

- **Purpose:** To help the Taskforce understand how CFPB decides to use supervision or enforcement tools to achieve its regulatory mission and to understand the prevalence of Supervisory action. Are cost-benefit considerations part of the decision process? Is the analysis of what tool to use made upfront to confront an issue or systematically as a situation evolves? What are the marginal costs and benefits of Supervision as a tool?
- **Where:** Conversation via phone or audio/video chat.
- **Background:** The Taskforce is looking at how CFPB achieves its goal of applying the federal consumer financial laws and ensuring market participants adhere to the rules. The Taskforce is interested in effective and efficient regulatory action. Particular interest is the interplay between the tools applied by the SEFL group, supervision and enforcement, and how SEFL decides to conduct its work to achieve its goals.
- **Request:** We seek a conversation with experts from within the Bureau's SEFL group to help us understand the tool choice process and considerations used to make the decision. We request a brief phone call (maybe 1 hour), with the potential for some follow-up questions and feedback. Additionally, we would like the following information: How many exams are conducted annually? How many are 'repeated' exams with entities we have examined before? How many of these exams come back 'clean,' i.e. no misconduct is detected and no further action is necessary? How many exams are subsequently referred to Enforcement or require remediation within Supervision? Are there particular trends observed in entity industry, product, or exam type?