

Annual performance plan and report, and budget overview

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Overview of the CFPB

The Consumer Financial Protection Bureau (“CFPB” or “Bureau”) was established on July 21, 2010 under Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act Public Law No. 111-203 (Dodd-Frank Act). The CFPB is an independent bureau within the Federal Reserve System, and an executive agency as defined in Section 105 of Title 5, United States Code.

The Dodd-Frank Act authorizes the CFPB to exercise its authorities to ensure that, with respect to consumer financial products and services: ¹

- Consumers are provided with timely and understandable information to make responsible decisions about financial transactions;
- Consumers are protected from unfair, deceptive, or abusive acts and practices and from discrimination;
- Outdated, unnecessary, or unduly burdensome regulations are regularly identified and addressed in order to reduce unwarranted regulatory burdens;
- Federal consumer financial law is enforced consistently in order to promote fair competition; and
- Markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation.

The CFPB is headed by a sole Director, appointed by the President to a five-year term, by and with the advice and consent of the Senate.

Funding required to support the CFPB’s operations is obtained primarily through transfers from the combined earnings of the Federal Reserve System. More information can be found in the Budget Overview section of this document.

¹ As set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203 (2010), Section 1021(b).

Mission, Vision, and Values

The CFPB Strategic Plan for Fiscal Year (FY) 2022 - FY 2026 identifies the following mission, vision, and values, which guide the work of the Bureau.

Mission

To regulate the offering and provision of consumer financial products or services under the federal consumer financial laws, to enforce federal consumer financial law fairly and consistently, and to educate and empower consumers making financial decisions.

Vision

To ensure all households have access to markets for consumer financial products and services that are fair, transparent, and competitive. In a market that works, the prices, risks, and terms of the deal are clear upfront so that consumers can understand their options and comparison shop, and where companies all play by the same consumer protection rules and compete fairly on providing quality and service.

Values

To achieve this vision, the CFPB is guided by the following values:

- **Service.** We work for the American public, putting the most vulnerable and traditionally underserved people at the center of all that we do.
- **Dedication.** We are committed to the mission and to deploying the CFPB's tools and resources to address the needs of communities, providers, and the economy as a whole.
- **Diversity.** We strive to maintain a diverse workforce and an equitable and inclusive workplace for all employees.

Strategic Plan Overview - FY 2018 – 2022

The FY 2022 Annual Performance Plan and Report (APP) aligns to CFPB's Strategic Plan for FY 2018-2022, which can be found at <https://www.consumerfinance.gov/about-us/budget-strategy/strategic-plan/>.

CFPB's FY 2018 – 2022 strategic plan includes three strategic goals:

| Goal | Description |
|---------------|--|
| Goal 1 | Ensure that all consumers have access to markets for consumer financial products and services. |
| Goal 2 | Implement and enforce the law consistently to ensure that markets for consumer financial products and services are fair, transparent, and competitive. |
| Goal 3 | Foster operational excellence through efficient and effective processes, governance, and security of resources and information. |

This APP was developed in December 2021 and reflects the priorities and performance results of the CFPB for FY 2021 (October 1, 2020 to September 30, 2021). The CFPB will publish a Strategic Plan for FY 2022 – 2026, and as such, some of the goals, objectives, and measures addressed within this report may not continue in FY 2022 and beyond. The FY 2023 APP will report progress against the FY 2022-2026 Strategic Plan.

About the FY 2022 APP

The CFPB's FY 2022 APP identifies the performance goals, measures, and targets for each strategic goal and objective, as well as:

- Presents FY 2021 performance results;
- Describes CFPB's accomplishments; and
- Provides CFPB's most current view of budget projections for FY 2022-2023.

The GPRA Modernization Act (GPRAMA) of 2010 asks agencies to identify lower-priority program activities, where applicable – CFPB has none.

Bureau Response to COVID-19

The CFPB's approach to the organizational and operational challenges presented by the COVID-19 pandemic was characterized as "Safety First, Mission Always." As such, the CFPB instituted several workplace flexibilities to encourage the health, safety, and well-being of staff. They included:

- Implementing mandatory telework for all staff and directing all examination activities of CFPB-supervised institutions be conducted off-site from examiners' home duty stations.
- Evolving the operating posture to maximum telework based on the changing nature of the pandemic. This operating status is in place though April 23, 2022 and will be reassessed on a regular basis to determine whether additional extensions are appropriate.
- Instituting additional workplace flexibilities, such as:
 - Authorizing the use of administrative leave for employees that are unable to perform work due to school or daycare closures resulting in a lapse in childcare or other reasons one identifies as related to COVID-19, such as providing care for another family member in order to prevent exposure/spread of COVID-19.
 - Allowing staff to earn credit hours beyond the standard cap and adjusting the Bureau's annual leave program by increasing the amount of the annual leave use or lose payout from 40 hours to 80 hours for employees who are unable to use their annual leave by the end of the 2020 or 2021 leave years. In addition, in 2020, the Bureau restored up to 40 hours of leave for employees who had a use or lose annual leave balance after the 80-hour payout.
 - Providing up to 80 hours of emergency paid sick leave in accordance with the Emergency Paid Sick Leave Act, which expired on December 31, 2020.
 - Providing Bureau employees with updates on prevention measures, workplace flexibilities, telework options and best practices, and keeping staff informed through a variety of communication channels.
- Establishing a pandemic management plan, such as cleaning safety and protocols throughout all CFPB facilities, contact tracing, and phased reentry plans to support voluntary return to the office for those who seek that option.

- Creating several ways to hear from Bureau employees through National Treasury Employees Union engagements, a Bureau-wide COVID-19 advisory group, a Pandemic Inquiries Inbox, leadership involvement, and Bureau Employee Resource Groups. The Bureau also maintained a frequent cadence of communicating with Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) and other federal agencies for situational awareness and alignment, where possible.
- Opening the regional offices (New York, Chicago, San Francisco, and Atlanta) on October 2, 2020 to staff who desire to work in the office – mirroring the policies, procedures, and posture at headquarters.
- Implementing the executive orders and related Workplace Safety Principles and Guidance issued by President Biden’s Safer Federal Workforce Task Force that mandate all federal employees be fully vaccinated for COVID-19 by November 22, 2021 no matter where one performs the work. This includes:
 - Developing a vaccine reporting tool to collect federal employee vaccination status and initiate exception requests.
 - Creating a process for collecting, reviewing, and adjudicating reasonable and religious accommodations exception requests.
 - Implementing a progressive disciplinary policy for employees who are not fully vaccinated and do not have an approved or pending exception request.
 - Incorporating the FAR Clause 52.223-99 Ensuring Adequate COVID-19 Safety Protocols for Federal Contractors into new and existing contracts to facilitate compliance by contractors with the vaccine mandate.

As a result of the CFPB’s flexible telework practices and supporting tools, the shift to 100% telework was smooth. While some organizations experienced slow-downs in work, the CFPB was well positioned for working through increased collaboration and enhanced technology capabilities. Many divisions reported minimal to no productivity impacts. Instead, many reported increased productivity as the Bureau embarked on its mission to protect consumers.

The CFPB continues to be ready to address shifting situations and is using the lessons learned, along with feedback from its employees, to redesign where we work, how we work, and the nature of the work itself in order to best serve the Bureau’s mission. Being nimble is the key for the CFPB to maintain our goal of protecting, promoting, and preserving the financial well-being

of consumers during the pandemic.

Support to Consumers

The CFPB also ramped up its efforts to publish and promote resources to support consumers and address economic challenges related to the pandemic. To date, the CFPB's consumer education response to COVID-19 has resulted in the rapid expansion of tools available to educate and inform consumers and community partners, including more than 100 blogs and videos. Many of these materials are available in seven different languages, resulting in close to 300 translated resources. As conditions, protections, and other issues evolved, the CFPB's resources have been updated in print and online to reflect the most accurate and trustworthy information available, including:

- Information for consumers on the CFPB website on current scams, how to protect credit, and how to navigate mortgage and rent options.
- Resources on the Economic Impact Payments as well as resources for small business owners seeking assistance from the Paycheck Protection Program.
- Resources to help students and their parents understand student loan payment suspension options.
- Information specific to vulnerable populations, including older Americans and servicemembers.

Coordinated efforts led the CFPB to create another important online resource: a unified, interagency housing website to be the one-stop-shop to provide information and resources for homeowners, renters, and landlords to navigate housing insecurity challenges brought on by COVID-19. The United States (US) Department of Agriculture, the US Department of Housing and Urban Development, the US Department of the Treasury, the US Department of Veterans Affairs, and the Federal Housing Finance Agency partnered with the Bureau to develop this for consumers at cfpb.gov/housing. The interagency housing website provides accurate, impartial information to let consumers know their options, connect to assistance available in their communities, and make the best decision for their situations. To date, the interagency housing portal has provided assistance to over 5.5 million consumers since its launch in May 2020.

As new federal policies addressing housing insecurity and COVID-19 have taken effect, the CFPB and its federal partners have responded with timely, accurate updates. Trusted, authoritative government sources can be critical conduits for the distribution of information to the public.

The CFPB works to reach as many people as possible, particularly among the communities hardest hit by the financial impacts of COVID-19 – including communities of color, low-income renters and homeowners, those with limited English proficiency, and rural consumers – through our internal distribution channels and Bureau stakeholders. The education content has been amplified by consumer groups, non-profits, and companies across the nation. Beginning in June 2021, the Bureau also began a Public Service Announcement initiative in selected markets, aimed at connecting homeowners and renters to the resources available to help them navigate COVID-19 related hardships and housing insecurity.

The CFPB is also advising struggling borrowers to reach out to their servicers to understand what options are available to them. Companies can usually answer questions unique to a consumer's situation and more specific to the products and services they offer. Consumers can also submit a complaint to the CFPB.

The CFPB is committed to supporting consumers and Bureau employees during this difficult time. The CFPB believes that staying informed, engaged, and proactive will help consumers weather the pandemic.

Bureau Commitment to Diversity, Equity, Inclusion, and Accessibility

The CFPB's mission is to make consumer financial markets work for consumers, financial institutions, and the economy as a whole. The Bureau protects consumers from unfair, deceptive, or abusive practices and discrimination and takes action against companies that break the law. The CFPB arms people with the information, resources, and tools they need to make informed financial decisions. There is an interdependence between what the CFPB does externally and how the Bureau does work internally. By examining operations, eliminating any systemic barriers to equal access of opportunities for CFPB employees, and fostering a culture of equity, inclusion, and accessibility for all employees, the CFPB can best achieve its responsibility to protect consumers and ensure that the needs of the most vulnerable consumers are met.

To further the Bureau's effort:

- The CFPB is developing a Bureau-wide Diversity, Equity, Inclusion, and Accessibility (DEIA) Strategic Plan that aligns with agency priorities and statutory responsibilities and we will be voluntarily providing our DEIA plan to OMB in alignment with Executive Order (EO) 14035, Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce, issued in June.
- The CFPB formed an internal DEIA working group to facilitate the implementation of Executive Order (EO) 14035.

In alignment with Executive Order 13985 and guidance from the White House Domestic Policy Council, the CFPB voluntarily submitted a 200-day equity assessment report to OMB on August 6, 2021 and plans to submit an Equity Action Plan to OMB in January 2022.

Additional information concerning the CFPB's DEIA efforts can be found online at <https://www.consumerfinance.gov/about-us/diversity-and-inclusion> and in the forthcoming DEIA report to be published in March 2022.

Budget Overview

The CFPB's operations are funded principally by transfers made by the Board of Governors of the Federal Reserve System (Board) from the combined earnings of the Federal Reserve System, up to the limits set forth in the Dodd-Frank Act. The Director of the Bureau requests transfers from the Board in amounts that they have determined are reasonably necessary to carry out the Bureau's mission within the limits set forth in the Dodd-Frank Act. Transfers from the Board were capped at \$717.5 million in FY 2021 and are capped at \$734.0 million in FY 2022 and \$750.9 million in FY 2023. Funds transferred from the Federal Reserve System are deposited into the Bureau of Consumer Financial Protection Fund (Bureau Fund) at the Federal Reserve Bank of New York.

The FY 2022 and FY 2023 budget estimates for the Bureau Fund allow the Bureau to continue to fulfill its statutory purpose, objectives, and functions pursuant to Section 1021 of the Dodd-Frank Act. In FY 2021, the Bureau incurred obligations totaling \$598.0 million. The budget estimates for FY 2022 and FY 2023 increase to \$692.0 million and \$731.7 million, respectively. The FY 2022 budget estimate represents a 15.7% increase from FY 2021 levels, while the FY 2023 estimate represents a 5.7% increase from FY 2022.

Budget by Strategic Goal

BUDGET BY STRATEGIC GOAL (\$ IN THE MILLIONS AND ROUNDED)

| | FY 2021 | % | FY 2022 | % | FY 2023 | % |
|--------------|----------------|-------------|----------------|-------------|----------------|-------------|
| Goal 1 | \$188.8 | 32% | \$208.0 | 30% | \$208.6 | 29% |
| Goal 2 | \$202.1 | 34% | \$249.2 | 36% | \$270.5 | 37% |
| Goal 3 | \$207.0 | 35% | \$234.8 | 34% | \$252.7 | 35% |
| Total | \$598.0 | 100% | \$692.0 | 100% | \$731.7 | 100% |

FTE BY STRATEGIC GOAL (ROUNDED)

| | FY 2021 | % | FY 2022 | % | FY 2023 | % |
|--------------|--------------|-------------|--------------|-------------|--------------|-------------|
| Goal 1 | 435 | 28% | 455 | 28% | 466 | 27% |
| Goal 2 | 724 | 46% | 760 | 46% | 787 | 46% |
| Goal 3 | 398 | 26% | 435 | 26% | 444 | 26% |
| Total | 1,557 | 100% | 1,650 | 100% | 1,697 | 100% |

Budget increases across all goals reflect increased hiring towards the approved staffing targets as well as additional funding for new initiatives in pursuit of the Bureau's mission and strategic goals.

Goal 1

Activities related to consumer education, rulemaking, and handling of consumer complaints in Goal 1 represent around 30% of the Bureau's overall budget. To support this goal, the Bureau will continue to invest in helping consumers make informed financial decisions and build financial skills; facilitating the collection, monitoring, and response to consumer complaints; and increasing effectiveness of governing consumer financial markets. Costs for consumer education initiatives increase as the Bureau invests in policy research and development for effective engagement with vulnerable consumers, and to establish a consumer feedback mechanism to incorporate consumer perspectives in future work. Increases to Consumer Response Complaint Intake, Handling, and Analytics are associated with overall improvements to operational efficiency and service delivery. The Bureau will continue to maintain and update a nationally representative panel of de-identified credit information on consumers for use in a wide range of policy research projects.

There is also a significant shift in the budget related to public service announcements in response to the COVID-19 pandemic. In FY 2021, the Consumer Education and External Affairs division launched a public service announcement effort to inform, educate, and engage consumers of their consumer rights and protections, and to provide them with the financial tools available to address ongoing financial issues caused from the pandemic. Costs related to this effort are expected to be re-aligned to other mission-related efforts in FY 2022 and FY 2023 as the country recovers from the COVID-19 pandemic. This effort will continue into FY 2022-23.

Goal 2

Activities related primarily to supervision and enforcement of consumer financial laws, which are included in Goal 2, represent around 36% - the largest portion - of the Bureau's budget. This level of funding reflects the Bureau's focus on ensuring markets for consumer financial products and services are fair, transparent, and competitive. Costs related to supervision and enforcement training and travel are projected to gradually resume as the Bureau predicts slowly returning to conducting supervision exams and reviews of depository and non-depository institutions on-site, consistent with applicable pandemic guidance. Additional increases in supervision technology tools, e-Law tools, investigation and litigation support are also planned

to help the Bureau’s increasing enforcement work.

Goal 3

Activities in Goal 3 reflect the Bureau’s responsibility to optimize its operations and represent approximately 34% of the budget. The Bureau will continue to invest resources to maintain a robust cybersecurity program to safeguard the Bureau’s information and systems. The Bureau will make significant investments in information technology (IT) as it continues to implement its vision and strategy to modernize its IT systems and services, which includes migrating to cloud-native applications, leveraging cloud technology infrastructure and services, and upgrading its collaborations and communications systems. These investments have enabled the Bureau to quickly adapt and address the needs during the pandemic and will further enhance the Bureau’s ability to scale its capacity. Additionally, the Bureau will increase IT program and project management support services as it prioritizes technology needs to securely connect and integrate IT systems and share data.

To manage risk and promote accountability, the Bureau will continue to develop its capabilities to identify and monitor enterprise risks and performance; effectively review and assess internal controls; and continue to support required audits. At the same time, the Bureau will continue to leverage shared-service providers for financial management, human resources, procurement, and other services.

Summary of Key Investments

The table below details the funding levels for the Bureau's key non-personnel investments by strategic goal and objective. Key investments are presented in more detail in the discussion of each goal.

KEY INVESTMENTS (\$ IN THE MILLIONS AND ROUNDED)

| Goal | Investment Category | FY 2021 | FY 2022 | FY 2023 |
|------------------|--|----------------|----------------|----------------|
| 1.1 | Consumer Education Initiatives | \$7.3 | \$8.8 | \$8.6 |
| | Consumer Experience Program | \$1.9 | \$1.9 | \$1.9 |
| | Consumer Response Complaint Intake, Handling, and Analytics | \$7.2 | \$8.9 | \$9.1 |
| | Consumer Response Contact Center | \$10.2 | \$12.1 | \$10.7 |
| | Disclosure Research, Design, Testing, and Implementation | \$0.0 | \$0.6 | \$0.5 |
| | Financial Education Research | \$1.0 | \$0.9 | \$0.6 |
| | Financial Well-Being and Other Tools for Financial Educators of Adults and Youth | \$1.8 | \$1.6 | \$1.4 |
| | Public Service Announcements | \$11.0 | \$1.0 | \$1.0 |
| 1.1 Total | Special Populations Programs | \$2.6 | \$1.9 | \$1.9 |
| | | \$42.9 | \$37.6 | \$35.7 |

| Goal | Investment Category | FY 2021 | FY 2022 | FY 2023 |
|------------------|----------------------------|----------------|----------------|----------------|
| 1.3 | HMDA Operations | \$3.5 | \$3.4 | \$3.5 |
| | National Mortgage Database | \$2.0 | \$1.8 | \$1.9 |
| | Other Market Data | \$0.8 | \$1.1 | \$1.1 |
| | Primary Data Collection | \$1.9 | \$6.6 | \$1.6 |
| 1.3 Total | | \$8.2 | \$13.0 | \$8.1 |

| Goal | Investment Category | FY 2021 | FY 2022 | FY 2023 |
|----------------------------|---|----------------|----------------|----------------|
| 2.1 & 2.2 | e-Law Tools and Support | \$1.6 | \$2.2 | \$2.3 |
| | Enforcement Knowledge Management | \$1.2 | \$1.1 | \$1.2 |
| | Examiner Commissioning Training Program | \$1.2 | \$1.4 | \$1.4 |
| | Investigation and Litigation Support | \$13.1 | \$16.2 | \$20.3 |
| | Special Populations Programs | \$0.4 | \$0.9 | \$0.9 |
| | Supervision and Enforcement Training & Travel | \$2.1 | \$11.7 | \$11.9 |
| | Supervision Technology Tools | \$0.1 | \$3.6 | \$3.5 |
| 2.1 & 2.2 Total | | \$19.7 | \$37.1 | \$41.5 |

| Goal | Investment Category | FY 2021 | FY 2022 | FY 2023 |
|------------------|--|----------------|----------------|----------------|
| 3.1 | Cloud Infrastructure and Services | \$22.8 | \$24.0 | \$28.6 |
| | Cybersecurity | \$16.4 | \$16.9 | \$17.3 |
| | Design and Software Development Support | \$4.8 | \$6.9 | \$5.5 |
| | Knowledge Management | \$0.7 | \$0.7 | \$0.7 |
| | Technology Strategy and Transformation Support | \$1.2 | \$1.4 | \$1.4 |
| 3.1 Total | | \$45.9 | \$49.8 | \$53.4 |

| Goal | Investment Category | FY 2021 | FY 2022 | FY 2023 |
|------------------|---|----------------|----------------|----------------|
| 3.2 | Human Capital Shared Services, Infrastructure, and Operations | \$4.1 | \$5.4 | \$5.3 |
| | Learning, Leadership, and Organization Development Facilitation and Design | \$1.2 | \$2.3 | \$2.4 |
| | Leverage Diversity & Inclusion, Equal Opportunity Compliance and Fair Lending | \$0.6 | \$0.7 | \$0.8 |
| | Staffing, Recruitment, & Compensation Initiatives | \$0.3 | \$0.7 | \$0.7 |
| 3.2 Total | | \$6.2 | \$9.2 | \$9.2 |

| Goal | Investment Category | FY 2021 | FY 2022 | FY 2023 |
|------------------|---|----------------|----------------|----------------|
| 3.3 | Audits of the Bureau | \$14.0 | \$14.5 | \$14.9 |
| | Cloud Application Platforms | \$3.8 | \$5.0 | \$5.1 |
| | Data Infrastructure and Analysis | \$4.3 | \$4.5 | \$4.5 |
| | Enterprise Risk and Organizational Performance Management | \$0.4 | \$1.1 | \$1.1 |
| | Financial Management Support Services, including Travel | \$4.6 | \$5.8 | \$9.3 |
| | Internal Control Assessment Program Support | \$1.0 | \$1.0 | \$1.1 |
| | IT Portfolio Management and Enterprise Architecture | \$7.7 | \$8.8 | \$8.4 |
| | Legal Technology Platform | \$4.5 | \$6.0 | \$6.1 |
| | Procurement Services and Support | \$2.3 | \$2.4 | \$2.4 |
| 3.3 Total | | \$42.7 | \$48.9 | \$52.9 |

| Goal | Investment Category | FY 2021 | FY 2022 | FY 2023 |
|--------------------|--|----------------|----------------|----------------|
| ALL | Enterprise Customer Relationship Management Platform | \$13.5 | \$13.2 | \$13.5 |
| | Facilities Agreements (Occupancy) | \$17.0 | \$17.6 | \$18.0 |
| | Facilities Agreements (Utilities, Security, Other) | \$9.6 | \$10.2 | \$10.2 |
| | FRB Retirement Plan Management Services | \$1.7 | \$1.9 | \$2.0 |
| | HQ Building Renovation | \$0.0 | \$0.5 | \$0.0 |
| | Library Resources and Services | \$3.1 | \$3.3 | \$3.4 |
| | Personnel Security Investigations | \$1.8 | \$1.5 | \$1.6 |
| | Privacy and FOIA Program Support | \$2.8 | \$2.9 | \$2.8 |
| | Technology Infrastructure | \$18.4 | \$18.1 | \$20.3 |
| | Other | \$11.8 | \$14.3 | \$15.1 |
| ALL Total | | \$79.6 | \$83.6 | \$86.9 |
| Grand Total | | \$245.2 | \$279.3 | \$287.8 |

Budget by Object Class and Program

BUDGET BY OBJECT CLASSIFICATION (\$ IN THE MILLIONS AND ROUNDED)

| Object Classification | FY 2021 | FY 2022 | FY 2023 |
|--|----------------|----------------|----------------|
| Personnel Compensation | \$247.2 | \$291.1 | \$314.7 |
| Personnel Benefits | \$102.9 | \$121.7 | \$129.3 |
| Benefits to Former Personnel | \$2.8 | \$0.0 | \$0.0 |
| Travel and Transportation of Persons | \$0.1 | \$10.9 | \$11.1 |
| Transportation of Things | \$0.1 | \$0.1 | \$0.1 |
| Rents, Communications, and Misc. Charges | \$13.4 | \$13.5 | \$13.5 |
| Printing and Reproduction | \$4.3 | \$4.7 | \$4.9 |
| Other Contractual Services | \$199.5 | \$221.5 | \$227.3 |
| Supplies and Materials | \$5.6 | \$6.1 | \$6.0 |
| Equipment | \$22.1 | \$22.4 | \$24.8 |
| Land and Structures | \$0.1 | \$0.0 | \$0.0 |
| Total | \$598.0 | \$692.0 | \$731.7 |

The Bureau's budget reflects increases primarily in personnel and benefit compensation, travel, and other contractual services.

