

January 5, 2020

Dear Director Kraninger:

The Consumer Financial Protection Bureau Taskforce on Federal Consumer Financial Law (Taskforce) is pleased to present you with this final Report as Director of the Consumer Financial Protection Bureau (Bureau).

As provided in the Taskforce Charter, you requested that we “provide an objective and independent evaluation, in the form of one consensus final report to the Director, of the Bureau’s current regulatory framework,” to “examine the existing legal and regulatory environment facing consumers and financial services providers,” and to “report its recommendations for ways to improve and strengthen consumer financial laws and regulations.” Finally, as required by our Charter, we have delivered our final Report by January 2021. We hope to have succeeded in meeting the goals and expectations in establishing the Taskforce.

The Report was researched and authored by five Members, one of who served as Chair of the Taskforce; and six support staff, overseen by a Staff Director. As requested, this Report reflects the consensus views of the Taskforce Members. Moreover, given the nature of the Taskforce, the views espoused in the Report may not be representative of current Bureau positions or policy.

To fulfill the scope our charter, the Taskforce has published a two-volume report. The first volume contains reference to original empirical data, information, and analyses, and can be broken into three sections:

- 1) A historical and economic overview of consumer finance;
- 2) The framework of consumer financial protection: consumer protection, competition, innovation, and inclusion; and
- 3) Modernizing the regulatory framework and expanding consumer empowerment.

We used the insights gained to develop a second volume that contains recommendations. Our recommendations proposed seek to improve the lives of every American consumer, regardless of race, creed, gender, ability, or status, with the important focus on improving access, inclusion, and choice for all Americans.

Each member brought unique experiences and views and is impressively accomplished, well respected, and immensely capable in the field of consumer financial protection and Federal consumer financial law. To fulfill the Taskforce mandate, the Members leveraged their combined 150 years of professional experience as well as the extensive expertise that exists within and outside of the Bureau. The Taskforce is especially grateful for the tireless and valuable contributions of Taskforce support staff, who were

encouraged to contribute their personal experiences and professional expertise into the conversation. The final Report was improved immensely by their contribution to the Taskforce deliberations and production. The Members, however, own all responsibility for the final analysis and recommendations in the Report.

Every American has a stake in a fair, efficient, and modern system of consumer finance. Given the limited number of positions on the Taskforce, tremendous effort was taken to ensure the great diversity of the American consumers' views, opinions, and experiences were given voices. To achieve this end, a particular objective of the Taskforce was to seek as much valuable public input as possible, a goal that immediately became challenging as a result of the onset of the global health pandemic just weeks after the Taskforce began its deliberations.

Despite these challenges, the Taskforce redoubled its efforts to seek public contribution through written comments and virtual engagements with stakeholders inside and outside the government, information which is included throughout the final Report. Indeed, writing the report in real time as consumers and regulators rose to the challenge of responding to the pandemic and its economic effects constantly reminded the Taskforce of the importance of protecting and empowering consumers as well as ensuring a modern and resilient consumer financial protection framework can swiftly respond to the needs of America's consumers. The Taskforce issued a Request for Information; conducted a robust public research effort; met with trade, consumer advocates, academics, and the Bureau's advisory committees in meetings listened to by hundreds of public observers; and conducted over twelve intergovernmental engagements with partner state and Federal regulators to hear as many perspectives as possible. Economic analyses and empirical research are the foundation of this report, and it advocates for the interest of only one stakeholder – the consumer.

Finally, the Taskforce Members and staff would like to express our appreciation to you for trusting us with this charge to recommend ways to improve the operation of the nation's system of consumer financial law. We also would like to recognize and express our appreciation to all the Bureau staff who assisted the Taskforce throughout the research and writing of the Report. The commitment of Bureau staff to open dialogue and engagement in a shared mission to improve the consumer financial regulatory system is a testament to their commitment of Bureau employees to improving the lives of American consumers. The Taskforce would like to especially thank Deputy Director Brian Johnson, Acting Deputy Director Leonard Chanin, and Deputy Director Tom Pahl for their support of the Taskforce and its mission.

In the decade since it was formed from the ashes of the 2008 financial crisis, the Bureau has grown from a startup to a powerful champion for the American consumer. As part of its deliberations, the Taskforce surveyed the Bureau's activities in the ten years since its founding. The Appendix to Volume II of this report provides a summary of some the

major accomplishments. The list is impressive and wide-ranging, covering all the Bureau's tools and functions. The Taskforce is honored to be part of this legacy and to contribute the Bureau's continued success.

Respectfully,

Todd Zywicki  
Chair  
CFPB Taskforce on Consumer Financial Law