


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



February 27, 2020

## Briefing memorandum for the Director

### Taskforce on Federal Consumer Financial Law Monthly Check-in

<b>DATE</b>	Thursday, February 27, 2020
<b>TIME</b>	10:00 am – 10:45 am
<b>LOCATION</b>	Director's Conference Room, 4146
<b>PARTICIPANTS</b>	Matt Cameron, Taskforce Staff Director Todd Zywicki, Taskforce Chair Brian Johnson, Deputy Director
<b>STAFF CONTACT</b>	Matt Cameron, Taskforce Staff Director, x [Redacted]
<b>POLICY ASSOCIATE</b>	
<b>DIRECTOR APPROVAL</b>	Andrew Duke, Policy Associate Director, EA & CEE, x [Redacted] 

### Objective

The primary objective of this meeting is to provide you and the Deputy Director with a status update related to the Taskforce on Federal Consumer Financial Law's (Taskforce) work.

### Background

The Taskforce will (1) examine the existing legal and regulatory environment facing consumers and financial services providers; and (2) report its recommendations for ways to improve and strengthen consumer financial laws and regulations, including recommendations for 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.

Pursuant to the Taskforce Roles and Responsibilities document, the Staff Director and Taskforce Chair will hold a monthly check-in with the Director to provide status updates on its work. The Staff Director will utilize the attached milestone schedule in tab 1 to discuss accomplishments to date, work currently in-progress, planned work, and risks that the team is working to mitigate. The Taskforce Chair will use the attached conceptual framework in tab 2 to discuss the working structure for how the report will be outlined and some initial considerations regarding the report's final contents. The Chair will also share requests for resource support as well as any support needed in addressing dissent.

This is the first monthly check-in with the Staff Director and Taskforce Chair, and the first meeting with the Staff Director and Taskforce Chair since a January 21, 2020 meeting to discuss planning and initiating the work of the Taskforce. The last interaction with all the Taskforce Members was during its orientation on January 29-31, 2020. Below is a brief update that the Staff Director and Chair will expound upon during the monthly check-in.

### **Support Staff**

- Interviewing and onboarding staff is the team's current top priority as work generated by the Taskforce is picking up exponentially.
- The team plans to hire two Economists. Greg Elliehausen started with the Bureau on February 6, 2020. He will serve a one-year detail. Candidates for the remaining open position were not satisfactory. The team has begun seeking recommendations for Economists to recruit.
- Interviews for two attorney-advisor positions were completed on February 13. One internal Bureau candidate has been recommended for a final interview to the Staff Director. The interview is scheduled for February 19.
- The team intends to leverage the open Taskforce Analyst position to hire between one to three qualified candidates. Two first round interviews were completed February 14. One internal Bureau candidate has been recommended for a final interview with the Staff Director.

- On February 13 the Bureau published a competitive detail for a Paralegal Specialist to assist the Taskforce. The posting closes on February 20 and is open to all federal employees.

### **External Engagement**

- Jean Noonan, a member of the Taskforce is taking the lead on developing a Request for Information (RFI). The first draft is due by February 24 with the goal of releasing it to the public by March 9. The timeline is aggressive and will require expedited reviews internally. The RFI will be available to the public for a comment period of 45 days. If the team is unable to meet these established deadlines, the Staff Director will provide you with an updated timeline for release.
- The Taskforce is also beginning to work with partners in External Affairs (EA) in hopes of arranging one two-hour roundtable on March 10. The roundtable will be by invitation only, include a range of key stakeholders, and be framed as a listening session by Taskforce members. Taskforce members will be asked to limit their remarks to follow up questions only. The Taskforce will also participate in meetings with the CAB, CBAC, and CUAC on March 12 during their combined roundtable that is live streamed and open to the public. Additionally, the Taskforce will also participate in the ARC meeting on March 13 during their live streamed portion of the meeting.
- Deliberations are ongoing as to whether individual meetings with key stakeholders would add value to the report's recommendations.
- The Taskforce will also engage with partners in EA to begin conceptualizing intergovernmental engagements. The current recommendation is to arrange for meeting with National Association of Attorneys General (NAAG) and Conference of State Bank Supervisors (CSBS) to discuss strategies for improving interactions between Federal and state regulators. Likewise, the Taskforce intends to develop a strategy for engaging with the other Prudential Regulators to seek input to the report, and then to provide an advance readout on the report prior to it being released publicly.