Personnel Compensation and Benefits

Personnel Compensation and Benefits costs increase across all programs and represent the largest cost to the Bureau. In FY 2022 and FY 2023 the Bureau will continue to move toward reaching its approved staffing levels across all programs to support the Bureau's priorities, with the largest increases taking place in the Supervision, Enforcement, and Fair Lending and Research, Markets and Regulations divisions.

Travel and Transportation of Persons

The Bureau anticipates reinstating travel as conditions improve and, as such, the estimated travel costs will increase. During FY 2020 and FY 2021, the Bureau instituted several initiatives to ensure the health, safety, and well-being of the Bureau's staff during the COVID-19 pandemic

and restricted travel. For example, the Bureau has been conducting all examination activity off-site, from examiners' home duty stations. As a result, travel costs significantly decreased in FY 2021, but are expected to increase as travel restrictions are lifted and travel becomes safer for Bureau staff. Increases in travel costs are primarily related to examination travel within the Supervision, Enforcement, and Fair Lending division.

Contractual Services

Increases in contractual services reflect investments to support many of the Bureau initiatives described throughout this document. The increases are primarily within Supervision, Enforcement, and Fair Lending for investigation and litigation resources to support Enforcement matters. Within the Operations program, increased investments will support information technology and systems initiatives, the legal technology platform to support Enforcement matters, and the continued migration to a cloud infrastructure and cloud-based solutions. Lastly, within Research, Markets and Regulations, funding will continue to maintain and update a nationally representative panel of de-identified credit information on consumers for use in a wide range of policy research projects.

BUDGET BY PROGRAM (\$ IN THE MILLIONS AND ROUNDED)

| Program/Division | FY 2021 | FY 2022 | FY 2023 |
|--|----------------|----------------|----------------|
| Office of the Director | \$18.5 | \$24.1 | \$26.7 |
| Operations | \$233.5 | \$255.1 | \$270.7 |
| Consumer Education and External Affairs | \$99.0 | \$102.9 | \$100.7 |
| Research, Markets, and Regulation | \$42.2 | \$55.7 | \$55.4 |
| Supervision, Enforcement, and Fair Lending | \$165.5 | \$209.1 | \$228.8 |
| Legal | \$20.4 | \$23.2 | \$24.6 |
| Other Programs ² | \$4.2 | \$4.9 | \$4.9 |
| Centralized Services ³ | \$14.9 | \$17.0 | \$19.9 |
| Total | \$598.0 | \$692.0 | \$731.7 |

FULL-TIME EQUIVALENT (FTE) BY PROGRAM

| Program/Division | FY 2021 | FY 2022 | FY 2023 |
|--|----------------|----------------|----------------|
| Office of the Director | 67 | 83 | 90 |
| Operations | 306 | 316 | 323 |
| Consumer Education and External Affairs | 240 | 248 | 248 |
| Research, Markets, and Regulation | 156 | 163 | 172 |
| Supervision, Enforcement, and Fair Lending | 673 | 709 | 736 |
| Legal | 75 | 76 | 76 |
| Other Programs ⁴ | 33 | 31 | 31 |
| Centralized Services ⁵ | 7 | 24 | 21 |
| Total | 1,557 | 1,650 | 1,697 |

² Other Programs includes Ombudsman, Administrative Law Judges, and Director's Financial Analyst program.

³ Includes the cost of certain services provided centrally to other Divisions (e.g., interns and costs associated with the Office of the Inspector General) in support of all strategic goals.

⁴ Other Programs includes Ombudsman, Administrative Law Judges, and Director's Financial Analyst program.

⁵ Reflect Interns FTE in support of all strategic goals.

You can learn more about the Bureau's organizational structure at <https://www.consumerfinance.gov/about-us/the-bureau/bureau-structure/>.

Bureau Fund Budget Authority

The Director of the Bureau requests the Board transfer funds in the amount that they have determined are reasonably necessary to carry out the Bureau's mission within the limits set forth in the Dodd-Frank Act. Transfers through FY 2013 were capped at pre-determined percentages of the total 2009 operating expenses of the Federal Reserve System. Including and since FY 2014, these transfer caps have been adjusted annually based on the percentage increase in the employment cost index (ECI) for the total compensation for State and local government workers, which is published by the Bureau of Labor Statistics. Transfers from the Board were capped at \$717.5 million in FY 2021 and are capped at \$734.0 million in FY 2022 and \$750.9 million in FY 2023.⁶ Funds transferred from the Federal Reserve System are deposited into the Bureau Fund, which is maintained at the Federal Reserve Bank of New York.

The Bureau also generates additional budget authority by offsetting collections and miscellaneous revenue. For example, the Federal Financial Institutions Examination Council (FFIEC) and the Department of Housing and Urban Development (HUD) have an interagency agreement under which the Bureau now operates and manages on behalf of the Agencies⁷ for the collection, processing, and publication of the Home Mortgage Disclosure Act (HMDA) Data. The Bureau processes the HMDA Data for the FFIEC and HUD and prepares and makes available data products to the general public. As a result, agencies reimburse the Bureau for a portion of the costs associated with operating the system on behalf of the FFIEC.

A small portion of the Bureau's budget comes from receipts collected from interest on Treasury

⁶ Per the Dodd-Frank Act, the transfer limit or "cap" shall be adjusted annually, using the percentage increase, if any, in the employment cost index for total compensation for State and local government workers published by the federal government.

⁷ The "Agencies" are defined as the federal agency members of the FFIEC: Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), the Board of Governors of the Federal Reserve System (Board), the National Credit Union Administration (NCUA), and the CFPB. HUD is not an FFIEC member but is part of the HMDA cost sharing MOU for HMDA data.

securities as well as filing fees pursuant to the Interstate Land Sales Full Disclosure Act of 1968 (ILSA). ILSA fees are deposited into an account maintained by the Department of the Treasury and may be expended for the purpose of covering all or part of the costs that the Bureau incurs to operate the ILSA Program.

BUREAU FUND (\$ IN THE MILLIONS AND ROUNDED)

| | FY 2021 | FY 2022 | FY 2023 |
|--|----------------|----------------|----------------|
| Unobligated Balances, start of year | \$74.6 | \$104.4 | \$76.1 |
| Transfers from the Federal Reserve Board | \$595.9 | \$692.0 | \$731.7 |
| Sequestration – Temporarily Reduced ⁸ | \$0.0 | -\$39.4 | -\$41.7 |
| Sequestration – Previously Unavailable | \$0.0 | \$0.0 | \$39.4 |
| Offsetting Collections | \$2.7 | \$2.8 | \$2.9 |
| Other Receipts | \$0.3 | \$0.3 | \$0.3 |
| Recoveries of Prior Year Obligations | \$28.9 | \$8.0 | \$8.0 |
| Total Budgetary Resources | \$702.4 | \$768.1 | \$816.7 |
| Total Obligations | \$598.0 | \$692.0 | \$731.7 |
| Unobligated Balances, end of year | \$104.4 | \$76.1 | \$85.0 |

Civil Penalty Fund Budget Authority

Pursuant to the Dodd-Frank Act, the Bureau is also authorized to collect and retain civil penalties obtained from any person or entity in a judicial or administrative action for violations of federal consumer financial laws. These funds are deposited into the Consumer Financial Civil Penalty Fund (CPF), which is also maintained at the Federal Reserve Bank of New York.

The Bureau is authorized to use funds deposited in the CPF for payments to the victims of activities for which civil penalties have been imposed under federal consumer financial laws. To

⁸ Beginning in FY 2022, the Bureau will begin sequestering funds within the Bureau Fund. The Bureau previously accounted for sequestration by not requesting the sequestered funds from the Board.

the extent that victims cannot be located, or payments are otherwise not practicable, the Bureau is authorized to use such funds for consumer education and financial literacy programs.

On May 7, 2013, the Bureau published in the *Federal Register* the Consumer Financial Civil Penalty Fund rule, 12 CFR part 1075, a final rule governing how the Bureau will use funds in the CPF. This rule states that the Civil Penalty Fund Administrator will allocate funds to classes of eligible victims and, as appropriate, to consumer education and financial literacy programs in accordance with a schedule published by the Bureau on its website.

The Bureau collected \$61.4 million in civil penalties in FY 2021 which brings the total amount collected to date to \$1,316.3 million. Of this amount, the Bureau has allocated a total of \$918.9 million to various channels. Approximately \$890.1 million was allocated to compensate harmed consumers, \$28.8 million was allocated for consumer education and financial literacy programs, and \$10.1 million was set-aside for administrative costs associated with distributing funds to harmed consumers. The Bureau has deallocated \$88.7 million following completion of fund distributions to victims⁹. As a result, \$476.0 million of the unobligated balance remains unallocated at the start of FY 2022 and is available for future victim compensation cases and consumer education and financial literacy programs. The remaining \$308.2 million balance was previously allocated to victim compensation and is projected to be obligated and disbursed in future fiscal years, beginning with \$158.9 million in FY 2022 and \$127.4 million in FY 2023.

Additional information regarding allocations from the CPF is available at
<https://www.consumerfinance.gov/enforcement/payments-harmed-consumers/civil-penalty-fund>.

⁹ This amount includes funds that were unallocated and returned to the Civil Penalty Fund following the completion of distributions to victims.

CIVIL PENALTY FUND (\$ IN THE MILLIONS AND ROUNDED)

| | FY 2021 | FY 2022 | FY 2023 |
|--|----------------|----------------|----------------|
| Unobligated Balances, start of year | \$821.3 | \$784.2 | \$642.3 |
| Collections ¹⁰ | \$61.4 | \$5.5 | \$0.0 |
| Sequestration – Temporarily Reduced | -\$3.5 | -\$0.3 | \$0.0 |
| Sequestration – Previously Unavailable | \$2.0 | \$3.5 | \$0.3 |
| Recoveries of Prior Year Obligations | \$4.5 | \$8.4 | \$0.0 |
| Total Budgetary Resources | \$885.8 | \$801.2 | \$642.6 |
| Total Obligations | \$101.6 | \$158.9 | \$127.4 |
| Unobligated Balances, end of year | \$784.2 | \$642.3 | \$515.2 |

¹⁰ The collections amount for FY 2022 represents actual Civil Penalty Fund collections through December 8, 2021. The Bureau does not predict the outcome of future matters which may result in additional Civil Penalty Fund collections.

Goal 1. Ensure that all consumers have access to markets for consumer financial products and services¹¹

BUDGET BY STRATEGIC GOAL 1 BY PROGRAM (\$ IN THE MILLIONS AND ROUNDED)

| Program/Division | FY 2021 | FY 2022 | FY 2023 |
|--|----------------|----------------|----------------|
| Office of the Director | \$1.8 | \$1.9 | \$2.1 |
| Operations | \$47.9 | \$49.9 | \$51.4 |
| Consumer Education and External Affairs | \$90.1 | \$92.1 | \$90.2 |
| Research, Markets, and Regulation | \$42.2 | \$55.7 | \$55.4 |
| Supervision, Enforcement, and Fair Lending | \$0.0 | \$0.0 | \$0.0 |
| Legal | \$5.0 | \$5.8 | \$6.1 |
| Other Programs | \$1.3 | \$1.5 | \$1.5 |
| Centralized Services | \$0.6 | \$1.1 | \$1.9 |
| Total | \$188.8 | \$208.0 | \$208.6 |

Consumer protection begins with ensuring all consumers have access to markets for consumer financial products and services. Access is enhanced where markets are transparent, competitive, and innovative and where providers can adapt to changing consumer demand. Access is also enhanced where consumers can reasonably obtain the information they need to make informed decisions.

Congress directed the Bureau to help educate consumers to make better informed financial

¹¹ As set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203 (2010), Section 1021(a).

decisions. The CFPB seeks to enhance the financial knowledge and skills of all Americans - from childhood to later life - so individuals can build their financial well-being. The CFPB also collects, investigates, and responds to consumer complaints when problems arise in consumer financial markets.

Congress has also assigned the Bureau the responsibility of issuing rules and guidance, where appropriate, to carry out the purposes and objectives of the federal consumer financial laws. The CFPB carries out this responsibility by gathering the best available evidence and engaging in rulemakings to address market failures¹² that make it difficult for consumers to engage in informed decision making and otherwise protect their own interests, and reduce unwarranted regulatory burden so as to enable markets to operate efficiently, transparently, and competitively.

The Bureau will attain its first goal by achieving the following three objectives:

Objective 1.1: Ensure that consumers are provided with timely and understandable information to make responsible decisions about financial transactions.

Objective 1.2: Regularly identify and address outdated, unnecessary, or unduly burdensome regulations in order to reduce unwarranted regulatory burdens.

Objective 1.3: Ensure that markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation.

¹² Market failure is defined as “a situation in which a market left on its own fails to allocate resources efficiently”, Gregory Mankiw, “Principles of Economics”, Second Ed., 2001.

Objective 1.1

Ensure that consumers are provided with timely and understandable information to make responsible decisions about financial transactions.¹³

Objective leaders: Associate Director, Consumer Education and External Affairs; Associate Director, Research, Markets & Regulations; Office of Innovation, Assistant Director

Strategies and investments

The following strategies and investments have been put in place to help the Bureau achieve objective 1.1.

Strategies

- Provide financial education to the public, directly and through community partners.
- Share research on effective financial education practices and financial well-being with financial educators.
- Address needs for inclusion and financial security of servicemembers, older Americans, traditionally underserved consumers and communities, and students.
- Research and report on the effectiveness of paper and electronic disclosures, as well as issue rules and waivers of rules as appropriate to improve the effectiveness of disclosures.
- Facilitate the collection, monitoring, and response to consumer complaints and inquiries regarding consumer financial products and services.

Investments

PERSONNEL

Maintain strong, expert staff to develop and implement financial education programs, consumer engagement, community partnerships, as well as financial education and special population

¹³ As set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203 (2010), Section 1021(b)(1).

policy and research activities. Maintain sufficient levels of expert staff to answer questions, handle and investigate complaints, and analyze and share data to inform the marketplace and empower consumers to take more control over their financial lives. Maintain sufficient staff to support efficient review of trial disclosure policy (TDP) applications and testing to increase consumer understanding.¹⁴

CONSUMER EDUCATION INITIATIVES

Develop consumer education initiatives on specific topics with targeted information, tools, and action steps that consumers from diverse backgrounds can use to effectively manage their financial lives. Education topics include money management, consumer protection and consumer rights, credit reports, debt management, mortgages, retirement, student loans, building youth financial capability, building financial well-being through financial education, and other money issues. Approaches include delivery of financial education directly to consumers, delivery through community partners, and strengthening the financial education capacity of financial education field. These initiatives focus on achieving broader distribution and use of education resources in more diverse communities.

CONSUMER EXPERIENCE PROGRAM

Gather and integrate insights about consumers' experiences in the financial marketplace into all aspects of the Bureau's work. These insights will inform priority initiatives, identify emerging trends, and build foundational knowledge. A deeper understanding of consumers' experiences helps the Bureau's education, supervision, enforcement, and rulemaking work to better achieve the CFPB's goals. Identify policy and structural changes to remove barriers; improve access, delivery, and safety of financial services; and support and advance key Bureau priorities to serve diverse and vulnerable consumers. Strategies focus on improving access to safe affordable banking services among unbanked and underbanked consumers, improvements to credit reporting systems, and distribution of government benefits like Economic Impact Payments and Unemployment Insurance.

CONSUMER RESPONSE COMPLAINT INTAKE, HANDLING, AND ANALYTICS

Collect, investigate, respond to, and analyze consumer complaints. Provide secure portals for

¹⁴ The Office of Innovation has not granted any TDP waivers since February 1, 2021. New leadership expects to maintain sufficient staff to support the incorporation of a more robust competition lens into the innovation framework.

consumers to track the status of their complaints; for companies to provide responses to complaints; and for other government partners to review complaint information. Enhance the tools used to analyze consumer complaints and company responses to assess the accuracy, timeliness, and completeness of company responses, and to inform the Bureau's primary tools of supervision, rulemaking, education, and enforcement.

CONSUMER RESPONSE CONTACT CENTER

Operate a statutorily mandated toll-free number to answer consumers' questions and intake consumer complaints. Process, route, and respond to consumer correspondence. Due to the ongoing COVID-19 pandemic, the Consumer Resource Centers in New Mexico and Florida remained in 100% telework status in FY 2021.

DISCLOSURE RESEARCH, DESIGN, TESTING, AND IMPLEMENTATION

Conduct and gain expertise in disclosure design and disclosure usability testing. Qualitative research, such as one-on-one interviews and focus groups, enables the Bureau to put forward proposed forms which consumers are more likely to navigate and comprehend. These investments also contribute to initiatives that establish findings or evidence related to disclosure methods.

FINANCIAL EDUCATION RESEARCH

Assess, identify, and share knowledge about effective financial education approaches and tools for financial education practitioners and to inform the Bureau's program design for consumer education resources. This is applied research, with an emphasis on concepts and materials that financial educators can use with the people they serve.

FINANCIAL WELL-BEING AND OTHER TOOLS FOR FINANCIAL EDUCATORS OF ADULTS AND YOUTH

Develop insights into factors - such as specific knowledge, skills, and behaviors - that support consumer financial well-being to incorporate into design of programs and products. Use these factors to enhance financial educators' success in building consumer financial capability.

Develop strategies and techniques for financial education practitioners to promote skills that contribute to financial wellbeing; assist financial educators and others to use the financial well-being scale to measure the effectiveness of their services; and encourage continued research into financial education methods that will enhance and support increased financial well-being.

PUBLIC SERVICE ANNOUNCEMENTS

Augment CFPB's capabilities to inform, educate, and engage people by advancing key priorities through the funding of public service announcements, event sponsorships and social media amplification. This investment will ensure efficient and effective use of those tools including: market research, message testing, analytics and analysis to address ongoing financial issues stemming from the COVID-19 national emergency; Raising consumers' awareness of their right to fair lending and what to do if they feel those rights are violated; Public service announcements to inform and educate consumers of their rights under the CFPB's new debt collection rule; Messages to ensure debt collection agencies are aware of the CFPB's new debt collection rule, how to comply, and consequences of non-compliance; and fostering engagement with the minority small business community to encourage participation in 1071 rulemaking.

SPECIAL POPULATIONS PROGRAMS

Invest in projects that focus on the unique experiences and needs of special populations and implement strategies to help build their financial well-being. These populations include traditionally underserved consumers and those with low-income, young adults, older consumers, servicemembers, and veterans. In this work, the Bureau engages stakeholders to understand emerging challenges and barriers faced by consumers within these population groups and develop efforts to leverage Bureau tools to address those barriers. The Bureau also shares research and promising, evidence-based practices for effective financial education to build financial capability with service providers in the field. An example of this work is the Age-Friendly Banking initiative, which works with stakeholders and financial institutions to improve banking access for older consumers.

Performance goals

The Bureau will assess the progress on achieving objective 1.1 through the following performance goals:

Performance goal 1.1.1: Help people build the knowledge and skills to make money decisions through direct financial education from the Bureau and through community organizations providing other services.

The Bureau continues to offer consumers a variety of information, tools, and programs to assist with financial choices and other money decisions. For FY 2021, offerings on the web and in print focus on specific money topics, including “Ask CFPB,” “Buying a House,” “Planning for

Retirement,” “Paying for College,” “Money as You Grow,” “Disasters and emergencies,” and “Find out your financial well-being.” The CFPB publishes resources and materials in multiple languages to support consumers in languages they are most comfortable. The Bureau created and disseminated content to aid consumers affected by the COVID-19 pandemic; the performance and results of those efforts are described in further detail below.

