. **Chairwoman Maxine Waters (D - CA)**, House Financial Services Committee

LA recommends offering a call to provide a cumulative update
on the work of the Taskforce since inception.

Contact Information: Scheduler for Chairwoman Maxine
Waters, **Redacted**

2. **Ranking Member Patrick McHenry (R - NC)**, House Financial Services
Committee

LA recommends offering a call to provide a cumulative update
on the work of the Taskforce since inception.

Contact Information: Scheduler for Ranking Member Patrick
McHenry, **Redacted**, (NC) **Redacted**

Redacted

Senate:

1. **Senator Patrick Toomey (R - PA)**, Member, Senate Banking, Housing, and Urban Affairs Committee

LA recommends offering a call to provide a cumulative update on the work of the Taskforce since inception and how the recommendations will potentially be incorporated in Bureau work. Note: Sen. Toomey was a significant voice in the recent extension of COVID relief. He was particularly concerned with ensuring that broad “cloning” of earlier COVID relief not occur and that this package be more targeted.

Note: Chairman Crapo is Chair of BHUA through the end of the 116th Congress; it is widely assumed that Sen. Toomey will become BHUA Chairman in the 117th Congress assuming the GOP retains control after the January 5th Georgia runoffs.

Recent engagements:

- a. On December 11, 2020, Senator Toomey sent a letter addressed to the Bureau, Fed, NCUA, OCC and FDIC on the role of supervisory guidance proposed rule. (As of December 29, 2020 the response is in Bureau clearance.
- b. On December 10, 2020, Director Kraninger had a call with Senator Toomey on the QM Final Rules.
- c. On October 28, 2020 Senator Toomey sent a letter to Director Kraninger on the Seasoned Qualified Mortgage rule. Director Kraninger responded on December 7, 2020.
- d. On August 27, 2020, Director Kraninger had a call with Senator Toomey on QM seasoning NPRM, ratification, rulemaking, and the appropriations process.

Contact Information: Quercia, Danielle – Scheduler for Sen.

Toomey –

Redacted

Redacted

2. **Senator Sherrod Brown (D - OH)**, Ranking Member Senate Banking, Housing, and Urban Affairs Committee

LA recommends offering a call to provide a cumulative update on the work of the Taskforce since inception.

Contact Information: Baron, Diana - Scheduling

Director/Executive Assistant for Sen. Sherrod Brown OH

Redacted

Attachments

Tab 1: Talking Points, Director Preview Calls

Tab 2: FAQs

Taskforce of Federal Consumer Financial Law Talking Points

Thanks and Acknowledgments

- The Taskforce on Federal Consumer Financial Law (Taskforce) and the Bureau are grateful for the tremendous support and insights offered by a wide range of stakeholders. This includes:
 - consumer groups and trade associations who helped scope the report and formulate the Request for Information (RFI);
 - all respondents to the RFI who helped highlight the necessity of some recommendations or helped lead the Taskforce to reject others;
 - our state and federal regulator partners who met with the Taskforce over a series of twelve meetings to help inform the report and its recommendations;
 - members of the Bureau's advisory committees that provided feedback which assisted the Taskforce's work; and
 - the Bureau's dedicated and professional staff for meeting with the Taskforce to help inform them of the Bureau's work, opportunities to improve our mission, and feedback that helped improve the overall quality of the report.

Taskforce Overview

- The Bureau will be publishing the final report of the Taskforce on January 5, 2021, split into two volumes.
- The Taskforce has spent the year examining the existing legal and regulatory environment facing consumers and financial services providers
 - This review included in-depth meetings with key stakeholders within the Bureau, at other federal financial regulatory agencies, and at state regulatory agencies. The review also included soliciting feedback from the public through an RFI and a public hearing.
- The Taskforce enthusiastically engaged the external stakeholders via a listening session with trade and consumer groups, via an RFI, a public listening session with the combined advisory boards, a public listening session with a panel of distinguished experts, and over 12 engagements with other State and Federal regulators.
- The report consists of research and analysis focusing on:
 - harmonizing, modernizing, and updating Federal consumer financial laws, including implementing regulations;
 - analyzing ways to improve consumer understanding of markets and products; and

- identifying potential conflicts or inconsistencies in existing regulations and guidance.
- The report is split into two volumes:
 - Volume I contains the research and analysis conducted by the Taskforce.
 - Volume II contains the recommendations of the Taskforce to strengthen consumer financial protection law.

Volume I

- Volume I consists of 13 chapters providing an overview of the history of consumer credit, regulation, and special topics in consumer finance; and highlighting problems, areas of needed inquiry, and opportunities for the future.
- The chapters explore the areas of small dollar credit, consumer disclosures, competition, innovation, financial inclusion, privacy and data security, financial literacy, consumer protection tools, and the accompanying regulatory framework.

Volume II

- Volume II consists of approximately 100 recommendations directed toward the Bureau, Congress, states, and other federal financial regulators.
- The Taskforce's recommendations focus specifically on resolving conflicting requirements or inconsistencies, reducing unwarranted regulatory burdens in light of market or technological developments, improving consumer understanding of markets and products, and identifying gaps in knowledge that should be addressed through future Bureau research.
- Key themes of the recommendations include: lowering costs for consumers, increasing competition, expanding access to credit, protecting consumers, reducing existing friction in various markets, eliminating outdated or counterproductive regulations, encouraging principles-based regulatory approaches, spurring innovation, and understanding the future of financial products.
- The recommendations in Volume II of this report are not binding but are instead a blueprint for stakeholders to improve the financial regulatory system. The Bureau's Director will determine which, if any, recommendations to implement, accept, or advocate for Congress and other regulators to implement or accept.

