

Talking Points:

1. Thanks, and Acknowledgements
 - a. The Taskforce and the Bureau are grateful for the tremendous support and insights offered by a wide range of stakeholders. This includes:
 - i. consumer groups and trade associates who helped scope the report and formulate the Request for Information (RFI);
 - ii. all respondents to the RFI who helped verify the necessity of some recommendations or led to reject others;
 - iii. 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; and
 - iv. 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.
2. Bureau Taskforce on Federal Consumer Financial Law (Taskforce) Overview
 - a. The Bureau will be publishing the final report of the Taskforce on January 5, 2021, split into two volumes.
 - b. The Taskforce has spent the year examining the existing legal and regulatory environment facing consumers and financial services providers
 - i. This review included in-depth meetings with key stakeholders within the Bureau, at other federal financial regulatory agencies, and at state regulatory agencies.
 - c. 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.
 - d. The report consists of research and analysis focusing on:
 - i. harmonizing, modernizing, and updating Federal consumer financial laws, including implementing regulations;
 - ii. analyzing ways to improve consumer understanding of markets and products; and
 - iii. identifying potential conflicts or inconsistencies in existing regulations and guidance.
 - e. The report is split into two volumes
 - i. Volume I contains the research and analysis conducted by the Taskforce.
 - ii. Volume II contains the recommendations of the Taskforce to strengthen consumer financial protection law.

3. Volume I

- a. Volume I consists of 13 chapters providing an overview of the history of consumer credit, regulation, and special topics in consumer finance, highlighting problems, areas of needed inquiry, and opportunities for the future.
- b. 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.

4. Volume II

- a. Volume II consists of approximately 100 recommendations directed toward the Bureau, Congress, the States, and other federal financial regulators.
- b. 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.
- c. 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.
- d. The recommendations in Volume II of this report are not binding but are instead a blueprint for stakeholders to improve the financial regulatory system.

FAQs:

1. What is the purpose of the Taskforce? What is the output?
 - a. The Director established the Taskforce on Federal Consumer Financial Law and appointed five members in January 2020 to examine ways to harmonize and modernize Federal consumer financial laws.
 - b. 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.
 - c. The Taskforce produced new research and legal analysis of consumer financial laws in the United States, focusing 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?
 - a. The Taskforce is submitting a report in two volumes.
 - i. Volume I consist of 13 chapters providing an overview of the history of consumer credit, regulation, and special topics in consumer finance, highlighting problems, areas of needed inquiry, and opportunities for the future.
 1. 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.
 - ii. 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.
 1. 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?

- a. The Taskforce is modeled on the 1968 National Commission on Consumer Finance (NCCF), a Congressionally chartered bi-partisan 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.
- b. 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 original nearly fifty-year-old NCCF report for several years. Similar to the NCCF, the Taskforce provides 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.

Commented [DA(1)]: Would be good to have 2 or 3 examples to cite

Commented [WN(2R1)]: I have a Tom Miller citation, but will suggest deleting as I don't have additional sources.

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

- a. Members were selected by application and interview process in early 2020 by the Director of the Bureau based on the following criteria:
 - i. Expertise in consumer protection and consumer financial products or services.
 - ii. Significant experience researching and analyzing consumer financial markets, laws, and regulations.
 - iii. Past record of senior public or academic service.
 - iv. Recognition for professional achievements and objectivity in economics, econometrics, or law.
- b. The Taskforce is made up of five outside experts with nearly 150 years of combined public service experience and expertise in consumer protection.
 - i. 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;
 - ii. Dr. Thomas Durkin, Senior Economist (Retired) at the Federal Reserve Board;
 - iii. 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;
 - iv. 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
 - v. 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.
- c. Members were selected by application and interview process in early 2020 by the Director of the Bureau.

5. Why does the Bureau need an independent Taskforce to evaluate the subject matter it works on every day?
 - a. 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, an independent body was created to lead this effort.
 - b. The members of the Taskforce are all experts, in all cases with long careers in public service, in three cases 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.
 - c. Though independent, the Taskforce has benefitted tremendously from a support staff made up of Bureau experts. The Taskforce has functioned with the combined talents of its independent members and full access to the Bureau staff who research, regulate, supervise, enforce, and educate on consumer financial law.
 - d. Because of its independence and because the report to be published does not necessarily reflect the views or opinions of the Bureau, its employees, or its leadership, the Taskforce is not limited in what it may say or the positions it may take.
6. What opportunities did the Bureau, federal and state stakeholders, and the public have for input on the report?
 - a. The Taskforce solicited input from numerous parties in the creation of this report and its recommendations.
 - b. Non-public engagement:
 - i. The Taskforce met frequently with many internal Bureau subject matter experts, senior leaders, and career civil servants to ask questions, discuss issues, and ensure that the report is an accurate reflection of the Bureau's work and responsibilities.
 - ii. The Taskforce met with key stakeholders outside of the Bureau, including approximately a ten other federal regulatory or enforcement agencies and representatives from state enforcement bodies.
 - iii. The Taskforce met with numerous consumer groups and trade associations in March, at the outset of the effort, to seek guidance on the scope of the report, appropriate questions for the Request for Information, and to understand general topics these stakeholders would expect to see in the final report.
 - c. Public engagement:
 - i. The Taskforce held several listening sessions, including unscripted 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.
 - ii. The Taskforce published a Request for Information in early March 2020 which collected nearly 100 comments from individuals, academics, consumer advocacy groups, and financial institutions.

Commented [DA(3)]: Wasn't there another event with outside stakeholders beyond the two mentioned here?

Commented [WN(4R3)]: I think "iii" above is what you were thinking off. "C.i." outlines the two separate ABC meetings and the July Public Hearing.

We omitted the public research effort from this section, but that was an effort where we pulled recommendations from a wide variety of Consumer and Trade websites as well as Congressional Testimony from key figures in the field of Consumer Financial Protection. We figured that since we didn't speak to the organizations, it was inappropriate to list the effort, though the effort did provide great insights from multiple perspectives.

Taskforce on Federal Consumer Financial Law
Rollout Talking Points & FAQs
Jan. 2021
DRAFT 12/2/20