The Bureau also works to make it easier for people to access financial education in their local communities and to foster a lasting local financial education infrastructure. An important way to do this is by integrating financial education into trusted and established community partners, such as libraries, workplaces, social service organizations, military services, aging services networks, government agencies, and financial institutions. Major community channel initiatives in FY 2020 – FY 2021 include: the *Your Money, Your Goals Program*; the financial educational program used by military recruits, Reserve Officers’ Training Corps and new active duty servicemembers; classroom activities for high school and middle school teachers for building youth financial capability; the Libraries Community Education Program; *Money Smart for Older Adults* and the *Tax-Time Savings Program*. These education options, offered through multiple channels, cover topics that are reflected in frequent topics consumers seek on our web site as well as prevention topics like money management and savings.

Performance measures

TABLE 1.1.1.1: NUMBER OF PEOPLE WHO USE THE BUREAU’S EDUCATIONAL RESOURCES ON WEB AND IN PRINT

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 ¹⁵ | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|-----------------------|---------|---------|---------|
| Target | | NA | 8.7M | 8.0M | 9.0M | 10.0M | 10.0M | 12M |
| Actual | | 15.5M | 9.9M | 12.3M | 16.1M | 19.1M | N/A | N/A |

¹⁵ Measure updated to incorporate web users of COVID-19 response resources into total count of web users accessing consumer educational resources. In the fiscal year 2020 report, the web users accessing COVID-19 response resources were reported separately.

TABLE 1.1.1.2: SATISFACTION RATE FOR USERS OF CFPB'S ONLINE EDUCATIONAL RESOURCES

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|----------|---------|---------|---------|
| Target | | | | | Baseline | 80% | 80% | 80% |
| Actual | | | | | 80% | 83% | N/A | N/A |

TABLE 1.1.1.3: NUMBER OF MAJOR ENTITIES ENGAGED AND ACTIVE IN ENCOURAGING SAVINGS, REDUCING BARRIERS TO SAVINGS, OR INCREASING OPPORTUNITIES TO SAVE (RETIRE AFTER FY 2021)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | 3-5 | 5 | N/A | N/A |
| Actual | | | | | 5 | 0 | N/A | N/A |

TABLE 1.1.1.4: NUMBER OF CONSUMERS WITH ENHANCED OPPORTUNITIES TO SAVE (RETIRE AFTER FY 2021)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | 1.0M | 1.0M | N/A | N/A |
| Actual | | | | | 1.3M | 10,471 | N/A | N/A |

TABLE 1.1.1.5: NUMBER OF STAFF TRAINED WITH LOCAL AND REGIONAL ORGANIZATIONS TO ASSIST THE PEOPLE THAT THEY SERVE WITH FINANCIAL INFORMATION (RETIRE AFTER FY 2021)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | NA | 6,000 | 4,000 | 2,500 | 2,500 | N/A | N/A |
| Actual | | 9,352 | 3,721 | 4,026 | 4,434 | 2,793 | N/A | N/A |

TABLE 1.1.1.6: PERCENTAGE INCREASE IN FRONTLINE STAFF REPORTING AFTER TRAINING THAT THEY ARE VERY OR EXTREMELY CONFIDENT IN DISCUSSING FINANCIAL MANAGEMENT WITH CLIENTS (RETIRE AFTER FY 2021)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | 60% | 60% | N/A | N/A |
| Actual | | | | | 77% | 91% | N/A | N/A |

TABLE 1.1.1.7: PERCENTAGE OF SERVICEMEMBERS (FUTURE AND CURRENT) WHO ACCESSED MISADVENTURES IN MONEY MANAGEMENT (MIMM) WHO SHOWED KNOWLEDGE GAIN (IN ONE OR MORE TOPICS) (RETIRE AFTER FY 2021)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | 15% | 40% | 85% | N/A | N/A |
| Actual | | | | 19.3% | 91% | 92% | N/A | N/A |

Progress update and future action

The CFPB continues to provide people with educational information and tools online, in print, and through trusted and established community partners. Its consumer financial education programs are designed to provide people with actionable information to help them make informed financial decisions to serve their own life goals. As the COVID-19 pandemic continued, the Bureau rapidly expanded information and resources for consumers and industry. Of the over 22 million total unique web users of ConsumerFinance.gov in FY 2021:

- 7 million web users accessed resources and webpages created specifically to address coronavirus related financial concerns, including 4.6 million web users accessing the Bureau's housing portal.
- 8 million web users accessed the Bureau's existing educational tools and resources, an increase of 700,000 users over 2020.
- 6.3 million publications were distributed to consumers, continuing the trend from FY 2020 of a reduction in demand and materials distribution, likely due to COVID-19 public health protocols.

The CFPB published more than 100 consumer education resources to help consumers protect themselves financially during the pandemic. Resources were published in various formats, including blogs, web pages, reports, emails, physical and printable flyers, and videos. Topics covered included mortgage assistance, rental assistance, resources for landlords, accessing government benefits, information on credit reporting, debt collection, student loans, frauds and scams, and more. The Bureau's COVID-19 portal received regular enhancements as legal protections changed, key deadlines shifted, and user research highlighted ways CFPB could improve its offerings to consumers in need, ultimately creating ConsumerFinance.gov's most visited material.

The COVID-19 Housing Insecurity Campaign represents one of the CFPB's most complex, sustained efforts to engage and educate consumers on a single, consistent priority. During FY 2021, the CFPB's housing insecurity efforts expanded into a comprehensive, cross-federal campaign aimed at connecting homeowners and renters facing housing insecurity due to the COVID-19 pandemic with the resources available to help them stay in their homes. Through the CFPB's housing portal, homeowners and renters accessed COVID-19-related housing information, including information on how to engage with servicers and various federal assistance programs. Many of the supporting materials are available in six languages other than English, including Spanish, Traditional Chinese, Vietnamese, Korean, Tagalog, and Arabic. As consumer protections changed due to the actions of federal, state, and local regulators, nearly 350 original translations and updates to translated content were made to ensure those with limited English proficiency had equal access to valuable information. The following are some of the CFPB's consumer education resources:

- “Ask CFPB,” an online educational tool that provides consumers with answers and suggests next steps to common money questions. Since its launch in 2012, the “Ask CFPB” portal has received more than 39 million unique visitors.
- Free publications provide tools and resources to consumers, financial services industry, and other stakeholders. In FY 2021, the CFPB reached 41.7 million print publications and downloads delivered over the life of the program, covering financial education topics ranging from budgeting and bill paying to avoiding fraud against seniors.
- Information and “how-to” guides offered as digital tools on specific money decisions such as borrowing to buy a house, getting an auto loan, paying for college, when to claim social security, and tools and information for parents who want to teach their children about money.
- *Paying for College*, a digital platform that provides tools and resources to help students and former students make informed decisions about financing their college education and repaying their loans. In FY 2021, the Bureau continued working with institutions of higher education, college access advisors, and high school counselors and other K-12 professionals to use the *Your financial path to graduation* web tool with their students. The tool helps prospective borrowers navigate financial aid offers by exploring some important concepts and questions about the short and long-term financial consequences of their aid choices. -The tool also provides tips and money saving strategies for students choosing an institution of higher education and a financial path forward.

- *Your Money Your Goals* (YMYG) offers learning resources and training to enable community providers to help the people they serve develop financial capability knowledge and skills. To date, YMYG has served an estimated 37,000 frontline staff and volunteers nationwide in social service and other types of local service organizations over the life of the program. During FY 2021, the percentage of trained frontline staff reporting high levels of confidence in discussing finances with their clients increased by 91% following training.
- The Tax-time Savings program provides technical assistance to Volunteer Income Tax Assistance (VITA) program tax sites and private tax preparers who wish to encourage savings at tax time. During the 2021 tax season, the Bureau provided training to 64 VITA programs.
- *Misadventures in Money Management* (MiMM) provides a virtual learning experience to deliver financial education content to young servicemembers on how they can avoid costly mistakes in their personal finances. With over 50,000 future and current servicemembers having used the program, 92% participants in FY 2021 scored higher on the post-assessment than on the pre-assessment.
- *Managing Someone Else's Money* (MSEM) are guides that provide practical guidance to the millions of Americans who manage money and property for those who are unable to do so independently. Available for co-branding, the guides allow banks, credit unions, legal services programs, area agencies on aging, and other service providers to add a logo to the covers of the Bureau's booklets by following a few steps listed on our website.

The annual performance measures related to financial education included in this report measure both output and outcomes. Output measures include individuals served, staff trained, and people who use resources developed by the CFPB. Outcome measures - and other measures that go beyond output - include outcomes such as knowledge gain, confidence gain, or savings participation, and customer satisfaction.

In FY 2021, the CFPB deprioritized savings-related initiatives because of the economic challenges caused by COVID-19. As a result, the Bureau is retiring the following savings-related measures - 1.1.1.3 and 1.1.1.4. The CFPB is also retiring measures 1.1.1.5, 1.1.1.1.6, 1.1.1.7 to be replaced with new measures in FY 2022 that better reflect the CFPB's field work on consumer experience, engagement, and rights. These measures can also be found in Appendix A: Historical Measures.

Performance goal 1.1.2: Amplify the effectiveness of financial education for adults and for children.

Financial education's overall goal is to improve financial well-being by helping people make better-informed financial decisions and take financial steps to achieve their own life goals. The Bureau develops and shares information, tools, and knowledge to amplify the reach and effectiveness of financial educators of adults and children. The Bureau has conducted research that has defined what financial well-being is and how to measure it. Current research focuses on how to support financial well-being. The Bureau distributes the results of the financial well-being research to financial educators.

Performance measures

TABLE 1.1.2.1: NUMBER OF TEACHERS REACHED WITH ACTIVITIES FOR CLASSROOM USE

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | 2,000 | 5,000 | 20,000 | 60,000 | 80,000 | 95,000 |
| Actual | | | 2,200 | 13,076 | 50,768 | 79,065 | N/A | N/A |

TABLE 1.1.2.2: NUMBER OF COMMUNITY ORGANIZATIONS AND PRACTITIONERS WHO SIGN-UP TO RECEIVE FINANCIAL EDUCATION RESOURCES TO HELP CONSUMERS (RETIRE AFTER FY 2021)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|----------|---------|---------|
| Target | | | | | | Baseline | N/A | N/A |
| Actual | | | | | | 62,958 | N/A | N/A |

Progress update and future action

The CFPB has provided financial educators with significant research, analysis, and tools on defining and measuring financial well-being, effective practices in financial education, and how children and youth develop the building blocks of adult financial well-being. In FY 2022, the Bureau will continue to develop and share information, tools, and research about how financial education can foster better financial decisions and actions leading to enhanced financial well-being for the general population, older adults, servicemembers, veterans, students, and traditionally underserved consumers. The CFPB will continue to gather input from consumers and stakeholders to better respond to emerging issues and barriers to consumers in the financial marketplace.

For youth financial education, the Building Blocks resources provides CFPB research-based guidance and activities for K-12 educators teaching personal finance skills to children and youth, as well as tools to help educators measure students' progress toward youth financial capability skill building. The Bureau will continue to work with key community partners and influencers, including the Financial Literacy and Education Commission, to conduct and disseminate research and resources to advance youth financial education. For example, the Bureau embedded financial literacy questions based on our Building Blocks developmental model into the High School & Beyond and the CFPB-EverFi Financing Higher Education survey. The High School & Beyond is a national longitudinal study originally funded by the Department of Education's National Center for Education Statistics (NCES) as a part of their longitudinal studies program. The study will follow a nationally representative sample of ninth grade students from the start of high school in the fall of 2021 through the spring of 2024, allowing policymakers and educators to understand the factors associated with successful transitions to high school. The CFPB-EverFi Financing Higher Education survey will be deployed to students who utilize EverFi tools to understand how students and families make decisions around paying for higher education. The CFPB will also continue to develop and share research, knowledge, insights, and tools on how financial educators and families can help children and youth develop financial capability.

The CFPB is retiring measure 1.1.2.2 to be more responsive to consumer policy shifts. This measure can also be found in Appendix A: Historical Measures.

Performance goal 1.1.3: Provide information, guidance, and technical assistance for the underserved to participate in financial services and encourage innovation for inclusion.

To achieve its statutory objectives regarding traditionally underserved consumers, the Bureau engages in research and strategic engagements with stakeholders to gather information on how consumers navigate the financial marketplace and what barriers they experience. The Bureau has conducted research on ways to support saving, address debt, and other effective money management strategies. Additionally, the Bureau provides technical assistance to civic leaders trying to bring more people into the credit reporting system.

Performance measures

TABLE 1.1.3.1: PERCENTAGE OF TAX FILERS AT VITA COHORT SITES OWED A TAX REFUND WHO SAVE A PORTION OF THEIR REFUND (RETIRE AFTER FY 2021)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | NA | 3% | 3% | 3% | N/A | N/A | |
| Actual | | 3% | 4.5% | 3.75% | 1% | N/A | N/A | |

TABLE 1.1.3.2: NUMBER OF STRATEGIC ENGAGEMENTS WITH KEY HIGH-LEVEL STAKEHOLDERS TO IDENTIFY AND UNDERSTAND CHALLENGES FACING SPECIAL POPULATIONS IN THE FINANCIAL MARKETPLACE (NEW MEASURE FOR FY 2022)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | 120 | 140 | |
| Actual | | | | | | N/A | N/A | |

TABLE 1.1.3.3: NUMBER OF REPORTS, ISSUE BRIEFS, OR ADVISORIES ISSUED TO OUTLINE CURRENT OR EMERGING FINANCIAL CHALLENGES FACING SPECIAL POPULATIONS (NEW MEASURE FOR FY 2022)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | 20 | 30 | |
| Actual | | | | | | N/A | N/A | |

Progress update and future action

The CFPB provides financial capability materials, skill-building tools, and programs to serve the needs of the general adult population and those of specific populations alike. Specific populations include servicemembers and veterans, students and young adults, older adults and financial caregivers for seniors, and economically vulnerable people who are traditionally underserved. In FY 2021, the CFPB coordinated with federal partners to provide consumers information and resources about Economic Impact Payments, Child Tax Credits, and unemployment insurance in response to the continuing economic hardship brought on by COVID-19.

Working with the Department of Treasury and the Internal Revenue Service, the CFPB amplified communication outreach for the Economic Impact Payments made available by the

CARES Act, the Consolidated Appropriations Act of 2021, and the American Rescue Plan Act. Following the passage of the CARES Act, the CFPB released a guide for intermediary organizations to help consumers claim their Economic Impact Payment, particularly those who do not normally file taxes. In support of the guide's release, the CFPB engaged in extensive outreach to community-based organizations, local governments and other entities that serve primarily people with lower incomes who may not be required to file tax returns but who were still eligible to receive Economic Impact Payments and needed to take action in order to provide information to the IRS to receive those payments. The CFPB also issued a consumer advisory that highlighted the emerging trend of set-offs of Economic Impact Payment funds by financial institutions to cover an outstanding negative balance. The CFPB continued outreach to community-based organizations and directly to consumers following the issuance of the second and third stimulus payments in December of 2020 and March of 2021. The outreach was focused on increasing enrollment by people with lower incomes who are not required to file tax returns and may not have provided information to the IRS via its non-filers portal in 2020 to receive payments for which they were eligible.

Following the temporary expansion of the Child Tax Credit enacted through American Rescue Plan Act for tax year 2021, the CFPB coordinated with other federal agencies and the White House to support the US Treasury on their implementation of the expansion of the Child Tax Credit. In support of the White House's Child Tax Credit Week outreach events, the CFPB developed and shared educational resources to help eligible families with children know what to do and where to go to claim their credit and how to protect themselves from fraud. This information was translated into several languages and distributed widely through our digital outreach channels, our network of community partners and federal agencies, and through four focused webinars that were well attended.

The CFPB created a designated resource page for direct service providers helping people facing homelessness access stimulus payments. Lastly, the CFPB produced content advising consumers on how to protect against 1099-G unemployment benefits fraud.

The CFPB is retiring measure 1.1.3.1 to be more responsive to consumer policy shifts. This measure can also be found in Appendix A: Historical Measures.

Performance goal 1.1.4: Research and report on the effectiveness of paper and electronic disclosures regarding consumer financial products or

services.

Much of federal consumer protection law rests on the assumption that accurate and effective disclosures help Americans understand the terms of different consumer financial products and services and inform their decision making. The Bureau will research topics related to financial disclosures and information provision to enhance the CFPB's understanding of how disclosures can be most effective in consumer decision-making for financial products and services.

Performance measure

TABLE 1.1.4.1: NUMBER OF INITIATIVES COMPLETED THAT ESTABLISH FINDINGS OR EVIDENCE RELATED TO DISCLOSURE METHODS

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | NA | 1 | 4 | 3 | 2 | 2 | |
| Actual | | 0 | 1 | 2 | 1 | N/A | N/A | |

Progress update and future action

In FY 2021, the Bureau completed one initiative that established findings or evidence related to disclosure methods. In December 2020, the Bureau issued a final rule to implement Fair Debt Collection Practices Act (FDCPA) requirements regarding certain disclosures for consumers. The rule requires debt collectors to provide, at the outset of collection communications, detailed disclosures about the consumer's debt and rights in debt collection, along with information to help consumers respond. As part of the rule, the Bureau developed a model validation notice to clearly communicate important information about a consumer's debt. Before adopting the model validation notice, the Bureau, in conjunction with a contractor, used a mixed-methods approach to test the notice, which included capturing participant insights in addition to participants' answers to task-based probes asking them to identify certain information about the debt and what actions they could take in response to the model validation notice, including their payment and dispute options.

Performance goal 1.1.5: Use disclosure trials and issue rules, as appropriate, to improve the effectiveness of disclosures regarding consumer financial products or services.

Under the Bureau's Policy to Encourage Trial Disclosure Programs, the CFPB can approve companies for case-by-case waivers of limited time and scope from current federal disclosure

laws for those companies to research and test informative, cost-effective disclosures. The companies involved would then share the results of their trial disclosure with the Bureau.¹⁶

Performance measures

TABLE 1.1.5.1: NUMBER OF PROPOSED AND FINAL RULES INTENDED TO IMPROVE CONSUMERS' UNDERSTANDING OF CONSUMER FINANCIAL PRODUCTS AND SERVICES

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | N/A | 1 | 2 | 2 | 1 | 1 | 1 |
| Actual | | 2 | 1 | 1 | 4 | N/A | N/A | N/A |

TABLE 1.1.5.2: NUMBER OF PROTO-APPLICATIONS FOR A TDP WAIVER (RETIRE AFTER FY 2021)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|----------|---------|---------|---------|
| Target | | | | N/A | Baseline | 5 | N/A | N/A |
| Actual | | | | N/A | 2 | 3 | N/A | N/A |

TABLE 1.1.5.3: NUMBER OF APPLICATIONS FOR TDP WAIVER DEEMED TO BE COMPLETE ("FORMAL APPLICATIONS") (RETIRE AFTER FY 2021)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|----------|---------|---------|---------|
| Target | | | | | Baseline | 3 | N/A | N/A |
| Actual | | | | | 0 | 0 | N/A | N/A |

¹⁶ The Office of Innovation has not granted any TDP waivers since February 1, 2021.

TABLE 1.1.5.4: PERCENT OF FORMAL TDP WAIVER APPLICATIONS PROCESSED WITHIN 60 DAYS OF DEEMING THE APPLICATION TO BE COMPLETE (RETIRE AFTER FY 2021)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|----------|-------------------|---------|---------|---------|
| Target | | | | Baseline | Baseline | 90% | N/A | N/A |
| Actual | | | | N/A | N/A ¹⁷ | 0% | N/A | N/A |

Progress update and future action

In FY 2021, the Bureau issued four proposed and final rules intended, in whole or in part, to improve consumers' understanding of consumer financial products and services, including:

- In December 2020, the Bureau issued a final rule implementing the Fair Debt Collection Practices Act (FDCPA), to prescribe federal rules governing certain activities of debt collectors, as that term is defined in the FDCPA. The final rule, among other things, clarifies the information that a debt collector must provide to a consumer at the outset of debt collection communications and provides a model notice containing such information, prohibits debt collectors from bringing or threatening to bring a legal action against a consumer to collect a time-barred debt, and requires debt collectors to take certain actions before furnishing information about a consumer's debt to a consumer reporting agency.
- In April 2021, the Bureau issued an interim final rule to address certain debt collector conduct associated with an eviction moratorium issued by the Centers for Disease Control and Prevention (CDC) to prevent the further spread of COVID-19. The rule amended Regulation F, which implements the FDCPA, to require debt collectors to provide written notice to certain consumers of their protections under the CDC Order's eviction moratorium and to clarify that certain misrepresentations are prohibited.
- In June 2021, the Bureau issued a final rule to amend Regulation X to assist mortgage borrowers affected by the COVID-19 emergency. The final rule establishes temporary procedural safeguards to help ensure that borrowers have a meaningful opportunity to be reviewed for loss mitigation before the servicer can make the first notice or filing required for foreclosure on certain mortgages. In addition, the final rule would

¹⁷ No formal TDP waiver applications were deemed completed in FY 2020.

temporarily permit mortgage servicers to offer certain loan modifications made available to borrowers experiencing a COVID-19-related hardship based on the evaluation of an incomplete application. The Bureau issued the proposed rule in April 2021.

In the Fall 2021 Unified Agenda of Federal Regulatory and Deregulatory Actions (Unified Agenda), which is coordinated by the Office of Management and Budget, the Bureau announced plans to conduct rulemaking that may, in whole or in part, improve consumers' understanding of consumer financial products and services.