Taskforce on Federal Consumer Financial Law FAQs

1. What is the purpose of the Taskforce on Federal Consumer Financial Law (Taskforce)?

The Director established the Taskforce and appointed five members in January 2020 to examine ways to harmonize and modernize Federal consumer financial laws.

The Taskforce examined the existing legal and regulatory environment facing consumers and financial services providers and reported to the Director its recommendations for ways to improve and strengthen consumer financial laws and regulations. The Taskforce researched and provided a legal analysis of consumer financial laws in the United States. The Taskforce's work focused specifically on harmonizing, modernizing, and updating Federal consumer financial laws—and their implementing regulations—and identifying gaps in knowledge that should be addressed through research, ways to improve consumer understanding of markets and products, and potential conflicts or inconsistencies in existing regulations and guidance.

2. What is the output of the Taskforce?

The Taskforce submitted a two-volume report to the Bureau's Director.

Volume I consists of 13 chapters providing an overview of the history of consumer credit, regulation, and special topics in consumer finance and, highlighting problems, areas of needed inquiry, and opportunities for the future. The chapters explore the areas of small dollar credit, consumer disclosures, competition, innovation, financial inclusion, privacy and data security, financial literacy, consumer protection tools, and the accompanying regulatory framework.

Volume II consists of approximately 100 recommendations directed toward the Bureau, Congress, the States, and other federal financial regulators. The Taskforce's recommendations focus specifically on resolving conflicting requirements or inconsistencies, reducing unwarranted regulatory burdens in light of market or technological developments, improving consumer understanding of markets and products, and identifying gaps in knowledge that should be addressed through future Bureau research.

Key themes of the recommendations include: lowering costs for consumers, increasing competition, expanding access to credit, protecting consumers, reducing existing friction in various markets, eliminating outdated or counterproductive regulations, encouraging principles-based regulatory approaches, spurring innovation, and understanding the future of financial products.

3. How did the Taskforce come to be?

The Taskforce is modeled on the 1968 National Commission on Consumer Finance (NCCF), a Congressionally chartered bipartisan commission which conducted original

empirical research, information, and analysis. Their report, released in 1972, contained key recommendations which led to significant legislative and regulatory developments in consumer finance.

The establishment of the Bureau follows decades of growth and innovation in financial offerings and credit products available to consumers nationwide since the 1972 NCCF report. Many advocates, institutions, individuals, and academics have been calling for an update to the nearly fifty-year-old NCCF report for several years. Similar to the NCCF, the establishment of the Taskforce created an opportunity to provide a new perspective on consumer financial law within the context of recent developments and current products in the United States consumer finance markets.

4. How were members selected? Who is on the Taskforce?

Members were selected by an application and interview process in late-2019 by the Director of the Bureau based on the following criteria:

- Expertise in consumer protection and consumer financial products or services.
- Significant experience researching and analyzing consumer financial markets, laws, and regulations.
- Past record of senior public or academic service.
- Recognition for professional achievements and objectivity in economics, econometrics, or law.

The Taskforce is made up of five experts with nearly 150 years of combined public service experience and expertise in consumer protection.

- Dr. J. Howard Beales, III, former Professor of Strategic Management and Public Policy at the George Washington University and former Director of the Bureau of Consumer Protection at the Federal Trade Commission;
- Dr. Thomas Durkin, Senior Economist (Retired) at the Federal Reserve Board;
- William MacLeod, Partner at Kelley Drye, former Director of the Bureau of Consumer Protection at the Federal Trade Commission and Past Chair of the Antitrust Section of the American Bar Association;
- L. Jean Noonan, Partner at Hudson Cook, former General Counsel at the Farm Credit Administration, and former Associate Director of the Bureau of Consumer Protection's Credit Practice at the Federal Trade Commission; and
- Todd J. Zywicki, Professor of Law at George Mason University (GMU) Antonin Scalia Law School, Senior Fellow of the Cato Institute, and former Executive Director of the GMU Law and Economics Center.

5. Why does the Bureau need an independent Taskforce to evaluate the subject matter it works on every day?

While the Bureau has a tremendous amount of talent, expertise, and experience in consumer financial law, we are not the only ones with this knowledge. To capture the spirit of the original NCCF, a special Taskforce was created to lead this effort.

The members of the Taskforce are all experts with long careers in public service. Additionally, two of the members are former Directors of the Bureau of Consumer Protection at the FTC, the most analogous division of a federal regulatory agency prior to the Bureau's creation.

Though it reported directly to the Director, the Taskforce has benefitted tremendously from a support staff made up of Bureau experts. The Taskforce has functioned with the combined talents of its members, support staff, and full access to the Bureau staff who research, regulate, supervise, enforce, and educate on consumer financial law. The Taskforce is not limited in what it may say or the positions it may take, and therefore the report published does not necessarily reflect the views or opinions of the Bureau or its leadership.

6. What opportunities did the Bureau, federal and state stakeholders, and the public have for input on the report?

The Taskforce solicited input from numerous parties in the creation of this report and its recommendations.

- Non-public engagement:

The Taskforce met frequently with many internal Bureau subject matter experts and senior leaders to ask questions, discuss issues, and ensure that the report is an accurate reflection of the Bureau's work and responsibilities.

The Taskforce met with key stakeholders outside of the Bureau, including approximately 12 other federal regulatory or enforcement agencies and representatives from state enforcement bodies.

- Public engagement:

The Taskforce held several listening sessions, including sessions with the Combined Advisory Boards and Councils of the Bureau, the Academic Research Council of the Bureau, and a separate panel of distinguished academics, including a Nobel Laureate.

The Taskforce published a Request for Information in early March 2020 which collected nearly 100 comments from individuals, academics, consumer advocacy groups, trade associations, and financial institutions.