

Director Kathy Kraninger Remarks
Consumer Financial Protection Week
Taskforce on Federal Consumer Financial Law Public Meeting
July 16, 2020
3 to 5 minutes
DRAFT

Good afternoon. Welcome to our Consumer Financial Protection Week. For the past few days, we've heard about the Bureau's important work protecting consumers. Despite the nationwide disruptions being caused by the coronavirus, the Bureau continues its daily work to help all consumers in the consumer financial marketplace.

Before we open this meeting, I'd like to thank the public for joining, those who helped make this event happen, the taskforce members, and the panelists for their participation this afternoon.

I am particularly pleased to be here discussing the work of the Bureau's Taskforce on Federal Consumer Financial Protection. This is one of my top priorities, and it is a project that has the potential to greatly improve consumer protections, the financial marketplace, and the lives of consumers and providers of financial products and services.

Dodd-Frank, the legislation that created the CFPB, states that the purpose of the Bureau is "to implement and, where applicable, enforce federal consumer financial law consistently for the purpose of ensuring that all consumers have access to markets for consumer financial products and services and that markets for consumer financial products and services are fair, transparent, and competitive."

This is a big mandate and fulfilling our statutory obligations has taken a lot of work. Next week marks the 10th anniversary of Dodd-Frank. Thanks to the hard work, dedication, and commitment of the Bureau's incredible staff, the Bureau is past the startup phase of establishing a new federal agency and is approaching the completion of our statutorily required rulemaking. Therefore, now is the right time to take a step back and holistically evaluate how we can fulfill our objectives and functions in the more effective and efficient manner.

At the same time, the Bureau's work is never done. We must continue fulfilling our day-to-day work while continually responding to emerging trends in the marketplace and the ever-evolving needs of consumers, including when a pandemic hits. In order to ensure that the dedicated professionals within the Bureau are able to focus on maintaining our current operations, I hired the taskforce members to help us review where there are opportunities to better ensure "all consumers have access to markets for consumer financial products and services" and to help keep "markets for consumer financial products and serves fair, transparent, and competitive." We are lucky to have put together such a strong and capable group of dedicated public servants.

When we established the taskforce, I directed the members to not just consider the work done over the ten years since the Bureau was created but to also look back at the history of consumer financial regulation and use that to help us prepare for the next ten years.

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The taskforce was inspired, in part, by one of the last times the federal government stepped back to take a comprehensive look at the full, interwoven regime of consumer protection and financial laws and regulations.

In 1968 the Consumer Credit Protection Act was passed, which in turn established the National Commission on Consumer Finance, or NCCF. The NCCF was chartered to conduct original research and provide recommendations relating to the regulation of consumer credit. The report led to significant legislative and regulatory developments in consumer finance.

Since the publication of that report nearly 50 years ago, a lot has happened. Decades of advancements and innovations have occurred in the financial services industry – and the federal government, as well as the states, have worked in piecemeal to try to address the rapidly evolving landscape. Additionally, the legislative branch has also modified statutes, which has created some overlapping jurisdictions between federal regulators as well as state entities. As mentioned, even a whole new Consumer Financial Protection Bureau was created.

Similar to the NCCF, I instructed the taskforce members to develop a set of recommendations that should project into the future on what the state of consumer finance will look like. Each of these recommendations should have strong arguments, supported by research and deliberations of alternative considerations. If I accept a recommendation from the taskforce, it may take the form of referrals to Congress for legislative action, suggestions for changes to existing regulations, writing of new regulations, ideas for new systems of coordination between federal regulators, promotion of new federal-state working relationships, or identification of subjects in need of further research.

Today is an opportunity for our panel of experts to offer their insights to help inform the group's work. Since I want the taskforce recommendations to be developed as independent from current Bureau stances or influences on how we have always done business, I am going to depart this public hearing shortly to allow the taskforce to hear from this impressive panel of experts.

Let me end by thanking you all again for joining. Thank you, Todd, for serving as the chair of this important group. You and the entire taskforce members have spent your careers to improve markets for consumers. We are thankful for your service and that you have agreed to join the Bureau to once again answer the call to help America's consumers. And, finally, thank you to our panelists for joining and providing valuable insights that will enhance our work.

Todd, the floor is yours.