- **Consumer Access to Financial Records:** Section 1033 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) provides that, subject to rules prescribed by the Bureau, covered persons must make available to consumers, upon request, transaction data and other information concerning a consumer financial product or service that the consumer obtains from a covered person. Section 1033 also states that the Bureau shall prescribe by rule standards to promote the development and use of standardized formats for information made available to consumers. The Bureau has taken a number of steps to gather information and perspectives from the public, financial institutions, consumer advocacy groups and others concerning current practices with respect to financial data access and data sharing and to learn more about this complex and rapidly-changing market. Most recently, in November 2020, the Bureau published an Advance Notice of Proposed Rulemaking (ANPRM) concerning implementation of section 1033, accepting comments until February 2021. The Bureau is reviewing comments received in response to the ANPRM and is considering those comments, as well as ongoing market monitoring efforts, as it assesses potential next steps.
- **Property Assessed Clean Energy Financing:** Section 307 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA) amended the Truth in Lending Act (TILA) to mandate that the Bureau prescribe certain regulations relating to "Property Assessed Clean Energy" (PACE) financing. As defined in EGRRCPA section 307, PACE financing results in a tax assessment on a consumer's real property and covers the costs of home improvements. The required regulations must carry out the purposes of TILA's ability-to-repay (ATR) requirements, currently in place for residential mortgage loans, with respect to PACE financing, and apply TILA's general civil liability provision for violations of the ATR requirements the Bureau will prescribe for PACE financing. The EGRRCPA directs that such requirements account for the unique nature of PACE financing and specifically authorizes the collection of data and information necessary to support a PACE rulemaking. In March 2019, the Bureau issued an Advance

Notice of Proposed Rulemaking (ANPRM) on PACE financing to facilitate the Bureau's rulemaking process. The Bureau is continuing to engage with stakeholders and collect information for the rulemaking, including by pursuing quantitative data on the effect of PACE on consumers' financial outcomes.

On September 10, 2018, the Office of Innovation proposed creating a Disclosure Sandbox by revising its existing Policy to Encourage Trial Disclosure Programs (TDP Policy). The Bureau has a statutory mandate to ensure that markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation. The final TDP Policy was issued on September 10, 2019. The Office of Innovation has paused processing of TDP applications as of February 1st, 2021 at the request of senior leadership and has not granted any TDP waivers to date.

As a result of policy changes in FY 2021, the Bureau is retiring measures 1.1.5.2, 1.1.5.3, and 1.1.5.4 to reflect a more comprehensive view of innovation as it relates to consumer protection. These measures can also be found in Appendix A: Historical Measures.

Performance goal 1.1.6: Handle consumer questions.

The Bureau handles consumer questions about consumer financial products and services, as well as questions about complaints, by telephone.

Performance measure

TABLE 1.1.6.1: PERCENTAGE OF CONSUMERS SATISFIED WITH TELEPHONE EXPERIENCE

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--------|---------|----------|---------|---------|---------|---------|---------|---------|
| Target | | Baseline | 90% | 90% | 90% | 90% | 90% | 90% |
| Actual | | 91.7% | 91% | 92% | 92% | N/A | N/A | |

Progress update and future action

In FY18, Bureau's Office of Consumer Response began to measure consumers' satisfaction with their telephone experiences with the contact center to establish a satisfaction baseline. In FY 2021, 92% of respondents rated their experience with the contact center as satisfactory.

Performance goal 1.1.7: Facilitate timely response to consumer

complaints by companies.

The Bureau facilitates timely response to consumer complaints by companies through a secure, web-based company portal. The Bureau uses this portal to route complaints to companies for review and response to protect consumer and company privacy. The portal includes a user-friendly interface that allows companies to receive, review, and respond to consumer complaints, and to access and analyze data associated with those complaints.

Performance measures

TABLE 1.1.7.1: NUMBER OF DAYS TO ROUTE COMPLAINTS TO COMPANY

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | 2 days |
| Actual | < 1 day | < 1 day | <1 day | 1 day | 1 day | <1 day | N/A | N/A |

TABLE 1.1.7.2: PERCENTAGE OF COMPANY RESPONSES THAT ARE TIMELY

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | 97% | 97% | 97% | 97% | 97% | 97% |
| Actual | | | 99% | 99% | 99% | 99% | N/A | N/A |

Progress update and future action

Consumer Response reports the percentage of complaints that receive a timely response when routed through the company portal. In FY 2021, 99% of complaints routed to companies through the company portal received a timely response.

Performance goal 1.1.8: Analyze consumer complaint data

Analyzing consumer complaints helps the Bureau regulate consumer financial products and services under existing federal consumer financial laws, enforce those laws judiciously, and educate consumers.

Performance measure

TABLE 1.1.8.1: PERCENTAGE OF COMPANIES ANALYZED ON RESPONSE PERFORMANCE (ABOVE THRESHOLD)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | 78% | 82% | 83% | 85% | 85% | 85% | 85% |
| Actual | | 90% | 100% | 98% | 97% | N/A | N/A | N/A |

Progress update and future action

Consumer Response's monitoring and analysis of complaints inform the Bureau's use of its primary tools – education, regulation, supervision, and enforcement. Complaints play an integral role in how the Bureau uses its tools and provide transparency for the marketplace through the public Consumer Complaint Database. In 2021, the CFPB continued to support the data visualization and trend analytics tools to the database, making it easier for consumers, researchers, advocates, and other stakeholders, including financial companies, to explore the data at a glance in a clearer and more powerful interface.

Objective 1.2

Regularly identify and address outdated, unnecessary, or unduly burdensome regulations in order to reduce unwarranted regulatory burdens.¹⁸

Objective leader: Associate Director of Research, Markets, and Regulations

Strategies and investments

Strategies

- Obtain input and feedback with respect to existing regulations, alternative approaches to

¹⁸ As set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203 (2010), Section 1021(b)(3).

regulation, and alternatives to regulation.

- Conduct empirical assessments to evaluate the effectiveness of significant Bureau rules in achieving the purposes and objectives of title X of the Dodd-Frank Act as well as the specific goals stated by the Bureau.
- Periodically review individual regulations (or parts of regulations) to identify opportunities for clarification, modernization, and streamlining.
- Engage in rulemaking where appropriate to address unwarranted regulatory burdens.

Investments

PERSONNEL

Maintain the capacity to conduct rulemaking activities and identify regulatory burden; maintain the expertise necessary to monitor developments in consumer financial markets and to gather market intelligence related to regulatory burden; and retain the economists and other researchers necessary to conduct cost-benefit analysis, estimate burden and cost savings, and to conduct other policy-relevant analysis.

Performance goals

The Bureau will assess its progress toward achieving objective 1.2 through the following performance goals:

Performance goal 1.2.1: Conduct an assessment of significant rules adopted by the Bureau and review regulations to identify opportunities to reduce unwarranted regulatory burdens

The Bureau regularly seeks to identify regulations that are outdated, unnecessary, or otherwise create unwarranted regulatory burden. The Bureau also recognizes that markets for financial products and services are continuously evolving. In order for consumers to realize the full benefit of this innovation, the regulatory landscape must also evolve. Rules that are outdated, no longer necessary, or otherwise impose unwarranted regulatory burden need to be regularly identified as candidates for deregulatory actions.

Performance measure

TABLE 1.2.1.1: NUMBER OF ASSESSMENTS AND REGULATORY REVIEWS COMPLETED WITHIN STATUTORY DEADLINE

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | NA | 3 | 1 | 1 | 0 | 1 | |
| Actual | | NA | 3 | 1 | 2 | N/A | N/A | |

Progress update and future action

The Bureau met its FY 2021 target of completing one regulatory review within the statutory deadline. Section 1022(d) of the Dodd-Frank Act requires the Bureau to conduct an assessment of each of its significant rules and orders and to publish a report of each assessment within five years of the effective date of the rule or order. An assessment evaluates a rule's effectiveness in meeting its stated goals and the purposes and objectives of the Dodd-Frank Act and must reflect available evidence and any data that the Bureau reasonably may collect. The Bureau must also invite public comment on recommendations for modifying, expanding, or eliminating the rule.

In FY 2021, the Bureau published one assessment report regarding the TRID Integrated Disclosure Rule (the Truth in Lending Act and Real Estate Settlement Procedures Act). The assessment found that the TRID Rule made progress towards several of its goals. The evidence available for the assessment indicated that the TRID Rule improved consumers' ability to locate key information, compare terms and costs between initial disclosures and final disclosures, and compare terms and costs across mortgage offers. Evidence was mixed, but leaned positive, regarding whether the Rule improved consumer understanding of forms.

In November 2021, the Bureau announced it is conducting a voluntary assessment of the HMDA final rule the Bureau issued in October 2015 and related amendments to evaluate the effectiveness of the HMDA rule in meeting its stated goals and the purposes and objectives of the Dodd-Frank Act. This assessment is scheduled to be completed by January 1, 2023.

The Regulatory Flexibility Act (RFA) also requires the Bureau to consider the effect on small entities of certain rules it promulgates. In May 2019, the Bureau published its plan for conducting reviews, consistent with section 610 of the RFA, of certain regulations that are believed to have a significant impact on a substantial number of small entities. Congress specified that the purpose of these reviews is to determine whether such rules should be continued without change, or should be amended or rescinded, consistent with the stated

objectives of the applicable statutes, to minimize any significant economic impact of the rules upon a substantial number of such small entities. In August 2020, the Bureau commenced its RFA section 610 review of Regulation Z rules that implement the Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act). Specifically, the Bureau reviewed an interim final rule and three final rules published by the Board from July 2009 to April 2011. After considering the statutory review factors and public comments, the Bureau determined that, within the context of this RFA section 610 review, the CARD Act rules should continue without change at this time. The Bureau found that there is a continued need for the CARD Act rules to protect consumers given Congress's purpose in adopting the CARD Act provisions, and these rules do not overlap with other federal or state rules. The Bureau also found the CARD Act rules to be complex; however, this complexity likely results from the complexity of the CARD Act provisions themselves and pricing on credit card accounts generally. Additionally, while some commenters requested changes to the CARD Act rules, most of these changes would not reduce the significant economic impact upon a substantial number of small entities (SISNOSE) in a meaningful way. For the requested changes that would likely reduce the SISNOSE, the Bureau found these changes would be inconsistent with the purposes of the CARD Act.

The Bureau will not have an assessment of its significant rules or an RFA review due in FY 2022.

Performance goal 1.2.2: Engage in rulemaking, where appropriate, to address outdated, unnecessary, or unduly burdensome regulations.

As the Bureau identifies regulations that are or may be outdated, unnecessary or otherwise imposing unwarranted regulatory burden, the Bureau will establish priorities for rulemaking activity to address such burdens and will engage in rulemaking to address the source of such burdens.

Performance measures

TABLE 1.2.2.1: NUMBER OF PROPOSED AND FINAL RULES TO REDUCE REGULATORY BURDEN¹⁹ (RETIRE AFTER FY21)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | NA | 3 | 2 | 2 | N/A | N/A | |
| Actual | | 4 | 4 | 5 | 2 | N/A | N/A | |

TABLE 1.2.2.2: ESTIMATED PERCENT OF BURDEN REDUCED BY FINAL RULES COMBINED OR BY EACH FINAL RULE TO REDUCE REGULATORY BURDEN (RETIRE AFTER FY21)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|----------|---------|---|--------------------------|---------|---------|---------|
| Target | | Baseline | 10% | 10% | 10% | N/A | N/A | |
| Actual | | NA | 13.4% | 3 – 17% ²⁰ 95% 18 – 31% 7 – 10% | 95% 20% ²¹ | N/A | N/A | |

Progress update and future action

In FY 2021, the Bureau finalized two rules, intended, in part, to reduce regulatory burden.

- **Qualified Mortgage Definition under the Truth in Lending Act (Regulation Z): Seasoned QM Loan Definition:** In December 2020, the Bureau issued a final rule to create a new category of Qualified Mortgages (Seasoned QMs) for first-lien, fixed-rate covered transactions that have met certain performance requirements, are held in portfolio by the originating creditor or first purchaser for a 36-month period, comply with general restrictions on product features and points and fees, and meet certain

¹⁹ Both proposed and final rules are considered under this measure, but a proposed rule and the finalization the same rule will not be double counted.

²⁰ This table reflects a cost-benefit analysis of the Remittance Transfers under the Electronic Fund Transfer Act (Regulation E), Payday, Vehicle Title, and Certain High-Cost Installment Loans—Revocation Rule, Home Mortgage Disclosure (Regulation C) – 2019 Final Rule, and Home Mortgage Disclosure (Regulation C).

²¹ This table reflects a cost-benefit analysis of the Qualified Mortgage Definition under the Truth in Lending Act (Regulation Z): Seasoned QM Loan Definition and Debt Collection Practices (Regulation F subpart B). Please see the “Progress update and future action” section for more details.

underwriting requirements. The Bureau's stated objective with the final rule was to ensure access to responsible, affordable mortgage credit by relieving the industry burden of potential litigation costs.

- **Debt Collection Practices (Regulation F subpart B):** Burden reduction to the industry resulting from this rule is primarily a result of increased clarity about FDCPA requirements for debt validation notices. Debt collectors face litigation risk associated with the validation notices they send, reflecting, in part, conflicting court decisions about what language is required and what language is permitted in the notices. The Bureau estimates that the increased clarity would reduce by 20% the industry burden of processing debt collection disputes.

The Bureau is retiring the following measures – 1.2.2.1 and 1.2.2.2. These measures can also be found in Appendix A: Historical Measures.

Objective 1.3

Ensure that markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation.²²

Objective leaders: Associate Director, Research, Markets, and Regulations; Associate Director, Consumer Education and External Affairs; Assistant Director, Office of Innovation

Strategies and investments

The following strategies and investments have been put in place to help the Bureau achieve objective 1.3.

Strategies

- Effectively monitor consumer financial markets, and rigorously study and report on consumer decisions and outcomes.
- Engage in rulemaking or other activities where appropriate to respond to emerging

²² As set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203 (2010), Section 1021(b)(5).

markets and products, changes in market conditions, or innovation.

- Pursue an efficient, transparent, and inclusive approach to developing or revising regulations.
- Carefully evaluate the potential benefits and costs of contemplated regulations.
- Provide financial institutions, service providers, and other entities with tools and resources to support implementation and compliance with consumer financial protection laws.
- Gather input from stakeholders on the Bureau’s policies and operations.

Investments

PERSONNEL

Maintain the capacity to conduct rulemaking activities, provide interpretive guidance, publish regulatory implementation materials, issue advisory opinions, and provide industry with other implementation support; maintain the expertise necessary to monitor developments and trends in consumer financial markets; maintain the staff levels necessary to advance a robust innovation agenda across multiple avenues; and employ economists and other researchers to conduct benefit-cost analysis and other policy-relevant research.

HMDA OPERATIONS

Use the HMDA Operations budget to develop, maintain, and improve the HMDA Platform, the system by which financial institutions submit data to the Bureau under the HMDA. This data set is a key resource used by financial regulators, researchers, and industry. The Bureau administers the HMDA Platform on behalf of the FFIEC.

NATIONAL MORTGAGE DATABASE

Use the National Mortgage Database, a comprehensive repository of detailed mortgage loan information, to support the agencies’ policymaking and research efforts, and to help regulators and the mortgage industry better understand emerging mortgage and housing market trends. It is a joint project with the Federal Housing Finance Agency (FHFA).

OTHER MARKET DATA

Invest in commercially vended data and gather data from other sources. Analyses from these

data resources are foundational to the CFPB's policy work and also contribute to evidence-based market research. These data include the Bureau's Consumer Credit Panel, through which the Bureau releases the Consumer Credit Trends, which captures recent developments in consumer credit markets.

PRIMARY DATA COLLECTION

Conduct primary data collections through field tests, controlled trials in laboratory settings, and surveys to inform policymaking and build foundational knowledge about how consumers make financial decisions.

Performance goals

The CFPB will assess its progress on achieving objective 1.3 through the following performance goals:

Performance goal 1.3.1: Issue rules, where appropriate, implementing federal consumer financial laws through a timely and inclusive process.

The Bureau has prioritized putting in place consumer protection regulations where appropriate, including those implementing statutory requirements, in a timely and inclusive manner.

Timeliness is important because it increases certainty about the rules of the road, which allows market participants to plan for the longer term. For this reason, the Bureau believes that completion of its own regulatory proposals within nine months of the close of the final public comment period is a good measure of whether it is meeting this goal.

The Regulatory Flexibility Act, as amended by the Small Business Regulatory Enforcement Fairness Act (SBREFA) and the Dodd-Frank Act, requires the Bureau to convene a Small Business Review Panel before proposing a rule that will have a significant economic effect on a substantial number of small entities. Other public outreach efforts, such as meetings with consumers and industry stakeholders in the development of a proposal, inform and otherwise assist the Bureau in crafting more effective rules.

Performance measures

TABLE 1.3.1.1: PERCENTAGE OF PROPOSED RULEMAKINGS FINALIZED OR OTHERWISE RESOLVED WITHIN NINE MONTHS OF THE DUE DATE FOR RECEIPT OF FINAL PUBLIC COMMENTS.²³

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% |
| Actual | 100% | 88% | 60% | 100% | 75% | 100% | N/A | N/A |

TABLE 1.3.1.2: PERCENTAGE OF INDUSTRY SBREFA PARTICIPANTS REPORTING POSITIVE FEEDBACK OF THE SBREFA PROCESS ON USER SURVEYS

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|----------|----------|----------|---------|---------|
| Target | | | | Baseline | Baseline | Baseline | 80% | 80% |
| Actual | | | | N/A | N/A | 92% | N/A | N/A |

Progress update and future action

In FY 2021 the Bureau issued seven final rules that were informed by public comment:

- In 2013, the Bureau established a category of Temporary Government-Sponsored Enterprises (GSE) Qualified Mortgage (QM) Loans as a temporary measure that would expire with respect to each GSE on the date that GSE exits conservatorship, or on January 10, 2021, whichever came first. On October 20, 2020, the Bureau amended Regulation Z to replace the January 10, 2021 sunset date of the Temporary GSE QM loan definition with a provision stating that the Temporary GSE QM loan definition will be available only for covered transactions for which the creditor receives the consumer's application before the mandatory compliance date of final amendments to the General QM loan definition in Regulation Z. The Bureau released a proposed rule on June 22, 2020 and the proposal was published in the Federal Register on July 10, 2020. The comment period closed on August 10, 2020. The rule was finalized within nine months of the due date for receipt of final

²³ This measure does not include interagency rulemakings, rulemakings inherited from the Board, and rulemakings on which the Bureau expects to do further quantitative research following the receipt of public comments.

comments. The Bureau received approximately 29 comments on the proposal from industry, consumer advocates, and others.

On December 10, 2020, the Bureau issued a final rule to create a new category of QMs (Seasoned QMs) for first-lien, fixed-rate covered transactions that have met certain performance requirements, are held in portfolio by the originating creditor or first purchaser for a 36-month period, comply with general restrictions on product features and points and fees, and meet certain underwriting requirements. The Bureau's primary objective with the final rule is to ensure access to responsible, affordable mortgage credit by adding a Seasoned QM definition to the existing QM definitions. The Bureau released a proposed rule on August 18, 2020 and the proposal was published in the Federal Register on August 28, 2020. The comment period was set to close on September 28, 2020. On September 24, 2020, the Bureau extended the comment period for the proposal until October 1, 2020. The rule was finalized within nine months of the due date for receipt of final comments. In response to the proposal, the Bureau received around 40 comments from consumer advocate groups, industry participants, industry trade associations, other nonprofit organizations, a member of Congress, and others.

On December 10, 2020, the Bureau also finalized a rule to amend the General QM loan definition in Regulation Z. Among other things, the final rule removes the General QM loan definition's 43 percent debt-to-income limit and replaces it with price-based thresholds. The Bureau released a proposed rule on June 22, 2020 and the proposal was published in the Federal Register on June 29, 2020. The comment period closed on September 8, 2020. The rule was finalized within nine months of the due date for receipt of final comments. The Bureau received approximately 75 comments in response to the proposal from industry, consumer advocates, and others.

- In FY 2021, the Bureau issued two final rules related to debt collection. On October 30, 2020, the Bureau revised Regulation F, 12 CFR part 1006, which implements the Fair Debt Collection Practices Act (FDCPA), to prescribe Federal rules governing the activities of debt collectors, as that term is defined in the FDCPA. The final rule addresses, among other things, communications in connection with debt collection and prohibitions on harassment or abuse, false or misleading representations, and unfair practices in debt collection. Then on December 18, 2020, the Bureau issued a final rule that clarifies the information that a debt collector must provide to a consumer at the outset of debt collection communications and provides a model notice containing such information, prohibits debt collectors from bringing or threatening to bring a legal action against a consumer to collect a time-barred debt, and requires debt collectors to take certain actions before furnishing information

about a consumer's debt to a consumer reporting agency.

The Bureau released a proposal on May 7, 2019; an extension of the comment period on August 2, 2019; a supplemental proposal and an extension of the comment period on March 3, 2020; and an additional extension of the comment period on May 21, 2020. The last comment period closed on August 4, 2020. The rules were finalized within nine months of the due date for receipt of comments. Across the proposals, the Bureau received over 14,000 comments from consumers, consumer groups, members of Congress, other government agencies, creditors, debt collectors, industry trade associations, and others.

As issued, the final rules mentioned above have an effective date of November 30, 2021. On April 7, 2021, the Bureau issued a proposal to delay that effective date by sixty days, until January 29, 2022. The Bureau withdrew that proposal on September 1, 2021. The comment period for the proposal closed on May 19, 2021. The rule was resolved within nine months of the due date for receipt of comments. The Bureau received around 20 comments, from industry trade associations, consumer advocates, and others.

