

**Director's Remarks for Release of Taskforce on Federal  
Consumer Financial Law's Report and  
Recommendations – Tentatively January 5, 2021**

Thank you, Andrew, for that introduction. It's a pleasure to be with you all today to present the Taskforce on Federal Consumer Financial Law's two volume report and recommendations on improving the legal framework for consumer financial law. The taskforce has dedicated a year to developing recommendations to harmonize, modernize, and update the country's consumer financial laws and regulations.

I want to personally acknowledge and thank the members of the taskforce for their yearlong efforts. The taskforce consists of five members who possess more than a combined 150 years of experience in the consumer protection, economic, and legal fields. The members of the taskforce are Dr. Howard Beales, Dr. Thomas

Durkin, Jean Noonan, William MacLeod, and Todd Zywicki, the taskforce's chair. Thank you to all of you.

Second, I want to thank all those who participated in the taskforce's March 2020 listening session. I also want to thank all those who replied to the taskforce's Request for Information. Without the feedback from the various stakeholder representatives and groups, the taskforce would not have been able to complete its mission. All that work does not take place in a vacuum. I want to thank the dedicated Bureau staff who supported, met with, and provided insight to the taskforce and enabled the taskforce to bring its report and recommendations to fruition.

Today, I will go over the mission and purpose of the taskforce along with some of the taskforce's key recommendations and how we can utilize these recommendations moving forward.

In October 2019, the Bureau announced its intent to form a taskforce focused on harmonizing and modernizing federal consumer financial laws. We were, in part, inspired by the 1968 Consumer Credit Protection Act, which, among other things, established a commission to recommend to Congress how it could improve credit regulation. In the 52 years since the passage of the CCPA, we have seen the rise of the internet age. The internet has transformed the financial industry, including its products, services, and how it interacts with consumers, and we recognized the need to analyze if, and how, consumer financial laws and regulations should be equally transformed.

As government regulators, we need to ensure how we regulate and supervise the financial industry keeps up with technological advances. Accordingly, we established the taskforce to identify regulatory gaps and identify regulations that need simplification

or modernization. Closing gaps, along with simplifying and modernizing regulations, ensures we can most effectively carry out our mission of empowering, supporting, and protecting consumers.

The taskforce was officially chartered in January 2020, and its five members began working toward the goal of recommending ways to improve and strengthen consumer financial laws and regulations. The taskforce sought ways to resolve conflicting requirements and inconsistencies; reduce unwarranted regulatory burdens considering market or technological developments; improve consumer understanding of markets and products; and identify gaps in knowledge that should be addressed through future Bureau research.

The report we are presenting today takes a holistic approach to the consumer financial law framework. The report presents

methods to harness new technologies needed to open financial opportunities to people and communities that have been historically underserved. The taskforce's recommendations are independent of the Bureau's positions and focus on many important areas, including spurring innovation, increasing competition, expanding access to credit, reducing friction in financial markets, and protecting consumers.

The report consists of approximately 100 recommendations, which, like the 1968 commission, we hope are used by Congress to improve consumer financial law. However, our audience goes beyond Congress to state governments and federal and state financial regulators. Additionally, we expect the report will help the Bureau as it continues to improve and implement consumer financial protection regulations and policies.

As I read the taskforce's report, I was struck by how many of the recommendations' themes the Bureau already practices. We are committed to providing financial institutions with smart regulations and regulatory certainty as well as fostering responsible innovation within the financial sectors. We know that when you have smart regulations and an innovative marketplace, there is more competition, which can mean more affordable products and services for consumers. Just this past October, the Bureau's Technology & Innovation Office, Office of Fair Lending and Equal Opportunity, and Office of Innovation hosted a Tech Sprint. The Tech Sprint brought together multiple tech teams from the financial industry that were focused on improving adverse action notice disclosures. Improving these disclosures can help educate consumers and thereby increase their chances for accessing future credit, allow financial institutions to determine the barriers consumers face when trying to access credit, and help reveal discrimination on a prohibited basis. The

technological innovations proposed during the Tech Sprint will better inform the Bureau as to how to improve these disclosures. Having said that, I know there is more we can do, and I expect the report's recommendations will help us broaden and sharpen our approaches to innovation.

The report's recommendations also discuss reducing friction in various financial markets. One area where friction has been building is around the integration of limited English proficiency consumers into the financial marketplace. Financial services want to be able to take steps to offer LEP consumers products and services, but they are often wary of running afoul of regulations. To reduce the friction between the regulations and financial institutions, in the area of LEP consumers, we are developing guidance to assist the financial industry in determining how it can offer products and services to LEP consumers without running afoul of federal regulations. This guidance will mean more people

will be able to access affordable credit, services, and products. We are excited for the opportunity to carefully review the report's recommendations to determine what further steps we can take to reduce friction in financial markets.

The last recommendation theme I want to touch on is consumer protection. Consumer protection has been and will continue to be at the core of what we do. Even in the face of the pandemic, 2020 has been one of our busiest years in terms of enforcement actions. In calendar year 2020, the Bureau filed the second-highest number of actions in the Bureau's history, secured approximately \$800 million of dollars in customer relief and penalties, and opened investigations in all of the Bureau's markets and institutions. We will continue to identify and pursue bad actors through our enforcement and supervision actions, and we expect this report's recommendations to help us strengthen our efforts.



The Bureau, along with other regulatory agencies and governments, will be able to use the recommendations of this report to modernize the framework of consumer financial law. However, as the earlier examples highlight, the Bureau is already committed to many of the recommended ideas presented in the report. As such, these recommendations will not require us to build a new path forward, but they will help to better define and illuminate our current path.

I want to thank everyone for joining us today. I also want to reiterate my thanks to Todd and all the members of the taskforce. Their efforts over this past year, along with all the Bureau's associated efforts, will ensure we are best equipped to protect consumers by maintaining fair, competitive, and transparent financial marketplaces. Thank you.

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