

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



September 24, 2020

Briefing memorandum for the Director

Taskforce on Federal Consumer Financial Law Monthly Check-in

| | |
|--------------------------|--|
| DATE | Thursday, September 24, 2020 |
| TIME | 10:00 am – 10:30 am Eastern |
| LOCATION | WebEx Audio and Visual |
| 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 was created in January 2020 and has now entered its ninth month of work. As set out in the organizing charter at inception, the Taskforce will deliver findings to you no later than January 2021.

Monthly, the Staff Director and Taskforce Chair hold a check-in with you to provide status updates on the Taskforce work. This month 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. The Chair, as needed, will also share requests for resource support, support needed in addressing dissent, or scope clarification questions that may require executive input.

This is the eighth monthly check-in with the Staff Director and Taskforce Chair. You last met with the Taskforce Chair and Staff Director during the August 27 Monthly Check-in. You will interact with the entire Taskforce at its upcoming listening sessions with the Bureau's Advisory Committees during the Advisory Committee gatherings on September 15 and 24.

Below is a brief update that the Staff Director and Chair will expound upon during the monthly check-in. This check-in will be conducted via WebEx Audio and Visual and the preference is for you to turn your camera on.

Report Progress

- The Taskforce will generate a two-volume report informed by the public, Bureau institutional knowledge, and 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 I work continues but is nearing completion.

- Volume II will contain recommendations for improvements to the consumer financial system. Taskforce meetings are now focused on the development, consideration, and review of recommendations to include in the final report.
- The Taskforce met in full to discuss its report in each of the first two weeks of September holding meetings on September 1 and September 8. The focus of the work at these sessions was on recommendations to be included in Volume II.
- Last week, September 14 – 18, the meeting pace intensified as the Taskforce came together for its once a month week long session. The Taskforce met every day of the week except Wednesday. Early in the week chapters 6, and 8 thru 12 were peer reviewed and are now on to second edits as they approach the final stage of copy edit. Chapters 1 thru 5 and chapter 7 are already in the copy edit stage after earlier review and approval by all the Taskforce members. Much of the week's energy was dedicated to the group's assessment of potential recommendations to be presented in Volume II of the report. Taskforce member Jean Noonan continues to lead the recommendation work.

Taskforce Engagements & Interactions

- The Taskforce continues execution of its overall external engagement strategy (see **Tab 4**).
- On September 15 the Taskforce held a listening session with three Bureau Advisory Committees, the Consumer Advisory Board (CAB), the Community Bank Advisory Council (CBAC), and the Credit Union Advisory Council (CUAC). On September 24, a separate listening session was held with the Academic Research Council (ARC). You participated at these meetings giving remarks at the start of both sessions. For consistency throughout the Taskforce's public outreach events, the same discussion subjects used for the July 16 Public Hearing that the Taskforce hosted during Consumer Financial Protection Week were used during these meetings.
- The Taskforce continues to implement its state and federal outreach plan as described in **Tab 5**. The Bureau Intergovernmental team is helping to arrange meetings with key stakeholders from each of the state and federal organizations listed in **Tab 5**.
- Over the past month, the Taskforce Chair, and sometimes, along with other members of the Taskforce, met with representatives from five federal financial regulators and one state-oriented enforcement group. The meetings were generally productive and brought forth to the Taskforce's attention ideas to consider as Volume II recommendations are developed. Since August 24, the Taskforce has met with the following organizations and

officials: the National Credit Union Administration, the Treasury Assistant Secretary for Financial Institutions, the Federal Trade Commission, the Federal Housing Finance Agency, HUD's Federal Housing Authority and the National Association of Attorneys General.

- A meeting with the Federal Reserve Board Division of Consumer and Community Affairs is expected before the end of September.
- Recently, after requests by the Taskforce for specialized information, numerous Bureau groups (CEE, RMR, OFLEO, and SEFL) provided briefings on subjects such as credit scoring markets, the use of alternative data in credit scoring, FCRA, fair lending, and the use of cost benefit analysis in the decision of whether to use the Bureau's enforcement or supervision tools.
- Plans are underway 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: Taskforce State and Federal Outreach Plan.

Tab 6: Taskforce Key Points Document.