- On January 19, 2021, the Bureau issued a final rule to amend Regulation Z, which implements the Truth in Lending Act, as mandated by section 108 of the Economic Growth, Regulatory Relief, and Consumer Protection Act. The amendments exempt certain insured depository institutions and insured credit unions from the requirement to establish escrow accounts for certain higher-priced mortgage loans. The Bureau released a proposed rule on July 2, 2020 and the proposal was published in the Federal Register on July 22, 2020. The comment period closed on September 21, 2020. The rule was finalized within nine months of the due date for receipt of final comments. The Bureau received about 20 comments on the proposal from individual banks and credit unions, as well as State, regional and national trade associations representing banks and credit unions, and others. There were also two anonymous comments.
- On April 27, 2021, the Bureau issued a final rule to delay until October 1, 2022 the mandatory compliance date for the final rule titled Qualified Mortgage Definition under the Truth in Lending Act (Regulation Z): General QM Loan Definition (General QM Final Rule). The Bureau took this action to help ensure access to responsible, affordable mortgage credit and to preserve flexibility for consumers affected by the COVID-19 pandemic and its economic effects. On March 3, 2021, the Bureau released a proposal for public comment. The comment period closed on April 5, 2021. The rule was finalized within nine months of the due date for receipt of final comments. The Bureau received approximately 31 comments on the proposal from industry, consumer advocates, trade

associations, and consumer groups, and others.

- On June 28, 2021, the Bureau issued a final rule to amend Regulation X to assist mortgage borrowers affected by the COVID-19 emergency. The final rule establishes temporary procedural safeguards to help ensure that borrowers have a meaningful opportunity to be reviewed for loss mitigation before the servicer can make the first notice or filing required for foreclosure on certain mortgages. In addition, the final rule would temporarily permit mortgage servicers to offer certain loan modifications made available to borrowers experiencing a COVID-19-related hardship based on the evaluation of an incomplete application. The Bureau has also finalized certain temporary amendments to the early intervention and reasonable diligence obligations that Regulation X imposes on mortgage servicers. On April 5, 2021, the Bureau issued a proposed rule for public comment. The comment period closed on May 10, 2021. The rule was finalized within nine months of the due date for receipt of final comments. The Bureau received approximately 220 comments in response to the proposal from individual consumers, consumer advocate commenters, State Attorneys General, industry, and others.

The Bureau also issued rules that were interim, procedural, or corrective and did not require notice and comment. Most of these rules consequently became effective immediately upon publication in the *Federal Register* or within 30 days of publication in the *Federal Register* and were not subject to this performance measure.

The Small Business Regulatory Enforcement Fairness Act (SBREFA) of 1996 created Small Business Advocacy Review panels (SBREFA Panel) which certain agencies must convene prior to proposing rules that would have a substantial effect on a significant number of small entities. On October 15, 2020, the Bureau convened a SBREFA Panel for its section 1071 rulemaking. The panel is comprised of a representative from the Bureau, the Chief Counsel for Advocacy of the Small Business Administration, and a representative from the Office of Information and Regulatory Affairs in the Office of Management and Budget. The panel collects advice and recommendations from representatives of small entities that are likely to be subject to the regulation that the Bureau is considering proposing. After conducting the panel, the Bureau surveyed industry participants about the SBREFA Panel to which 92% of participants expressed satisfaction with the process.

Performance goal 1.3.2: Support industry implementation of new and existing rules.

The Bureau makes it a priority to support and assist industry regulatory implementation efforts. For each substantive rule it issues, the Bureau provides substantial implementation support through a variety of mechanisms, including: making available on its website free-standing implementation aids, such as small entity compliance guides or other similar guides, summaries, charts, other resources; conducting webinars; engaging in outreach with financial institutions and their vendors to understand and discuss implementation challenges; and providing informal guidance to institutions.

Performance measures

TABLE 1.3.2.1: PERCENTAGE OF SMALL ENTITY COMPLIANCE GUIDES RELEASED OR UPDATED WITHIN 90 DAYS OF PUBLICATION OF THE RULE IN THE FEDERAL REGISTER

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | 75% | 75% | 75% | 75% | 75% | 75% | 75% |
| Actual | | 83% | 100% | 100% | 100% | N/A | N/A | |

TABLE 1.3.2.2: NUMBER OF IMPLEMENTATION COMPLIANCE AIDS AND TOOLS PUBLISHED

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | 8 | 15 | 20 | 25 | 25 | 25 | 25 |
| Actual | | 25 | 24 | 38 | 33 | N/A | N/A | |

TABLE 1.3.2.3: NUMBER OF INTERNET PAGEVIEWS AND DOWNLOADS OF REGULATORY IMPLEMENTATION MATERIALS AND OTHER ONLINE SUPPORT MATERIALS FROM THE BUREAU'S WEBSITE (INTERNET PAGEVIEWS/ DOWNLOADS)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|----------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Target | | | Baseline | 950,000/ 220,000 | 950,000/ 220,000 | 950,000/ 220,000 | 950,000/ 220,000 | 950,000/ 220,000 |
| Actual | | | | 918,754/ 214,754 | 821,107/ 188,628 | 998,431/ 270,163 | 781,199/ 210,767 | N/A |

TABLE 1.3.2.4: NUMBER OF WRITTEN RESPONSES TO INFORMAL GUIDANCE INQUIRIES PUBLISHED VIA IMPLEMENTATION AIDS

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|----------|---------|---------|---------|---------|---------|
| Target | | NA | Baseline | 10 | 10 | 10 | 10 | 10 |
| Actual | | NA | 10 | 12 | 11 | N/A | N/A | |

TABLE 1.3.2.5: PERCENTAGE OF INDUSTRY PARTICIPANTS REPORTING POSITIVE FEEDBACK OF IMPLEMENTATION AND GUIDANCE MATERIALS ON USER SURVEYS

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|----------|---------|---------|---------|---------|---------|
| Target | | NA | Baseline | 70% | 75% | 75% | 75% | 75% |
| Actual | | NA | 66% | 75% | 60.5% | N/A | N/A | |

TABLE 1.3.2.6: THE PERCENTAGE OF HMDA REGULATORY GUIDANCE INQUIRIES ANSWERED WITHIN PRESCRIBED TIMEFRAME

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|----------|---------|---------|---------|
| Target | | | | | Baseline | 85% | 85% | 85% |
| Actual | | | | | 84% | 91% | N/A | N/A |

Progress update and future action

For FY 2021, the CFPB published implementation materials to assist industry in implementation and compliance with new and revised rules. Below are some examples.

- In September 2021, the Bureau issued a proposed rule amending Regulation B to implement changes to ECOA made by section 1071 of the Dodd-Frank Act. To assist the public in considering the proposed rule, the Bureau published a Summary of the Proposal and a Data Points Chart.
- In April 2021, the Bureau issued an interim final rule to address certain debt collector conduct associated with an eviction moratorium issued by the CDC to prevent the further spread of COVID-19. The rule amended Regulation F, which implements the FDCPA, to require debt collectors to provide written notice to certain consumers of their protections under the CDC Order's eviction moratorium and to clarify that certain

misrepresentations are prohibited. To assist industry with implementation of the interim final rule, the Bureau published “Fast Facts” about the rule and Sample Disclosure Language.

- The Bureau published or updated Small Entity Compliance Guides for the Qualified Mortgage rules, Debt Collection rules, Mortgage Servicing, HMDA, and the Truth in Lending Act Higher-Priced Mortgage Loans Escrow Rule.
- Interactive Bureau Regulations: The Bureau continues to develop and update online tools to support industry compliance efforts, including its Interactive Bureau Regulations platform. The Interactive Bureau Regulations platform presents regulation text and commentary in an online format that allows users to navigate easily between sections of both the regulation text and commentary and facilitates comparisons of different versions of a regulation.

In FY 2022, the Bureau will continue to publish implementation aids to assist industry with the implementation and compliance with existing rules. Additionally, the Bureau issued more written guidance on the Bureau’s rules in response to inquiries received from the public. In particular, the Bureau is providing written guidance to the public (e.g., FAQs or other appropriate vehicles) in response to questions of general applicability that arise through individual requests for guidance under Bureau rules.

To capture satisfaction with the Bureau’s implementation and guidance materials, the Bureau gathers feedback from industry through a user survey. The survey was first implemented in August of 2019. In FY 2021, 60.5% of industry respondents were generally satisfied with regulatory implementation materials and other online support materials from the Bureau’s website.

In FY 2020, the Bureau introduced a new measure related to the timeliness of HMDA Help guidance inquiries, which comprise the largest share of regulatory guidance inquiries. The Bureau monitors service levels and tracks the percentage of HMDA regulatory guidance inquiries answered within the Bureau’s prescribed timeframes. During FY 2021, the Bureau responded to 91% of inquires within the prescribed timeframe.

Performance goal 1.3.3: Facilitate compliance with statutes and regulations within the Bureau’s jurisdiction by means of innovation policies.

To facilitate access to innovative products and services that may benefit consumers, the Bureau issued a revised Policy on No-Action Letters (NAL Policy) and the Policy on the Compliance

Assistance Sandbox (CAS Policy). Entities with innovative products and services facing regulatory uncertainty can apply for a NAL under the NAL Policy or an approval under the CAS Policy. By reducing such uncertainty and facilitating compliance, NALs and approvals are designed to help enable the offering of innovative products or services to consumers. Each policy is also designed to increase Bureau coordination with other federal and state regulators on innovation matters.

Performance measures

TABLE 1.3.3.1: NUMBER OF COMPLIANCE ASSISTANCE SANDBOX PROTO-APPLICATIONS (RETIRE AFTER FY 2021)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|----------|---------|---------|---------|
| Target | | | | | Baseline | 6 | N/A | N/A |
| Actual | | | | | 4 | 9 | N/A | N/A |

TABLE 1.3.3.2: NUMBER OF COMPLIANCE ASSISTANCE SANDBOX APPLICATIONS DEEMED TO BE COMPLETE (“FORMAL APPLICATIONS”) (RETIRE AFTER FY 2021)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|----------|---------|---------|---------|
| Target | | | | | Baseline | 4 | N/A | N/A |
| Actual | | | | | 1 | 0 | N/A | N/A |

TABLE 1.3.3.3: PERCENT OF FORMAL COMPLIANCE ASSISTANCE SANDBOX APPLICATIONS PROCESSED WITHIN 60 DAYS OF DEEMING TO BE COMPLETE (RETIRE AFTER FY 2021)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|----------|---------|---------|---------|
| Target | | | | | Baseline | 90% | N/A | N/A |
| Actual | | | | | 100% | 0% | N/A | N/A |

TABLE 1.3.3.4: NUMBER OF NO-ACTION LETTER PROTO-APPLICATIONS (RETIRE AFTER FY 2021)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|----------|---------|---------|---------|
| Target | | | | | Baseline | 10 | N/A | N/A |
| Actual | | | | | 10 | 2 | N/A | N/A |

TABLE 1.3.3.5: NUMBER OF NO-ACTION LETTER APPLICATIONS DEEMED TO BE COMPLETE (“FORMAL APPLICATION”) (RETIRE AFTER FY 2021)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|----------|---------|---------|---------|
| Target | | | | | Baseline | 7 | N/A | N/A |
| Actual | | | | | 5 | 0 | N/A | N/A |

TABLE 1.3.3.6: PERCENT OF FORMAL NO-ACTION LETTER APPLICATIONS PROCESSED WITHIN 60 DAYS OF DEEMING TO BE COMPLETE (RETIRE AFTER FY 2021)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|----------|---------|---------|---------|
| Target | | | | | Baseline | 90% | N/A | N/A |
| Actual | | | | | 80% | 0% | N/A | N/A |

TABLE 1.3.3.7: MONTHLY AVERAGE NUMBER OF INNOVATION-FOCUSED ENGAGEMENTS WITH EXTERNAL STAKEHOLDERS AND REGULATORY PEERS

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|----------|---------|---------|---------|
| Target | | | | | Baseline | 30 | 30 | 30 |
| Actual | | | | | 32 | 31 | N/A | N/A |

Progress update and future action

In FY 2018, the Bureau created the Office of Innovation (OI) to focus on encouraging consumer-beneficial innovation. The Bureau has a statutory mandate to promote competition, innovation, and consumer access within financial services. To fulfill this mandate, the Bureau, through OI, issued policies to facilitate innovation and reduce regulatory uncertainty and processed applications under those policies; engaged with a diverse array of stakeholders; and coordinated with other federal, state, and international regulators.

In late 2018, the Bureau proposed and sought public comment on: a revised Policy on No-Action Letters; a revised Policy to Encourage Trial Disclosure Programs; and a new Policy on the Compliance Assistance Sandbox. Approximately 30 comments were received on each proposal from a broad range of stakeholders. The final version of each policy was issued on September 10,

2019.²⁴ The Bureau granted six applications in FY 2020. The Bureau paused assessment of applications and issuance of approvals for all three policies on February 1, 2021 at the request of senior leadership during the transition to a new permanent director.

Since issuance of the policies, OI has received numerous inquiries from a broad range of companies interested in applying under one or more of the policies. As of November 2021, OI has 23 applications at varying levels of completeness. These include a number of Compliance Assistance Sandbox applications from Earned Wage Access providers, a No Action Letter to expand access to housing counseling, and an “opt-out” emergency auto-savings program.

OI has also conducted an active engagement schedule with external stakeholders about the content and potential use of the policies and related innovation initiatives. This engagement includes speaking at conferences and giving presentations to and meeting with trade associations, individual regulated entities, consumer groups, civil rights organization, and other federal, state, and international regulators. It also includes meetings and engagement with potential applicants as well as innovators in the areas under the Bureau’s jurisdiction. In FY 2021, the Bureau hosted joint office hours with the Colorado Attorney General’s Office through American Consumer Financial Innovation Network (ACFIN). On March 29, 2021 the Bureau joined with the Board of the Federal Reserve System, Federal Deposit Insurance Corporation, National Credit Union Administration, and the Office of the Comptroller of the Currency to gather information and comments on financial institutions’ use of artificial intelligence (AI), including machine learning (ML). The purpose of this request for information (RFI) is to understand respondents’ views on the use of AI by financial institutions in their provision of services to customers and for other business or operational purposes; appropriate governance, risk management, and controls over AI; and any challenges in developing, adopting, and managing AI. The Office of Innovation has been working with other Bureau offices to review these comments and develop next steps to provide more clarity on the use of AI models.

The Bureau expanded initiatives to facilitate innovation through coordination with regulators in FY 2021. The Bureau became a Coordinating Group Member of the Global Financial Innovation Network (GFIN) in FY 2019, which enables it to participate in setting the overall direction, strategy, and work of GFIN, and recently, the Bureau signed on to another two-year term as a Coordinating member. OI represents the Bureau in various GFIN meetings and leads its

²⁴ See “CFPB Issues Policies to Facilitate Compliance and Promote Innovation”
<https://www.consumerfinance.gov/about-us/newsroom/bureau-issues-policies-facilitate-compliance-promote-innovation/>

participation in two GFIN Workstreams: Regulatory Technology/Supervisory Technology and Cross-Border Testing. Domestically, the Bureau created the ACFIN in FY 2019 and has increased ACFIN membership to 24 members at the end of FY 2021.

Finally, the Bureau opened a new Tech Sprint workstream in FY 2020 with its first Tech Sprint held at the beginning of FY 2021. Tech Sprints are week-long, hackathon-style events that focus on a single issue of importance to the Bureau. The Bureau held two week-long tech sprints in October 2020 and March 2021 focusing on innovative ways to electronically deliver adverse action notices and improving processing and publication of HMDA data collection. In August 2021, CFPB launched a twelve-week-long tech sprint to combat housing insecurity in collaboration with the Census Bureau's Opportunity Project, HUD, and the Department of the Treasury. The housing insecurity tech sprint has brought together participants from academia, private industry, consumer groups, trade associations, and technology companies to develop innovative digital tools to raise the visibility of housing assistance resources and connect those experiencing housing insecurity with these resources. The sprint is scheduled to conclude in early FY 2022. Results from this tech sprint will be showcased, along with other tech sprints hosted by the Opportunity Project, at The Opportunity Project Summit held December 13-15, 2021.

As a result of policy changes in FY 2021, the Bureau is retiring measures 1.3.3.1 through 1.3.3.6 to reflect a more comprehensive view of innovation as it relates to consumer protection. These measures can also be found in Appendix A: Historical Measures.

Performance goal 1.3.4: Monitor developments and trends in consumer financial markets.

The Division of Research, Markets, and Regulations (RMR) seeks to bring private sector perspective and experience to the Bureau. Through data analysis, literature reviews, onsite visits, and ongoing stakeholder engagement across all consumer financial product markets, RMR works to keep Bureau staff and leadership aware of market developments and trends.

The Bureau will prioritize informing its policymaking with up-to-date market intelligence and data-driven analysis of consumer financial markets. RMR collects, develops, and maintains standardized data on financial markets in order to surface financial trends, market

opportunities, and emergent risks to consumers.²⁵

Performance measures

TABLE 1.3.4.1: MONTHLY AVERAGE NUMBER OF CONSUMER FINANCIAL MARKET INTELLIGENCE-GATHERING MEETINGS WITH EXTERNAL STAKEHOLDERS²⁶

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | 80 | 50 | 50 | 60 | 60 | 60 | 60 |
| Actual | | 153 | 48.8 | 87 | 76 | N/A | N/A | |

TABLE 1.3.4.2: PERCENTAGE OF CONSUMER FINANCIAL MARKETS WITH INTELLIGENCE-GATHERING MEETINGS WITH EXTERNAL STAKEHOLDERS EACH QUARTER

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | 80% | 80% | 80% | 80% | 80% | 80% | 80% |
| Actual | | 86% | 92% | 100% | 100% | N/A | N/A | |

TABLE 1.3.4.3: NUMBER OF CONSUMER FINANCIAL MARKETS MONITORED THROUGH STANDARDIZED DATA

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Actual | | 10 | 10 | 10 | 13 | N/A | N/A | |

²⁵ For all of the data used for its analyses, the Bureau works to ensure that strong personal privacy protections are in place. The Bureau will generally obtain datasets in a format such that no information is directly identifiable and research/analysis products resulting from such data will use similarly de-identified information. The Bureau treats the information collected from participating persons and institutions consistently with its confidentiality regulations and all data and analyses are subject to internal Bureau legal and privacy review.

²⁶ In FY 2018, this performance measure was reported as a quarterly average. Beginning in FY 2019, the Bureau has set a target and will measure based on a monthly average.

TABLE 1.3.4.4: PERCENTAGE OF THE FIVE LARGEST CONSUMER FINANCIAL MARKETS MONITORED THROUGH STANDARDIZED DATA

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | 80% | 80% | 80% | 80% | 80% | 80% | 80% |
| Actual | | 80% | 80% | 80% | 80% | N/A | N/A | |

Progress update and future action

Section 1022(c) of the Dodd-Frank Act tasks the Bureau with market monitoring, in support of its rulemaking and other functions, for risks to consumers in the offering of consumer financial products or services and developments in markets for those products and services. The Market Offices, within the RMR division, fulfill this statutory mandate by undertaking frequent market monitoring activities, including regular engagement with industry stakeholders, data analysis, and research. The Market Offices – Mortgage Markets; Consumer Credit, Payments, & Deposits; and Small Business Lending – each have an Assistant Director with executive experience in consumer financial markets. Across the three offices there are Program Managers or senior staff, each covering a distinct consumer financial market or market segment. The Assistant Directors, Program Managers and staff engage with industry and other interested stakeholders at industry convenings and through formal and informal meetings.

Monitoring functions currently cover the following products and services:

- Auto Servicing and Originations
- Credit Card Origination and Servicing
- Consumer Reporting
- Consumer Data & Aggregation
- Debt Collection
- Debt Relief
- Deposits, Prepaid, & Payments
- Money Services and Remittances
- Mortgage Servicing and Origination

- Artificial Intelligence and Machine Learning in Financial Services
- Small Business Lending
- Small Dollar and Installment Lending
- Student Loan Servicing and Originations

In FY 2021, Markets Offices staff conducted an average of 76 external engagements each month. The Markets Offices engagements covered a large breadth of consumer financial product markets, with staff conducting multiple engagements each quarter in all markets.

During FY 2021, the CFPB updated and maintained data in the following 10 consumer financial markets: auto loan origination, auto loan servicing, consumer reporting, credit cards, debt collection, deposits, money services and remittances, mortgage originations, mortgage servicing, and student loan origination. The five largest markets based on the Bureau's market size determination are mortgage (servicing and origination), auto (servicing and origination), student loans (servicing and origination), deposits, and consumer reporting. While the Bureau monitors all five markets through standardized data, it does not maintain and update standardized data on the student loan servicing market.

In FY 2022, the CFPB plans to expand its market monitoring and engagement work by expanding market expertise through its Market & Policy Fellows program. This will allow the Bureau to monitor additional areas such as such as artificial intelligence, with a focus on automated underwriting. Additionally, the Bureau is planning the acquisition of alternative data, which would contain information not found in traditional credit-record data. The CFPB is interested in understanding whether the use of alternative data in credit approval and pricing decisions might leave consumers, including credit invisible and unscorable consumers, with different credit options and pricing.

Performance goal 1.3.5: Make data on consumer finance markets publicly available.

In addition to collecting, developing, and maintaining data, the Bureau releases and publishes data with respect to consumer financial markets. This enables independent researchers to conduct their own analyses of developments and trends in these markets.

Performance measures

TABLE 1.3.5.1: NUMBER OF NEW DATA SERIES OR SETS RELEASED

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | 1 | 1 | 1 | 1 | 1 | 1 |
| Actual | | | 2 | 3 | 2 | 0 | N/A | N/A |

TABLE 1.3.5.2: NUMBER OF INTERNET PAGEVIEWS AND DOWNLOADS OF BUREAU DATA RELEASES AND PUBLICATIONS (INTERNET PAGEVIEWS/ DOWNLOADS)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Target | | | Baseline | 70,000/ 20,000 | 75,000 / 25,000 | 75,000/ 25,000 | 150,000/ 15,000 | 150,000/ 15,000 |
| Actual | | | 67,563/ 18,457 | 68,474 / 23,678 | 70,884/ 27,139 | 223,762 / 9,152 | N/A | N/A |

Progress update and future action

On an ongoing basis, the Bureau releases data to the public, including updates to existing data resources. Below are examples of the Bureau's ongoing data releases.

