

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



August 27, 2020

Briefing memorandum for the Director

Taskforce on Federal Consumer Financial Law Monthly Check-in

DATE	Thursday, August 27, 2020
TIME	10:00 am – 10:30 am Eastern
LOCATION	WebEx
PARTICIPANTS	Matt Cameron, Assistant Director, OSM Todd Zywicki, Taskforce Chair Nat Weber, Taskforce Staff Director Tom Pahl, Deputy Director
STAFF CONTACT	Nat Weber, Staff Director, x [Redacted]
POLICY ASSOCIATE	Andrew Duke, Policy Associate Director, CEEA, x [Redacted]
DIRECTOR APPROVAL	Delicia Hand, Deputy Associate Director, CEEA, x [Redacted]

Objective

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

Timing Considerations

The Taskforce governance documents state that the Director or her designee will hold monthly check-in meetings with the Taskforce Chair and the Staff Director, but there are no specific deadlines or other timing considerations to consider for this meeting.

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 Volume I Progress Report in **Tab 2** to discuss the evolution of the report's contents and its progress, and the Volume II Progress Report in **Tab 3** to highlight the recommendations that are being developed. For additional visibility, the team will include views into ideas for potential recommendations that have not been discussed for the September check-in. The Chair will also share requests for resource support, any support needed in addressing dissent, or scope clarification questions that may require executive input.

This is the seventh monthly check-in with the Staff Director and Taskforce Chair. Your most recent interaction with the entire Taskforce was at the July 16 Taskforce Public Hearing. You last met with the Taskforce Chair and Staff Director during the July 23 Monthly Check-in. You will next interact with the Taskforce during its meetings with the Bureau's Advisory Committee Meetings on September 15 and, then again, on September 24. Below is a brief update that the Staff Director and Chair will expound upon during the monthly check-in.

Report Progress

- The Taskforce members will generate a two-volume report, which will be informed by the public, meeting with Bureau experts, and leveraging members' past insights and expertise.
- In volume I of the report, members will analyze data regarding the benefits and costs of consumer financial products and services and review the existing consumer financial

regulatory framework to develop a common understanding of the history and current state of federal consumer financial laws and their influence on the marketplace.

- Volume II will contain recommendations for improvements to the consumer financial system. Over the past month the Taskforce has turned its focus to Volume II work.
- Last month, July 21 – 24, the Taskforce met for four days via WebEx in two-hour sessions twice a day. The first half of the week was spent reviewing insights obtained through the Taskforce RFI and Public Research summaries that were shared during last month's check in. The latter part of the meeting was spent talking through numerous recommendations to be presented in Volume II of the report. Taskforce member Jean Noonan is the lead member in preparing this volume. Limited discussion of Volume 1 chapters occurred as chapter authors continue to refine their works in preparation for submission for staff review.
- The Taskforce held a working session on Tuesday, August 11 at which it continued consideration and analysis of proposed recommendations.

Taskforce Engagements & Interactions

- The Taskforce continues execution of its overall outreach plan (see **Tab 4**). On July 22 the Taskforce Chair met with seven officials from the Conference of State Bank Examiners (CSBS). The discussion centered around the dual federal and state regulatory model. CSBS emphasized the importance of the regional/local knowledge that state entities bring to the job of consumer financial protection. In response to a Taskforce Chair query, CSBS noted that it considers information sharing efforts with state regulators by CFPB and other federal regulators the one action of most use to states in their efforts to conduct consumer protection work in an efficient and effective manner. On August 6, 2020, CSBS released a blogpost titled "State and Federal Coordination in Consumer Financial Sphere" shared that CSBS met with the Taskforce Chair to share 'insight on the areas of concern for state regulators in the consumer finance industry' (see **Tab 5**).
- The Taskforce continues to implement its state and federal outreach plan as described in **Tab 6**. The Bureau Intergovernmental team is helping to arrange meetings with key stakeholders from each of the state and federal organizations listed in **Tab 6**. The Taskforce Chair and Staff Director are scheduled to meet representatives from the National Credit Union Association (NCUA) on August 24, and representatives from the National Association of Attorneys General (NAAG) on August 30.

- The Taskforce is in the process of supporting the Advisory Boards and Councils team as it prepares for a public meeting with the Consumer Advisory Board (CAB), Community Bank Advisory Council (CBAC), and Credit Union Advisory Council (CUAC) on September 15. Next the teams will begin preparing for a public meeting with the Academic Research Council (ARC) on September 24. You will deliver opening remarks at both of these meetings, and the Taskforce intends to repurpose the discussion prompts used for the July 16 Public Hearing that the Taskforce hosted during Consumer Financial Protection Week.
- In early August, the Taskforce reached out with requests for specialized assistance to the Bureau's SEFL, RMR, CEE, and OFLEO groups. The requests are for support in researching or drafting small, well-defined scopes of work to help fill gaps in Taskforce knowledge. A comprehensive list of the requests and interactions with Bureau stakeholders outside of the Taskforce is available.
- Plans are now being developed to reach out to senior leadership throughout the Bureau to share the overall tone and direction of the Taskforce's initiative.

Attachment

Tab 1: Taskforce Milestone Schedule.

Tab 2: Volume I Progress Report.

Tab 3: Volume II Progress Report.

Tab 4: Taskforce External Engagement Strategy.

Tab 5: CSBS Blogpost.

Tab 6: Taskforce State and Federal Outreach Plan.

Tab 7: Taskforce Key Points Document.