### **Internal Bureau Meetings**

- The Staff Director and Chair have begun setting up monthly status updates with you and the Deputy Director pursuant to the Taskforce Charter. To aid in this discussion, the team is pulling together a high-level milestone schedule for the Taskforce report. Initial milestones need to be further refined and reasonably scheduled, but are to:

- 1) begin to finalize contents of report by April;
  - 2) complete most of the discovery by April;
  - 3) draft critical analyses (of theme and products outlined in contents) by end of July;
  - 4) finalize a majority of recommendations by end of October; and
  - 5) refine report and submit to clearance by November 17, 2020.
- The team is arranging for several meetings that resulted from the cursory overviews provided during the orientation. Taskforce Members will be meeting with the Office of Innovation on February 20, 2020 in order to learn more about office goals, functions, and priorities. On the same day, the Taskforce Chair will meet with Dan Sokolov, Deputy Associate Director for RMR, to discuss a few topics learned during the orientation that they would like to learn more about. Part of that meeting will include discussion on how best to arrange those interactions while minimizing distractions to Bureau operations.

#### **Readout on the January 30-31 Taskforce Planning Meeting**

- Where possible and within time constraints, the Taskforce's final report will include considerations for the Bureau's 18 enumerated statutes; Unfair, Deceptive, and Abusive Acts or Practices; Title X; and Title XIV. During the latter part of the orientation, the Taskforce Members began deliberating which aspects of these should be prioritized for consideration, and how will the group structure their work.
- To help organize their thoughts, the Taskforce Members began developing how they will approach creating a table of contents. The initial thinking is:
  - Provide an historical review of credit, and specifically the origins, considerations, and outcomes of the Consumer Credit Protection Act of 1968 and the National Commission on Consumer Finance of 1972. The historical context would also examine trends in consumer credit through the financial crisis and an analysis of the Dodd-Frank Act.
  - The second section of the report will provide in-depth analyses of select themes and products. Some themes under consideration are consumer protection, competition, innovation, inclusion, consumer choice, privacy, and regulatory jurisdictions (to include improved coordination with state and the other Prudential regulators). More specifically, some of the products under

consideration are small dollar lending, debt collection, credit reporting, and mortgages (including reviews of TILA/RESPA).

- Finally, a third section would include recommendations based on the historical review and in-depth analyses. The recommendations might be framed by barriers and opportunities, and will fall into one of three categories:
  - Recommendations the Director of the Bureau can implement with the authorities established within Dodd-Frank;
  - Recommendations for new research to help inform the work of the Bureau; and
  - Recommendations for legislative changes that will help improve markets for consumers.

## Todd J. Zywicki Biography



Todd J. Zywicki is Chair of the CFPB's Taskforce on Federal Consumer Financial Law and a George Mason University Foundation Professor of Law at Antonin Scalia Law School at George Mason University, Senior Fellow at the Cato Institute, and former Executive Director of the George Mason Law and Economics Center. He is also a Senior Fellow of the Mercatus Center's F.A. Hayek Program for the Advanced Study of Politics, Philosophy, and Economics, and former Editor of the *Supreme Court Economic Review*. Professor Zywicki is the co-author of *Consumer Credit and the American Economy* (Oxford University Press, 2014) and is the author of more than 120 articles in leading law reviews and peer-reviewed

economics journals. From 2003-2004, Professor Zywicki served as the Director of the Office of Policy Planning at the Federal Trade Commission. He received his J.D. from the University of Virginia, where he was a John M. Olin Scholar in Law and Economics and executive editor of the *Virginia Tax Review*. Professor Zywicki also received an M.A. in Economics from Clemson University and an A.B. cum Laude with high honors in his major from Dartmouth College. Professor Zywicki has testified frequently before Congress on issues of consumer bankruptcy law and consumer credit and is a frequent commentator on legal and economic issues in the print and broadcast media.

## Attachments

**Tab 1: Taskforce Milestone Schedule Draft**

**Tab 2: Conceptual Report Framework**

**Tab 3: Taskforce Key Points Document**