- HMDA requires many financial institutions to maintain, report, and publicly disclose loan-level information about mortgages. These data help show whether lenders are serving the housing needs of their communities; give public officials information that helps them make decisions and policies; and shed light on potential discriminatory lending patterns. The public data are modified to protect applicant and borrower privacy. On behalf of the Federal Financial Institutions Examination Council (FFIEC), the Bureau makes certain HMDA data available to the public and publishes various online tools for users to explore the data. HMDA data are the most comprehensive source of publicly available information on the U.S. mortgage market.
- Quarterly updates to the National Survey of Mortgage Origination (NSMO).
- The Bureau also makes available databases about credit cards, including general credit card agreements and college credit card marketing agreements. These resources include:
 - A database of credit card agreements from more than 600 card issuers.

- Credit card issuers marketing agreements with universities, colleges, or affiliated organizations such as alumni associations, sororities, fraternities, and foundations.
- A survey of the terms of credit card plans offered by 150 financial institutions.

Performance goal 1.3.6: Publish research relating to consumer financial markets, including consumers' decisions and outcomes in these markets.

The Bureau conducts research on consumer decision-making, consumer financial products and markets, and the effects of consumer financial regulations and policies. Periodically, the Bureau publishes reports of its research, including informational white papers, non-annual reports to Congress, and “Data Point” reports.

Performance measures

TABLE 1.3.6.1: NUMBER OF PUBLISHED REPORTS AND RESEARCH PUBLICATIONS

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | 6 | 6 | 6 | 7 | 10 | 10 | 15 | 20 |
| Actual | 9 | 6 | 10 | 13 | 17 | 24 | N/A | N/A |

TABLE 1.3.6.2: NUMBER OF INTERNET PAGEVIEWS AND DOWNLOADS OF PUBLISHED REPORTS AND RESEARCH PUBLICATIONS (INTERNET PAGEVIEWS/ DOWNLOADS)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|----------|-------------------|--------------------|-------------------|--------------------|-------------------|
| Target | | | Baseline | 50,000/ 20,000 | 50,000/ 20,000 | 50,000/ 20,000 | 60,000/ 25,000 | 65,000/ 30,000 |
| Actual | | | | 47,498/ 18,089 | 37,216 / 13,207 | 45,000/ 15,000 | 60,949 / 22,764 | N/A |

TABLE 1.3.6.3: NUMBER OF CITATIONS OF BUREAU REPORTS AND PUBLICATIONS IN OTHER PUBLICATIONS

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|----------|---------|---------|---------|---------|---------|
| Target | | | Baseline | 75 | 140 | 160 | 350 | 400 |
| Actual | | | | 73 | 121 | 214 | 353 | N/A |

TABLE 1.3.6.4: PERCENTAGE OF THE RESEARCH UNIT'S STATUTORILY REQUIRED TOPIC AREAS WITH EVIDENCE OR FINDINGS ESTABLISHED IN PUBLISHED REPORTS AND RESEARCH PUBLICATIONS

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | NA | 83.3% | 83.3% | 83.3% | 83.3% | 83.3% | 83.3% |
| Actual | | 83.3% | N/A | 83.3% | 83.3% | N/A | N/A | |

Progress update and future action

Publishing research reports and market analysis is central to the Bureau's commitment to regulatory transparency and evidence-based policy-making. Additionally, the Bureau is statutorily required to research, analyze, and report on six topic areas related to consumer finance.²⁷ This performance measure is intended to measure the breadth of the Bureau's research. During FY 2021, the Bureau published research in five of the six topic areas:

- Developments in markets for consumer financial products or services, including market areas of alternative consumer financial products or services with high growth rates and areas of risk to consumers;
- Access to fair and affordable credit for traditionally underserved communities;
- Consumer awareness, understanding, and use of disclosures and communications regarding consumer financial products or services;
- Consumer awareness and understanding of costs, risks, and benefits of consumer financial products or services;
- Consumer behavior with respect to consumer financial products or services, including performance on mortgage loans; and
- Experiences of traditionally underserved consumers, including un-banked and under-banked consumers.

The one area in which the Bureau did not research, analyze, and report on is consumer awareness, understanding, and use of disclosures and communications regarding consumer

²⁷ As set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203 (2010), Dodd-Frank 1013(b).

financial products or services.

Throughout FY 2021, the Bureau published in-depth reports and research briefs (blogs) on the impact of COVID-19, including:

- Credit card debt fell even for consumers who were having financial difficulties before the pandemic (December 17, 2020)
- Credit applications remain depressed for credit cards and auto loans (December 23, 2020)
- [Housing insecurity and the COVID-19 pandemic](#) (March 1, 2021)
- [Changes in Consumer Financial Status during the early months of the Pandemic](#) (April 30, 2021)
- [Characteristics of Mortgage Borrowers During the COVID-19 Pandemic](#) (May 4, 2021)
- Effect of COVID-19 on Consumer Credit Outcomes Blog Series:
 - [Blog #1: Delinquencies](#) (June 16, 2021)
 - [Blog #2: Trends](#) in Reported Assistance (July 13, 2021)
 - [Blog #3: Credit Card Utilization](#) (July 30, 2021)
 - [Blog #4: Credit Limits and Account Closings](#) (August 11, 2021)
 - [Blog #5: Credit Tightness](#) (August 26, 2021)
- [The Recovery of Credit Applications to Pre-Pandemic Levels](#) (July 27, 2021)
- [Financial Conditions for Renters before and during the COVID-19 Pandemic](#) (September 17, 2021)
- [The Consumer Credit Card Market](#) (September 29, 2021)

The Bureau also published the following reports:

- [Data point: How mortgages change before origination](#) (October 1, 2020)
- [Quarterly Consumer Credit Trends: Payment Amount Furnishing & Consumer Reporting](#) (November 12, 2020)

- [Balancing savings and debt: Findings from an online experiment](#) (January 26, 2021)
- [Fair Debt Collection Practices Act Annual Report 2021](#) (March 19, 2021)
- [Consumer use of Payday, Auto Title, and Pawn Loans: Insights from the Making Ends Meet Survey](#) (May 5, 2021)
- [Manufactured Housing Finance: New Insights from the Home Mortgage Disclosure Act](#) (May 27, 2021)
- [Effects of HMDA Thresholds](#) (June 14, 2021)
- [Commercial Credit on Consumer Credit Reports](#) (June 30, 2021)
- [Asian American Pacific Islanders in Mortgage Market: Using the 2020 HMDA data](#) (July 1, 2021)
- [Data Point: 2020 Mortgage Market Activity and Trends](#) (August 19, 2021)
- [Data Point: Subprime Auto Loan Outcomes by Lender Type](#) (September 30, 2021)

Performance goal 1.3.7: Expand the Bureau's geographical and stakeholder footprint through stakeholder engagements and partnerships.

The CFPB aims to engage with the public on consumer finance issues to ensure the Bureau's work is transparent and that the Bureau is informed by representative viewpoints and information. Additionally, the CFPB continues to further its goal of expanding its presence across various regions in order to establish awareness of the Bureau's resources and policy making initiatives.

Performance measures

TABLE 1.3.7.1: NUMBER OF NEW COLLABORATIONS AND PARTNERSHIPS ESTABLISHED WITH THE BUREAU THROUGH STAKEHOLDER ENGAGEMENTS THAT RESULTED IN STRATEGIC UTILIZATION OF RESOURCES AND STAKEHOLDERS FEELING THAT THEY HAVE MEANINGFUL ACCESS TO BUREAU RESOURCES AND TOOLS

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | NA | 2 | 3 | 3 | 3 | 3 |
| Actual | | | NA | 2 | 6 | 104 | N/A | N/A |

TABLE 1.3.7.2: PERCENT COVERAGE OF U.S. STATES, COMMONWEALTHS, AND TERRITORIES COVERED BY THE BUREAU'S STAKEHOLDER ENGAGEMENT

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|----------|---------|---------|---------|
| Target | | | | | Baseline | 100% | 100% | 100% |
| Actual | | | | | 100% | 100% | N/A | N/A |

Progress update and future action

The Bureau's Office of Stakeholder Management (OSM), formerly known as the External Affairs division, managed stakeholder introductions and policy, program, and product rollouts to ensure the Bureau creates meaningful and diverse opportunities to receive input from stakeholders. Additionally, OSM collaborated with internal partners to identify opportunities for stakeholder partnership and collaboration for Bureau priorities, including the response to COVID-19 and the Bureau's proposed and final regulations. Beginning in FY 2022, OSM will also measure the Bureau's new collaborations and partnerships with tribes and tribal nations that result in meaningful access to the Bureau's resources and tools.

Performance goal 1.3.8: Inform Bureau's leadership and subject matter experts of significant stakeholder feedback/perspective and identify top issue trends.

The Bureau aims to ensure that stakeholder engagements and interactions yield relevant and meaningful feedback and information.

Performance measure

TABLE 1.3.8.1: PERCENTAGE OF RESPONDENTS SATISFIED WITH OFFICE OF STAKEHOLDER MANAGEMENT (FORMERLY EXTERNAL AFFAIRS) MANAGEMENT OF STAKEHOLDERS (RETIRE AFTER FY 2021)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|----------|---------|---------|---------|
| Target | | | | | Baseline | N/A | N/A | N/A |
| Actual | | | | | N/A | N/A | N/A | N/A |

Progress update and future action

The Office of Stakeholder Management sections regularly identify relevant, emerging topics of importance to Bureau stakeholders and will develop a process to better inform Bureau leadership. OSM will highlight key issues, trends and information identified to ensure Bureau leadership have a regular view into stakeholder feedback.

Performance measure 1.3.8.1 intended to establish a baseline for capturing survey results of external stakeholders' satisfaction with the Division of External Affairs' management of stakeholders. However, the Division was subsequently embedded within the Division of Consumer Education and External Affairs and the external stakeholder survey was retired as a result. An appropriate performance measure will be developed and reported in FY 2022.

Performance goal 1.3.9: Manage routine and high-level complex Bureau relationships with external stakeholders.

The Bureau aims to effectively manage its diverse and sometimes complex stakeholder landscape such that external stakeholder interactions are appropriate, substantive, and timely.

Performance measures

TABLE 1.3.9.1: NUMBER OF STAKEHOLDER ENGAGEMENTS THAT INCLUDE BUREAU LEADERSHIP AND SUBJECT MATTER EXPERTS

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | 500 | 1,100 | 1,100 | 1,100 | 1,100 |
| Actual | | | | 1,056 | 2,398 | 1,379 | N/A | N/A |

TABLE 1.3.9.2: NUMBER OFFICE OF STAKEHOLDER MANAGEMENT-FACILITATED ENGAGEMENTS FOR BUREAU OFFICIALS AND EXTERNAL STAKEHOLDERS (e.g., ROUNDTABLES, LISTENING SESSIONS, SITE VISITS, AND SPEECHES)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | 12 | 25 | 25 | 25 | 25 |
| Actual | | | | 267 | 41 | 47 | N/A | N/A |

TABLE 1.3.9.3: NUMBER OF FIELD HEARINGS/TOWN HALLS EA ORGANIZED BETWEEN BUREAU OFFICIALS AND THE PUBLIC

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | 4 | 4 | 3 | 3 | 3 | 3 |
| Actual | | | 4 | 5 | 4 | N/A | N/A | |

Progress update and future action

Due to the COVID-19 pandemic, in March 2020 the Bureau transitioned to extended situational telework for employees, changed in-person meetings to a virtual posture, and organized virtual outreach and engagement meetings with external stakeholders to seek feedback regarding the pandemic's impact on consumers and financial markets. The Bureau successfully executed a number of external stakeholder engagements from October 1, 2020 to September 30, 2021, including the following notable engagements:

- **October 2020:** ABA Virtual Fly-In Northeast Region, MBA Annual Convention, Advisory Board and Councils New Member Orientation, Director Remarks at the Harvard Regulatory Policy Seminar Series, Enforcement Legal Aid Listening Session, Virtual Town Hall featuring Director Remarks and discussion with New England Patriot (and consumer finance advocate) Brandon Copeland
- **November 2020:** Listening Session with Montana Tribal Leaders
- **December 2020:** Director Fireside Chat at U.S. Chamber of Commerce, Director Colorado Swing, Engagement with State Regulatory Partners
- **January 2021:** Director calls to Housing Policy Council and Ballard Spahr regarding Limited English Proficiency Guidance Statement
- **February 2021:** Notable Engagements: Acting Director Call with MBA, Acting Director Call with National Community Reinvestment Coalition, Call with Center for Responsible Lending
- **March 2021:** Acting Director Call with CAB, CBAC, and CUAC, Acting Director Call with SAGE about the Bostock Interpretative Rule, Acting Director Call with Debt Collection Trades ACA, CRC, NCBA, RMAI about Economic Impact Payments, Acting

Director Remarks at the Conference of State Bank Supervisors (CSBS), Call with Faith Leaders

- **April 2021:** FDCPAIFR Rollout Calls with Acting Director: Debt Collection Trades, National Consumer Groups, National Center of State Courts, Asian Real Estate Association of America Meeting with Acting Director
- **May 2021:** CFPB Annual Research Conference, Introductory Meeting with Tribal Leaders, NAAG Panel with FTC and FCC, Acting Director Introductory Meeting with National Congress of American Indians (NCAI) President Fawn Sharp
- **June 2021:** Appraisal Bias Event with remarks from the Acting Director, Acting Director Introductory call with Charles Scharf, CEO & President/Wells Fargo, Acting Director Call with Acting FHFA Director Sandra Thompson, Acting Director Calls with Senators Jack Reed, Sherrod Brown, and Representative Maxine Waters
- **July 2021:** Acting Director call to Chi Chi Wu, NCLC regarding the FCRA compliance bulletin
- **August 2021:** Acting Director Remarks before the National Fair Housing Alliance, Advisory Board and Councils Meetings
- **September 2021:** Meeting with the NAFCU Board of Directors, Acting Director Call with Federal Reserve Governor Lael Brainard, Acting Director Taped Remarks at Housing DC21 event

Additionally, OSM continues to manage the stakeholder landscape to identify risks and opportunities for the Bureau. OSM will lead cross-Bureau planning to proactively identify engagement opportunities aligned to Bureau priorities and improve the coordination of feedback and outcomes from stakeholder engagements. The division of Consumer Education and External Affairs will continue to identify and develop new opportunities for collaboration and partnership development to ensure optimal on-the ground distribution and utilization of the Bureau's financial education and other tools.

Performance goal 1.3.10: Meet statutorily required engagements.

The Bureau aims to intentionally monitor its compliance with relevant statutory requirements.

Performance measures

TABLE 1.3.10.1: PERCENTAGE OF STATUTORILY REQUIRED MEETINGS WITH THE BUREAU'S ADVISORY COMMITTEES HELD

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | 100% | 100% | 100% | 100% | 100% |
| Actual | | | | 100% | 100% | 100% | N/A | N/A |

TABLE 1.3.10.2: NUMBER OF PUBLIC REPORTS ON ACTIONS BY THE BUREAU'S ADVISORY COMMITTEES (i.e., IN-PERSON MEETING SUMMARIES, GSA'S ANNUAL COMPREHENSIVE REVIEW, ETC.)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|----------|---------|---------|---------|---------|---------|
| Target | | | Baseline | 4 | 4 | 4 | 4 | 4 |
| Actual | | | | 5 | 6 | 9 | N/A | N/A |

Progress update and future action

- On November 18, 2020, the Bureau held a joint advisory committee meeting with the Consumer Advisory Board (CAB), Community Bank Advisory Council (CBAC), and Credit Union Advisory Council (CUAC).
- On November 20, 2020, the Bureau held an Academic Research Council (ARC) meeting.
- On August 11, 2021, the Bureau held a CAB meeting.
- On August 12, 2021, the Bureau held a joint advisory committee meeting with the CBAC and CUAC.
- On August 13, 2021, the Bureau held an ARC meeting.
- The Bureau renewed the CAB, CBAC, CUAC, and ARC Public Charters on March 18, 2021.
- On September 22, 2021, the Bureau announced the appointment of FY 2021 advisory committee members for the CAB, CBAC, CUAC, and ARC.
- The Bureau published six public summaries and GSA Annual Comprehensive Reviews.

Goal 2. Implement and enforce the law consistently to ensure that markets for consumer financial products and services are fair, transparent, and competitive.²⁸

BUDGET BY STRATEGIC GOAL 2 BY PROGRAM (\$ IN THE MILLIONS AND ROUNDED)

| Program/Division | FY 2021 | FY 2022 | FY 2023 |
|--|----------------|----------------|----------------|
| Office of the Director | \$2.8 | \$2.8 | \$2.8 |
| Operations | \$25.6 | \$27.0 | \$27.6 |
| Consumer Education and External Affairs | \$1.5 | \$2.2 | \$2.1 |
| Research, Markets, and Regulation | \$0.0 | \$0.0 | \$0.0 |
| Supervision, Enforcement, and Fair Lending | \$165.5 | \$209.1 | \$228.8 |
| Legal | \$5.3 | \$6.0 | \$6.3 |
| Other Programs | \$0.8 | \$0.8 | \$0.8 |
| Centralized Services | \$0.7 | \$1.3 | \$2.1 |
| Total | \$202.1 | \$249.2 | \$270.5 |

It is not enough simply to ensure that consumers have access to markets for consumer financial products and services. Those markets must also be fair, transparent, and competitive. Through

²⁸ As set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203 (2010), Section 1021(a).

the regulations it writes to implement federal consumer financial law and its activities to promote compliance with those laws, the CFPB is focused and is equipped to prevent financial harm to consumers resulting from unfair, opaque, or noncompetitive acts by market participants. The CFPB also has the authority to take public enforcement actions to protect consumers from unlawful conduct, make consumers whole, and impose appropriate penalties when it does take place. The CFPB's aim is to promote practices that benefit consumers, responsible providers, and the economy as a whole.

An important objective of the Dodd-Frank Act is ensuring federal consumer financial law is enforced consistently without regard to whether a financial service provider is a bank or nonbank. To that end, the Dodd-Frank Act gives the Bureau the authority to supervise and examine many nonbank financial service providers such as mortgage companies, payday lenders, private education lenders, and larger participants in other markets as defined by rules issued by the CFPB. The industry structure is continually changing, and therefore so is the number of institutions that are subject to the CFPB's supervisory authority.

The CFPB will attain its second goal by achieving the following objectives:

Objective 2.1: Protect consumers from unfair, deceptive, or abusive acts and practices and from discrimination.

Objective 2.2: Enforce federal consumer financial law consistently, without regard to the status of a person as a depository institution, in order to promote fair competition.

FINANCIAL INSTITUTIONS SUBJECT TO THE BUREAU'S SUPERVISORY AUTHORITY FOR CONSUMER FINANCIAL PROTECTION PURPOSES

| Large depository institutions, credit unions & their affiliates | Certain non-bank institutions |
|--|--|
| Representing over \$19 trillion in assets (~80% of total industry) | Including companies engaged in mortgage lending, brokering, and servicing; payday lenders; private education lenders; and select nonbanks defined as larger participants by the Bureau |

Note: Data as of June 30, 2021.

Objective 2.1

Protect consumers from unfair, deceptive, or abusive acts and practices and from discrimination.²⁹

Objective leaders: Associate Director, Supervision, Enforcement, and Fair Lending; Associate Director, Consumer Education and External Affairs; Associate Director, Office of Equal Opportunity and Fairness

Strategies and investments

The following strategies have been put in place to help the CFPB achieve objective 2.1.

Strategies

- Enhance compliance with federal laws intended to ensure the fair, equitable, and nondiscriminatory access to credit for both individuals and communities - and promote fair lending compliance and education.
- Strengthen prevention and response to elder financial exploitation.

In addition to executing the strategies described above, the CFPB will execute the strategies in objective 2.2 to protect consumers from discrimination and unfair, deceptive, or abusive acts and practices.

Investments

The following investments will help the CFPB achieve both objectives 2.1 and 2.2.

PERSONNEL

Continue to maintain staff to allow the CFPB to implement and enforce federal consumer financial laws consistently for both bank and non-bank consumer financial companies; investigate and take actions to address potential violations of federal consumer financial laws; oversee, manage, and prioritize the Bureau's supervisory and enforcement work; and analyze available data on the activities of providers, on the markets in which they operate, and on the

²⁹ As set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203 (2010), Section 1021(b)(2).

risks to consumers. Maintain strong, expert staff to develop and implement financial education and community partnerships to strengthen prevention and response to elder financial exploitation.

E-LAW TOOLS AND SUPPORT

Maintain and increase capacity of electronic tools that obtain, process, and analyze evidence received in enforcement investigations, enabling the CFPB to bring enforcement actions to address violations of federal consumer financial laws more efficiently.

ENFORCEMENT KNOWLEDGE MANAGEMENT (ENFORCEMENT MATTER MANAGEMENT SYSTEM)

Maintain and improve the CFPB’s enforcement matter management system—ENForce—which stores the Office of Enforcement’s matter-related information, enabling the Bureau to better track and report on its enforcement work.

EXAMINER COMMISSIONING TRAINING PROGRAM

Provide all examiners the opportunity to pursue their commissioning through the examiner commissioning program (ECP), which establishes transparent criteria and a training plan. Successful completion of the ECP is a significant milestone in an examiner’s career, signifying an examiner’s attainment of the broad-based technical expertise, knowledge, skills, and tools necessary to perform the duties of a commissioned examiner.

INVESTIGATION AND LITIGATION SUPPORT

Employ standard investigatory tools to compel documents and testimony and to seek injunctive and monetary remedies through civil actions or administrative proceedings. These functions require the use of services such as expert witnesses, court reporters, and transcription services. Continue to maintain and improve systems and procedures for supporting the Bureau’s enforcement work, including managing its procurement work underlying litigation support services such as expert witnesses, court reporters, and transcription services.

SUPERVISION AND ENFORCEMENT TRAINING & TRAVEL

Continue supporting the development and delivery of training courses essential to maintaining a highly effective workforce. In addition, support anticipated upcoming travel requirements of supervision and enforcement work as the Bureau’s on-site supervision and enforcement activity returns to pre-pandemic levels.

SUPERVISION TECHNOLOGY TOOLS

Automate data analysis, use supervision resources more efficiently, and streamline the on-site portion of examinations. These tools help improve the Bureau’s ability to assess compliance with federal consumer financial laws and assess and detect risks to consumers. The Bureau developed the Supervision and Examination System, its system of record for supervision work. The SES organizes entities by Institutional Product Line, captures relationships between entities, schedules examinations, supports supervisory workflows, and documents the supervision process.

SPECIAL POPULATIONS PROGRAMS

Continue to develop and distribute financial education, tools, action steps, and skill-building opportunities to strengthen prevention and response to elder financial exploitation. Topics include age-friendly banking recommendations to banks and credit unions, assistance to local stakeholders creating elder fraud prevention and response networks, and educational initiatives.

Performance goals

The CFPB will assess the progress on achieving objective 2.1 through the following performance goals:

Performance goal 2.1.1: Promote fair lending compliance and education by leading and participating in fair lending outreach activities regarding fair lending compliance, access to credit issues, or financial product or services innovation.

As one of its core functions, the Office of Fair Lending and Equal Opportunity is responsible for “working with private industry, fair lending, civil rights, consumer and community advocates on the promotion of fair lending compliance and education” per the Dodd-Frank Act, Section 1013(c)(2)(C). The CFPB conducts fair lending outreach and education activities through numerous channels, such as issuing compliance guidance documents targeted to industry; publishing blog posts, brochures and reports regarding fair lending issues; delivering webinars, speeches and presentations on fair lending and access to credit to industry, civil rights, consumer and community groups, and others; and participating in smaller meetings and discussions with external stakeholders, including federal and state regulators and agencies.

Performance measure

TABLE 2.1.1.1: NUMBER OF OUTREACH EVENTS WHERE THE BUREAU STAFF WORK DIRECTLY WITH EXTERNAL STAKEHOLDERS TO EDUCATE THEM ABOUT FAIR LENDING COMPLIANCE AND ACCESS TO CREDIT ISSUES AND/OR HEAR THEIR VIEWS ON THE BUREAU'S WORK TO INFORM THE BUREAU'S POLICY DECISIONS.

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | 40 | 40 | 40 | 40 | 40 | 40 | 50 | 50 |
| Actual | 57 | 60 | 24 | 63 | 96 | 267 | N/A | N/A |

Progress update and future action

In FY 2021, Bureau staff participated in 267 fair lending outreach events about fair lending and access to credit issues, significantly exceeding the target of 40 events for the fiscal year.³⁰

During FY 2021, the CFPB communicated with fair lending, civil rights, consumer and community advocates, industry, and with other regulators and agencies. These communications included the delivery of speeches and panel remarks; publication of reports and research; several publications in the *Federal Register* including a Notice of Proposed Rulemaking, Interpretive Rules, Policy Statement, and an interagency RFI; communication to HMDA users and vendors; as well as a podcast, press releases, webinars, blogposts, and smaller discussions on issues pertaining to fair, equitable, and nondiscriminatory access to credit. The CFPB also engaged with external stakeholders through the Bureau's website, consumerfinance.gov, and social media channels.

In FY 2022, the CFPB will continue to focus on outreach engagements where Bureau staff can educate and engage directly with stakeholders about fair, equitable, and nondiscriminatory access to credit and hear their views on fair lending related issues to inform Bureau work. During FY 2022, the CFPB's Office of Fair Lending and Equal Opportunity will also continue to work closely with other CFPB offices to execute the Bureau's fair lending outreach and education efforts.

³⁰ The spike and surge in fair lending outreach during FY 2021 is due to the substantial increase in outreach events related to the CFPB's Section 1071 rulemaking and COVID-19 recovery efforts.

Performance goal 2.1.2: Enhance protection of older Americans from elder financial exploitation

To improve financial security and protections for older Americans, the CFPB works with service providers to older adults, financial institutions, law enforcement, nonprofits, and federal, state, and local government agencies that interact with older adults and their families. Major initiatives include age-friendly banking recommendations to banks and credit unions and assistance to local leaders creating elder fraud prevention and response networks.

Performance measure

TABLE 2.1.2.1: NUMBER OF COMMUNITIES AND TASKFORCES SUPPORTED WITH TECHNICAL ASSISTANCE TO CREATE OR ENHANCE NETWORKS TO PROTECT OLDER ADULTS FROM ELDER FINANCIAL EXPLOITATION (RETIRE AFTER FY 2021)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | 4 | 4 | 4 | 4 | N/A | N/A | |
| Actual | | 7 | 7 | 1 | 25 | N/A | N/A | |

Progress update and future action

The CFPB continues to encourage financial institutions to adopt age-friendly banking practices. Following the FY 2016 release of a comprehensive set of voluntary recommendations for banks and credit unions, the CFPB has distributed over 7,500 printed items describing the recommendations on age-friendly banking to persons and entities interested in the prevention of elder financial exploitation, including financial institutions, with over 1,200 distributed in FY 2021.

With in-person events postponed due to the COVID-19 pandemic, the CFPB adapted FY 2021 plans for creating or enhancing networks to protect older adults from elder financial exploitation. Working both virtually and in-person with community first responders and stakeholders, the CFPB supported 37 new or existing community networks, more than any previous year. The CFPB is retiring measure 2.1.2.1 to be more responsive to consumer policy shifts. This measure can also be found in Appendix A: Historical Measures.

Objective 2.2

Enforce federal consumer financial law consistently, without regard to the status of a person as a depository institution, in order to promote fair competition.³¹

Objective leader: Associate Director, Supervision, Enforcement, and Fair Lending

Strategies and investments

The following strategies have been put in place to help the CFPB achieve objective 2.2.

Strategies

- Acquire and analyze qualitative and quantitative information and data pertaining to consumer financial products, service markets, and companies.
- Focus supervision resources on institutions and their product lines that pose the greatest risks to consumers based on the nature of the product, field and market intelligence, and the size of the institution and product line.
- Focus enforcement resources on entities and individuals to best ensure the Bureau's enforcement function effectively protects consumers, prevents harm, and is applied consistently.
- Promote development and enhancement of technology to increase effectiveness and efficiency of the Bureau's enforcement function.
- As appropriate, share information, coordinate activity, and promote best practices with fellow supervisory and law enforcement agencies to ensure the most effective use of regulatory resources.
- Promote the development and enhancement of technology solutions to ensure compliance with federal consumer financial laws including technology solutions for coordinating supervisory information capable of recording, storing, tracking, and reporting information on the Bureau's supervisory process.

³¹ As set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203 (2010), Section 1021(b)(4).

- Promote development and enhancement of technology solutions to streamline operational tasks.
- Enhance internal policies that facilitate integration of the Bureau’s supervision and enforcement functions.

In addition to executing the strategies described above, the CFPB will execute the strategies in objective 2.1 to enforce federal consumer financial law consistently, without regard to the status of a person as a depository institution, in order to promote fair competition.

Investments

The investments listed for objective 2.1 will help the CFPB achieve both objectives 2.1 and 2.2.

Performance goals

The CFPB will assess the progress on achieving objective 2.2 through the following performance goals. These performance goals also relate to objective 2.1.

Performance goal 2.2.1: Effectively initiate supervisory events at financial services institutions under the Bureau's jurisdiction to determine compliance with federal consumer financial laws.

The CFPB has supervisory authority over banks, thrifts, and credit unions with over \$10 billion in assets, their affiliates (collectively “banks”), and non-bank institutions (“non-banks”), regardless of size, in certain specific markets: mortgage companies (originators, brokers, servicers, and providers of loan modification or foreclosure relief services); private education lenders; and payday lenders. The CFPB also has supervisory authority over larger participants in other non-bank markets as the CFPB defines by rule. To date, the CFPB has issued six rules defining larger participants in the following markets: consumer reporting (effective September 2012), consumer debt collection (effective January 2013), student loan servicing (effective March 2014), international money transfers (effective December 2014), automobile financing (effective August 2015), and prepaid (effective April 2019). Supervisory activities foster compliance with federal consumer financial laws and promote a fair consumer financial marketplace.

The CFPB’s fair lending supervision program assesses whether supervised entities have engaged in, or are engaging in, violations of the federal fair lending laws within the Bureau’s jurisdiction. The CFPB accomplishes this assessment through examinations that evaluate institutions’

compliance with those laws.

Performance measures

TABLE 2.2.1.1: NUMBER OF ON-SITE SUPERVISION EXAMS OR REVIEWS WITH AN ON-SITE DATE DURING THE PERIOD, INCLUDING FAIR LENDING. (RETIRE AFTER FY 2021)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|----------|----------|---------|---------|---------|---------|
| Target | | N/A | Baseline | Baseline | 120 | N/A | N/A | |
| Actual | | N/A | 125 | 104 | 104 | N/A | N/A | |

TABLE 2.2.1.2: NUMBER OF ALL SUPERVISORY EVENTS WITH SIGNIFICANT ACTIVITY WITH AN ON-SITE DATE OR EQUIVALENT DATE DURING THE PERIOD, INCLUDING FAIR LENDING.

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|----------|----------|---------|---------|---------|---------|
| Target | | N/A | Baseline | Baseline | 420 | 420 | 420 | |
| Actual | | N/A | 477 | 768 | 553 | N/A | N/A | |

TABLE 2.2.1.3: FAIR LENDING SUPERVISION EVENTS OPENED DURING THE FISCAL YEAR.³²

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|----------|---------|---------|
| Target | 20-35 | 20-35 | | | | Baseline | TBD | |
| Actual | 32 | 27 | | | | N/A | N/A | |

Progress update and future action

The Bureau continued implementing its supervision program through a plan to conduct more supervisory activity remotely due to the COVID-19 pandemic and fewer on-site supervision exams. During the year, the Bureau initiated 104 supervisory activities on-site and 553 supervisory events at large banks and non-bank financial institutions. The Bureau expects that post-pandemic, its on-site supervision exams will increase, and its supervisory events will

³² This indicator includes MRA follow-up reviews starting in FY 2015. In addition, this indicator counts mortgage Targeted ECOA Exams and their associated HMDA Data Integrity Exams separately as two examinations. The overall supervision activities indicator combines mortgage Targeted ECOA Exams and their associated HMDA Data Integrity Exam as a single examination.

reduce due to the return to pre-pandemic methods of supervision. Examination activities generally focused on one of the following institution product lines (IPLs) or a baseline compliance management system:

- Automobile finance origination;
- Automobile finance servicing;
- Compliance technology;
- Consumer reporting;
- Credit card account management;
- Debt collection;
- Deposits;
- Mortgage origination;
- Mortgage servicing;
- Remittance transfer;
- Short term, small dollar lending;
- Small business lending;
- Student loan origination; and
- Student loan servicing.

The exam schedule for FY 2021 was informed by strategic priorities for all areas of compliance - including fair lending - considering risk assessments across markets and for each institution.

The Bureau continues to coordinate with applicable federal and state regulators on supervisory activities to minimize regulatory burden, leverage resources, and decrease the risk of conflicting supervisory directives. To facilitate this coordination, the Bureau has memoranda of understanding with, among others, the federal prudential regulators, the Federal Trade Commission, and over 60 state bank and non-bank supervisory agencies. In addition, the Bureau has a framework with state financial agencies that establishes a dynamic and flexible process for coordination on supervision and enforcement matters.

The CFPB will not be reporting on measure 2.2.1.1 relating solely to on-site events in subsequent

years given that it has successfully introduced a more meaningful and comprehensive measure of the number of all supervisory events (measure 2.2.1.2).

In FY 2017, Fair Lending conducted targeted fair lending reviews focused on small business lending, mortgage servicing and student loan servicing, resulting in 27 total supervisory activities (measure 2.2.1.3). During FY 2018-2021, the CFPB did not report on this measure. Consistent with a recommendation from the Government Accountability Office (GAO), the CFPB is re-introducing this measure and will report progress for all supervisory events relating to fair lending laws within the CFPB's jurisdiction in subsequent years.

Performance goal 2.2.2: Issue examination reports or letters within the Bureau's established time periods following the close of examinations.

Effective supervision of financial institutions to foster compliance with federal consumer financial laws requires prompt notice to institutions of matters requiring their attention and action to avoid further violations or consumer harm. A thorough report development and review process ensures high-quality reports that appropriately explain what the examination team found and why corrective actions, if any, are expected.

Performance measures

TABLE 2.2.2.1: ISSUE EXAMINATION REPORTS OR LETTERS WITHIN THE BUREAU'S ESTABLISHED TIME PERIODS FOLLOWING THE FINALIZATION OF EXAM ANALYSIS

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | 60% | 60% | 70% | 70% | 70% | 70% | 70% | 70% |
| Actual | 70% | 71% | 45% | 71% | 92% | 91% | N/A | N/A |

TABLE 2.2.2.2: AVERAGE NUMBER OF BUSINESS DAYS TO ISSUE A SUPERVISORY LETTER OR EXAMINATION REPORT FOLLOWING THE FINALIZATION OF EXAM ANALYSIS

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | 60 | 60 | 60 | 60 | 60 | 60 | 60 |
| Actual | | 67 | 59 | 45 | 39 | N/A | N/A | |

Progress update and future action

The CFPB will continue to focus on issuing high-quality examination reports and supervisory

letters in a timely manner. Supervision will monitor and assess the quality and the timeliness of examination reports and supervisory letters issued.

The CFPB will review and analyze its processes to determine methods for improvement and increased effectiveness and efficiency. The CFPB intends to remain transparent about the goals of its supervision program and the steps being taken to achieve those goals, while protecting the confidentiality of the underlying financial institution-specific information.

Performance goal 2.2.3: Assess quality of examination reports and supervisory letters.

Ensuring high-quality examination reports and supervisory letters remains an area of focus for the CFPB, and Supervision will continue to monitor and assess the quality of the reports that are issued.

Progress update and future action

In FY 2021, the CFPB retired the measure for this performance goal and will determine whether a new measure is needed following the completion of the CFPB's FY 2022-2026 Strategic Plan.

Performance goal 2.2.4: Supervisory matters requiring attention addressed by the entity by the prescribed timeframe.

The CFPB monitors institutions that receive notice of matters requiring attention to ensure that corrective actions are taken within the prescribed timeframe in response to supervisory activities, which fosters compliance with federal consumer financial laws and promotes a fair consumer financial marketplace.

Performance measure

TABLE 2.2.4.1: PERCENTAGE OF SUPERVISORY MATTERS REQUIRING ATTENTION REPORTED COMPLETE BY THE ENTITY IN THE PRESCRIBED TIMEFRAME IN RESPONSE TO SUPERVISORY EVENTS

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | NA | 90% | 90% | 90% | 90% | 90% |
| Actual | | | 92% | 93% | 94% | 93% | N/A | N/A |

Progress update and future action

The regions continue to place emphasis on timeframe follow-up to ensure supervised institutions complied with prescribed deadlines. The CFPB continues to conduct on-site reviews of particular issues or actions that may require independent validation.

Performance goal 2.2.5: Cooperate and share information with partners in local, state, and federal law enforcement as part of efforts to protect consumers and deter wrongdoers.

This indicator ensures the CFPB is working well with its partners at the local, state, and federal level to share information across jurisdictions, subject to applicable legal restrictions, and is making the best use of its limited resources.

Performance measures

TABLE 2.2.5.1: PERCENT OF INVESTIGATIVE INFORMATION SHARED WITH PARTNERS WITHIN 30 DAYS, ONCE THE INFORMATION SHARING IS APPROVED IN ACCORDANCE WITH 12 CFR 1070.43(b)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--------|---------|---------|-------------------|---------|---------|---------|---------|---------|
| Target | | | 90% | 90% | 90% | 90% | 90% | 90% |
| Actual | | | 98% ³³ | 100% | 89% | N/A | N/A | |

TABLE 2.2.5.2: PERCENTAGE OF PUBLIC ENFORCEMENT ACTIONS IN WHICH COORDINATED OR JOINT ACTION IS TAKEN WITH OTHER FEDERAL OR STATE REGULATORS/LAW ENFORCEMENT AGENCIES

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--------|---------|---------|---------|---------|-----------|-----------|-----------|---------|
| Target | | | | | No Target | No Target | No Target | |
| Actual | | | | | 15% | N/A | N/A | |

Progress update and future action

The CFPB continues to cultivate strong working relationships with its partners at federal, state, and local regulatory and law enforcement agencies. Since opening its doors in July 2011, the

³³ This metric includes information collected in the last two quarters of FY 2019.

CFPB has signed more than 60 information-sharing Memorandums of Understanding (MOUs) with federal, state, and local governmental agencies. In the FY 2021, the CFPB shared investigative information with nearly 30 different government agencies in over 35 instances.

Information sharing with Bureau partners is a critical element of strong and effective partnerships. Sharing information in a timely manner fosters these strong partnerships. This fiscal year, to increase efficiency, the CFPB's final rule amending its Disclosure of Records and Information Regulation, effective December 24, 2020, transferred the authority to approve access requests from the General Counsel to the Director, which includes their designee (85 F.R. 75194). This metric ensures that if information sharing is approved, Bureau partnerships are supported with timely information sharing. This fiscal year, the CFPB missed its 90% target, having shared information with partners after approved within 30 days for 89% of access requests. Although fact-specific circumstances may require more than thirty days to share information pursuant to an access request, the transition to the new procedures during the fiscal year also contributed. The CFPB will continue to coordinate with its partners in its efforts to protect consumers, while also appropriately protecting confidential information relating to consumers and businesses.

The CFPB introduced a new performance measure in FY 2021, which measures the percentage of the Bureau's public enforcement actions that are either brought jointly, or simultaneously, with other federal or state agencies. This measure identifies the extent to which the CFPB's relationships with its partner agencies have resulted in coordinated action. For FY 2021, 15% of the CFPB's public enforcement actions involved coordinated or joint actions with other federal or state regulators or law enforcement agencies.

Performance goal 2.2.6: Cooperate and share information with federal and state partners as part of Supervision efforts to protect consumers and deter wrongdoers.

This goal ensures the CFPB works with its partners at the local, state, and federal levels to share information across jurisdictions—subject to the Bureau's regulations, policies on information sharing, and other legal restrictions—and makes the best use of its limited resources.

Progress update and future action

Under the Dodd-Frank Act, the CFPB is required to coordinate its supervisory work with various other regulators at both the state and the federal levels. The CFPB prioritizes sharing information about its supervisory activity and coordinating its work with other regulators when

possible. The CFPB was unable to share its calendar in time for FY 2020 due to the COVID-19 pandemic, however, the CFPB shared the calendar within the calendar year on December 31, 2020. The previous metric was retired after FY 2020 since the CFPB made substantial progress in this area and regularly shares information with other regulators as part of its normal operations.

Performance goal 2.2.7: Where the Bureau determines enforcement action is warranted, file or settle action within two years of opening its investigation.

Filing enforcement actions in a timely manner is an important measure of the CFPB's effectiveness as it increases deterrence and provides consumers with greater protections of law. The CFPB will continue to work to balance the need to pursue complicated and time-consuming cases effectively while minimizing any unnecessary delay between potentially unlawful conduct and resolution.

Performance measures

TABLE 2.2.7.1: PERCENTAGE OF ENFORCEMENT ACTIONS FILED OR SETTLED WITHIN TWO YEARS OF THE INVESTIGATION OPENING

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | 65% | 65% | 65% | 65% | 65% | 65% | 65% | 65% |
| Actual | 42% | 60% | 62% | 36% | 56% | 38% | N/A | N/A |

TABLE 2.2.7.2: AVERAGE DURATION, IN MONTHS, TO FILE OR SETTLE INVESTIGATIONS

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | NA | 24 | 24 | 24 | 24 | 24 | 24 |
| Actual | | 23 | 26 | 32 | 29 | 31 | N/A | N/A |

TABLE 2.2.7.3: AVERAGE DURATION, IN MONTHS, TO CLOSE INVESTIGATIONS WITHOUT PUBLIC ACTION

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | TBD | 15 | 15 |
| Actual | | | | | | 23 | N/A | N/A |

Progress update and future action

Timely resolution of a matter betters enables the CFPB to more quickly stop potentially unlawful conduct and redress harmed consumers. The CFPB's experience so far, as well as experiences of similar enforcement agencies, have informed the selection of the target timeframe. The CFPB will continue to monitor this target to assess whether it is an appropriate way to measure the Bureau's performance going forward.

This fiscal year, the CFPB has declined in measures 2.2.7.1 and 2.2.7.2. In large part, these measures were missed due to the impact of COVID-19 and multiple transitions to new leadership leading to a review of the active enforcement pipeline. After the CFPB determines that enforcement action is warranted, Bureau staff intends to review each matter at regular intervals to ensure enforcement is progressing in a timely manner to aid in improving on these timeframes in upcoming years.

The CFPB also added a measure of the average duration in months of investigations that the Office of Enforcement closes without taking public action. With this measure, the CFPB's measures account for both investigations that result in public action as well as those that are closed without public action, providing visibility into resources expended on investigations that do not result in public enforcement action.

Performance goal 2.2.8: Successfully resolve the enforcement cases the Bureau files in court and administrative adjudicative proceedings whether by litigation, settlement, issuance of a default judgment, or other means.

This measure ensures that the CFPB successfully resolves as many actions as possible while pursuing complex and challenging actions when appropriate, even when success is not assured.

Performance measures

TABLE 2.2.8.1: PERCENTAGE OF ALL CASES, INCLUDING FAIR LENDING, CONCLUDED BY THE BUREAU'S ENFORCEMENT PERSONNEL THAT WERE SUCCESSFULLY RESOLVED THROUGH LITIGATION, A SETTLEMENT, OR ISSUANCE OF A DEFAULT JUDGMENT

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | NA | 75% | 75% | 75% | 75% | 75% | 75% |
| Actual | | 88% | 100% | 100% | 100% | N/A | N/A | |

TABLE 2.2.8.2: TOTAL AMOUNT OF CONSUMER RELIEF ORDERED AS A RESULT OF PUBLIC ENFORCEMENT ACTIONS

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|-----------|-----------|-----------|
| Target | | | | | | No Target | No Target | No Target |
| Actual | | | | | | \$968 M | N/A | N/A |

TABLE 2.2.8.3: TOTAL AMOUNT OF CIVIL MONEY PENALTIES ORDERED AS A RESULT OF PUBLIC ENFORCEMENT ACTIONS

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|-----------|-----------|-----------|
| Target | | | | | | No Target | No Target | No Target |
| Actual | | | | | | \$251 M | N/A | N/A |

TABLE 2.2.8.4: THE PERCENTAGE OF ALL FAIR LENDING CASES CONCLUDED BY THE BUREAU THAT WERE SUCCESSFULLY RESOLVED THROUGH LITIGATION, A SETTLEMENT, ISSUANCE OF A DEFAULT JUDGMENT, OR OTHER MEANS

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | 75% | 75% | | | | 75% | 75% | |
| Actual | 100% | 100% | | | | N/A | N/A | |

Progress update and future action

During FY 2021, the CFPB concluded 34 public enforcement actions through litigation, a settlement, or issuance of a default judgment. The CFPB successfully resolved 100% of these actions.

The CFPB has also published the approximate total amount of ordered consumer relief resulting from public enforcement actions as well as the total amount of ordered civil money penalties. Publishing these totals allows the public to track these amounts on an annual basis more readily.

The Dodd-Frank Act sets forth as one of the CFPB's functions the enforcement of federal fair lending laws, including ECOA and HMDA. During FY 2018-2021, the CFPB did not report on measure 2.2.8.4, which is focused on fair lending enforcement actions. Consistent with a recommendation from GAO, the Bureau is re-introducing this measure and will report progress in subsequent years.

Performance goal 2.2.9: Promote transparency about compliance expectations to ensure consistent adoption and fair competition.

The CFPB will continue to publish Supervisory Highlights to share findings from recent examinations, along with remedies obtained. These findings are communicated without identifying specific institutions, except for enforcement actions already made public. The purpose of this publication is to provide the public information about supervisory expectations and compliance problems found in examinations such that industry can meet those expectations and improve compliance as needed.

Performance measure

TABLE 2.2.9.1: NUMBER OF WRITTEN COMMUNICATIONS ABOUT COMPLIANCE EXPECTATIONS

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | NA | 3 | 3 | 3 | 3 | 3 | 3 |
| Actual | | 4 | 1 | 2 | 3 | 2 | N/A | N/A |

Progress update and future action

The CFPB published two editions of *Supervisory Highlights* in FY 2021. Given the shift in priorities due to the change in administration and COVID-19 related work, Supervision issued only two Supervision Highlights publications this fiscal year. Supervision has published a COVID-19 Prioritized Assessments Special Edition (Issue 23) and a Summer Supervisory Highlights. Additionally, however, the CFPB published several supervisory guidance documents such as, the rescission of Statement of Policy on Supervisory and Enforcement Practices Regarding Electronic Credit Card Disclosures in Light of the COVID-19 Pandemic and CFPB Bulletin 2021-01: Changes to types of supervisory communications to inform supervised entities about its supervision program.

Goal 3. Foster operational excellence through efficient and effective processes, governance and security of resources and information

BUDGET BY STRATEGIC GOAL 3 BY PROGRAM (\$ IN THE MILLIONS AND ROUNDED)

| Program/Division | FY 2021 | FY 2022 | FY 2023 |
|--|----------------|----------------|----------------|
| Office of the Director | \$13.8 | \$19.4 | \$21.8 |
| Operations | \$160.0 | \$178.2 | \$191.8 |
| Consumer Education and External Affairs | \$7.4 | \$8.6 | \$8.5 |
| Research, Markets, and Regulation | \$0.0 | \$0.0 | \$0.0 |
| Supervision, Enforcement, and Fair Lending | \$0.0 | \$0.0 | \$0.0 |
| Legal | \$10.1 | \$11.4 | \$12.1 |
| Other Programs | \$2.1 | \$2.6 | \$2.6 |
| Centralized Services | \$13.7 | \$14.6 | \$15.8 |
| Total | \$207.0 | \$234.8 | \$252.7 |

The Operations Division has worked tirelessly to build an infrastructure that supports execution of the CFPB's mission to make consumer financial markets work for consumers, responsible providers, and the economy as a whole. The CFPB has matured and adopted policies, processes, tools, and controls to operate more efficiently, effectively, and transparently, while remaining nimble to adapt to a continually changing environment. To achieve this goal Operations has focused on five areas:

- **Develop and maximize a talented, diverse, and inclusive workforce:** Reinforce and mature the CFPB's learning and development opportunities to develop new skills and leadership traits required for a modern workforce.

- **Define and implement a modern workplace that promotes the well-being, safety, accessibility, and productivity of all employees:** Adapt to modernized ways of working with the safety of our workforce at the forefront.
- **Advance the work of the CFPB through innovative and optimized operational support:** Increase workforce happiness by enhancing the customer experience and improving efficiencies on internal services.
- **Increase transparency and information sharing:** Make the CFPB's services more transparent while maintaining data confidentiality, integrity, and availability, through robust cybersecurity and IT programs.
- **Modernize and integrate data and systems:** Connect, integrate, manage, and share the CFPB's systems and data within Operations and across the Bureau. Ensure data is accessible by internal and external stakeholders to inform effective, data-driven decision-making, rulemaking, and oversight.

The CFPB is committed to being a responsible steward of resources, which is critical to maintaining the public trust that enables the Bureau to achieve its mission. This includes having strong information security safeguards to protect the CFPB's assets and information, robust internal controls, and disciplined financial management practices. Additionally, the CFPB will monitor and conduct periodic evaluations of its operations through an enterprise risk management program to ensure effective management of resources and risk. The CFPB will continue identifying opportunities for efficiency and effectiveness through innovative technology, work environments, and an engaged, diverse, and inclusive workforce.

The CFPB will attain its third strategic goal by achieving the following objectives:

Objective 3.1: Safeguard the Bureau's information and systems.

Objective 3.2: Maintain a talented, diverse, inclusive and engaged workforce.

Objective 3.3: Manage risk and promote accountability within the Bureau.

Objective 3.1

Safeguard the Bureau’s information and systems.

Objective leader: Chief Operating Officer, Operations

Strategies and investments

The following strategies and investments have been put in place to help the CFPB achieve objective 3.1.

Strategies

- Mature and continue to maintain a responsive cybersecurity program that facilitates secure information management and strategic decision-making.
- Align the CFPB’s IT investments with federal security standards and priorities, and industry-leading practices.

Investments

PERSONNEL

Invest in several areas, including a training platform and an Interagency Agreement (IAA) with National Defense University (NDU) that will help Cybersecurity staff obtain specialized technical training geared to enhancing security responsibilities in emerging areas such as zero trust and oversight of cloud computing solutions. As part of the Evidence Act, the CFPB is conducting a data maturity assessment to assess the coverage, quality, methods, and effectiveness of current staff data literacy and data skills. Additionally, all CFPB staff will be educated on cybersecurity best practices as the Bureau’s Phishing Awareness and Insider Threat programs continue to be implemented. The CFPB has expanded cybersecurity role-based training to align with industry best practices and the National Institute of Standards and Technology (NIST) National Initiative for Cybersecurity Education (NICE) Framework. As a result, in FY 2021 the CFPB improved role-based training completion by 40% with a faster achievement of awareness training in Q2.

CLOUD INFRASTRUCTURE AND SERVICES

Continue investing in cybersecurity cloud capabilities incorporating principles of “never trust – always verify”. These include capabilities to authenticate and identify users of cloud computing

services, monitor sensitive data repositories, analyze application and account behavior patterns, and leverage security services embedded in our cloud computing services used by the CFPB.

CYBERSECURITY

Continue to enhance a robust cybersecurity program that secures and safeguards communications, data, and IT resources through a combination of comprehensive policies, continuous monitoring, and leading technologies.

DESIGN AND SOFTWARE DEVELOPMENT SUPPORT

Continue to optimize capacity to design, develop, implement, and maintain new digital products and tools with enhanced capabilities, features, and functionalities for a variety of business applications that securely support the CFPB's mission.

KNOWLEDGE MANAGEMENT

Build up its Knowledge Management program to increase accountability, facilitate informed decision making, ensure the retention of institutional knowledge, and improve cross-Bureau collaboration through better and more efficient sharing of CFPB data and information. The CFPB will invest in activities to strengthen document management practices, implement new tools and best practices, and develop training to improve adoption.

TECHNOLOGY STRATEGY AND TRANSFORMATION SUPPORT

Invest in the digital transformation of our IT systems including migration to cloud-based platforms, enhanced support for data analytics, and empowered mobility of the CFPB's workforce. The CFPB supports this transformation by investing in organizational change management, communications, workforce coaching, and agile project management to enable transformation goals.

Performance goal

The CFPB will assess the progress on achieving objective 3.1 through the following performance goal:

Performance goal 3.1.1: Improve comprehensive cybersecurity protection of Bureau information and resources.

Cybersecurity manages risk, protects our data and consumers, and ensures that our systems

resilience is managed and measured.

IT Resilience: For many years, the CFPB has invested in and planned for the unexpected – since the start of the COVID-19 pandemic in March 2020 all Bureau staff and contractors have been fully productive, working from home with their full suite of IT capabilities. As the pandemic continues to unfold, business and IT stakeholders have worked together to expand capabilities such as rich video teleconference, mass communication, and collaboration features. The CFPB’s IT Contingency Plan protected critical stakeholder services and preserved the trust of citizens and financial institutions in our work.

Risk Management/Plans of Actions and Milestones (POA&Ms): The CFPB’s Cybersecurity team uses a federally established (NIST 800-37-based) six-step process (Categorize, Select, Implement, Assess, Authorize and Monitor) to monitor and report a potential risk of compromise across all IT systems. In the cases where the risk has developed into a known issue, as documented by After Action Reports or POA&Ms, issues are prioritized for resolution by the system owners, application owners, and business owners with full support to analyze and advise from the Cybersecurity team. POA&Ms are categorized based on the severity or level of risk of the known issue. The performance measure for FY 2021 was aimed at what percentage of the POA&Ms in the two most severe categories – “critical” and “high” – were remediated within deadlines set by the CFPB’s Cybersecurity team.

Phishing Exercises: 90% of cyber incidents and breaches are initiated through phishing. The CFPB conducts regular role-based phishing exercises to gauge our workforce’s ability to recognize the signs of email, voice and SMS attacks. The CFPB’s phishing exercise approach is at OIG Level-4 maturity - effective. To improve the security of the Bureau, CFPB will be putting in place further role-based phishing exercises in FY 2022.

Report Cybersecurity Incidents to the United States Computer Emergency Readiness Team (US-CERT): The Cybersecurity and Infrastructure Security Agency’s (CISA) [Federal Incident Notification Guidelines](#) dictate that incidents must be reported to US-CERT within one hour of being identified by the agency’s top-level Computer Security Incident Response Team (CSIRT). The CFPB tracks this metric to ensure consistent adherence to this guidance and has built automated processes to ensure implementation. In FY 2021, the CFPB added a new measure, percentage of endpoints (laptops/mobile) with operating systems no more than 12 months beyond publication of latest version. This new metric will ensure that the CFPB’s end point compute devices are not subjected to higher cyber threats due to missing the required updates to operating systems.

Federal Information Security Modernization Act of 2014 (FISMA) Maturity Model: FISMA mandates the reporting of the information security posture for federal agencies through an annual audit conducted by the Office of Inspector General (OIG) and self-reported metrics via the Department of Homeland Security (DHS) CyberScope platform. This assessment examines the adequacy and effectiveness of the CFPB's information security policies, procedures, and practices. The goal is to improve the CyberScope score in FY 2022 by implementing Privileged Access Management (PAM) with multifactor authentication (MFA) and improving user-based access to include MFA. In addition, the CFPB's cybersecurity profile will be further improved in the CyberScope self-assessment once user-level MFA has been rolled out to all Bureau staff. The CFPB plans to leverage derived credentials for laptops and phones to achieve the desired level of individual authentication. These steps will also improve protections against authentication-based attacks.

Performance measures

TABLE 3.1.1.1: PERCENTAGE OF USERS SUSCEPTIBLE TO PHISHING ATTACKS

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|------------------------|-----------------------|-----------------------|----------------------|----------------------|
| Target | | | | <7% of users tested | <10% of users tested | <10% of users tested | <10% of users tested | <10% of users tested |
| Actual | | | | 16.15% of users tested | 15.5% of users tested | 32.5% of users tested | N/A | N/A |

TABLE 3.1.1.2: AVERAGE TIME TO REPORT CYBERSECURITY INCIDENTS TO US-CERT

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|-----------|----------|-----------|---------|
| Target | | | | | 30 mins | 2.5 mins | 2.5 mins. | 2 mins |
| Actual | | | | | 3.36 mins | 1.8 mins | N/A | N/A |

TABLE 3.1.1.3: NUMBER OF CRITICAL OR HIGH OVERDUE POA&MS

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | <10% | <10% | <10% |
| Actual | | | | | | 70% | N/A | N/A |

TABLE 3.1.1.4: ACHIEVE OIG MATURITY MODEL RATINGS OF LEVEL 4 (MANAGED & MEASURABLE) ACROSS MULTIPLE CYBERSECURITY FRAMEWORK AREAS

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|--------------|--------------|--------------|--------------|--------------|---------|
| Target | | | 2 of 5 Areas | 3 of 5 Areas | 5 of 5 Areas | 5 of 5 Areas | 4 of 5 Areas | |
| Actual | | | 3 of 5 Areas | 3 of 5 Areas | 5 of 5 Areas | N/A | N/A | |

TABLE 3.1.1.5: PERCENT OF ENDPOINTS RUNNING OPERATING SYSTEMS THAT ARE OVER 12 MONTHS OUT-OF-DATE FROM THE LATEST PUBLISHED RELEASE DATE

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | <10% | <10% | <10% |
| Actual | | | | | | 55.9% | N/A | N/A |

Progress update and future action

The CFPB has taken several steps to enhance its cybersecurity program to identify risks, detect concerns, prevent harm, respond to ongoing incidents, and recover resiliently. These include:

IT Resilience: The CFPB continues to invest in cloud-based systems as strategic platforms to streamline Bureau processes, integrate stakeholder interactions and workflows, track consumer complaints, and enhance visibility and reporting. In FY 2021, the CFPB selected a Cloud Access Security Broker (CASB) contract to deliver the people, process, and technology elements necessary to improve the Bureau's cloud security posture. The CASB program will deliver four foundational cloud security advances to the CFPB: (1) Visibility and Governance – Integrated discovery, monitoring, and policy enforcement of sanctioned and unsanctioned services and workloads; (2) Data Security – Enforce data-centric security policies to prevent unauthorized actions based on data classification, data discovery, and user activity; (3) Threat Protection – Prevent unwanted devices, users, and applications from accessing cloud services through adaptive access controls and integrated cloud threat protections; and (4) Security Compliance – Determine and demonstrate continuous adherence to organizational standards, policies, and controls.

Risk Management: In FY 2021, the CFPB leveraged the NIST 800-37 six-step process to assess the risk of various IT systems. In FY 2022, the CFPB will improve the standard to the recently published federally established guidance (NIST 800-53 revision 5) and update policies, procedures, and practices, accordingly. The updated standard focuses on increased integration

with privacy and supply chain risk management. The CFPB will work internally across Operations and Strategy to assess how to mitigate this threat vector in accordance with guidance from NIST, DHS CISA, and OMB.

POA&Ms: In FY 2021, the CFPB continues to make significant strides to reduce the overall number of POA&Ms, but with special focus on critical and high-risk areas. Established weekly system owner meetings continue to be a driving force for overall POA&M, CAP and vulnerability reductions and on-time remediations.

- Total High or Critical POA&Ms were reduced by 90 during FY 2021, leaving 89 open POA&Ms. These include:
 - Configuration management related (12 open – Oldest is 2,795 days old)
 - Data encryption related (31 open - Oldest is 2,358 days old)
 - Automation of Splunk log aggregation (28 open - Oldest is 1,264 days old)

FY 2021 resulted in a reduction of a substantial amount of technical debt associated with a lack of cyber hygiene. The remaining open POA&Ms are complex and will be closed when the CFPB fully implements PIV authentication - which is a focus of FY 2022. The Technology and Innovation (T&I) office within Operations will also continue to push the full adoption of encryption of data at rest and in transit to the maximum extent consistent with federal records laws and work with external vendors to implement automated log collection, which is not in direct control of the system owners. Additionally, in FY 2022, Cybersecurity will continue pursuing the maturation of configuration management, monitoring and prevention of configuration drift – which will close the majority of POA&Ms that present the highest risk. Future actions include engaging early with procurement to ensure the purchase of secure software capabilities to proactively eliminate new POA&Ms and monitor supply chain risks.

Phishing Exercises: In FY 2021, the CFPB adopted role-based phishing, underscoring opportunities for improvement in multiple populations. In Q3, the CFPB saw an increase in the click failure rate percentage (around 32%), which indicates that the Bureau has an opportunity to reinforce the potential impact of phishing failures. In FY 2022, to improve on the metric, the CFPB will reinforce knowledge of phishing, SMSishing, and vishing practices through CyberSmart training, targeted awareness training, and intranet postings. The CFPB will also incentivize and build cybersculture through the CyberStar program.

Report Cybersecurity Incidents: In FY 2021, the CFPB improved on this metric by closely tracking related metrics and building automated processes to ensure implementation. In FY

2022 and beyond, the CFPB will continue to enhance its monitoring system and data management processes to better track the Bureau's IT assets and vulnerabilities (see metric 3.1.1.5 introduced in FY 2021). The CFPB will also establish strong authentication for all devices and systems, beginning to implement multifactor-based authentication across the Bureau.

FISMA Maturity Model: In FY 2021, the CFPB's Data Protection and Privacy programs maintained an effective rating measured at the Level-4 maturity. Cybersecurity and Privacy have consistently implemented policies and procedures for mobile media protection and have restricted use of removable storage devices. Through these improvements and adoptions of industry best practices, the CFPB maintained an OIG Maturity Model of Level 4 in 3 out of 5 areas at the end of FY 2021. In FY 2022 the Bureau's Identity Credential and Access Management (ICAM) program will develop an implementation strategy to provision multifactor authentication, privileged access management and support a zero-trust architecture.

Objective 3.2

Maintain a talented, diverse, inclusive and engaged workforce.

Objective leaders: Chief Operating Officer, Operations; Assistant Director, Office of Minority and Women Inclusion; Assistant Director, Office of Civil Rights; Associate Director, Office of Equal Opportunity and Fairness

Strategies and investments

The following strategies and investments have been put in place to help the CFPB achieve objective 3.2.

Strategies

- Establish and maintain human capital policies and programs to help the agency effectively and efficiently manage a talented, diverse, and inclusive workforce.
- Offer learning and development opportunities that foster a climate of professional growth and continuous improvement.
- Develop human capital processes, tools, and technologies that continue to support the maturation of the CFPB and the effectiveness of human resource operations.

- Build a positive work environment that engages employees and enables them to continue doing their best work.
- Use data and information from the Annual Employee Survey (AES), especially the Inclusion Quotient, to inform Divisional diversity and inclusion strategic planning related to staff engagement and retention.
- Leverage equal employment opportunity (EEO) compliance and training along with diversity and inclusion, fair lending, and disability and accessibility programs to increase efficiency and impact while minimizing duplication.

Investments

PERSONNEL

Maintain capacity across the CFPB and enhance employee engagement by aligning and focusing human capital investments on three priority areas as part of an integrated CFPB People Strategy:

- Create a strong leadership presence and supporting organizational culture;
- Provide employee development and advancement; and
- Foster a culture of diversity, equity, and inclusion.

HUMAN CAPITAL SHARED SERVICES, INFRASTRUCTURE, AND OPERATIONS

Provide a variety of support services, including pay and leave administration; employee benefits administration and support; time and attendance; personnel documentation; and performance management systems.

LEARNING, LEADERSHIP, AND ORGANIZATION DEVELOPMENT FACILITATION AND DESIGN

Support the development of high-quality people and team development solutions including core competency trainings, various management trainings, EEO and diversity and inclusion trainings, and leadership coaching and organizational development services. Support the improvement of organizational and group effectiveness through workforce planning, team assessment, and action planning support.

LEVERAGE DIVERSITY AND INCLUSION, EQUAL OPPORTUNITY COMPLIANCE AND

FAIR LENDING

Foster a positive, diverse, and inclusive workplace by providing advice to CFPB leadership on innovative diversity and inclusion practices for employees, consumers, and regulated entities as well as equal employment best practices supporting the Bureau's mission.

STAFFING, RECRUITMENT, AND COMPENSATION INITIATIVES

Invest in candidate outreach, sourcing, recruiting, and selection support services to reach, attract, and hire high-performing, diverse staff, using both traditional and digital outreach strategies. Maintain strategic focus on developing diverse pipelines of talent utilizing tailored candidate assessment methods to enhance quality of hire, and delivering an overall hiring experience that is fair, transparent, and efficient. Build and maintain strategic partnerships with colleges, universities, professional organizations, and affinity groups that serve diverse populations. Implement improvements to the CFPB's compensation program to better promote pay equity and enhance the quality, consistency, credibility and transparency of pay determinations.

Performance goals

The CFPB will assess the progress on achieving objective 3.2 through the following performance goals:

Performance goal 3.2.1: Maintain high-performing, diverse employees with the right skills and abilities.

The CFPB assesses progress and performance on this goal by measuring management training outcomes, and employee perceptions of the technical competence of the workforce and diversity and inclusion. Strategies to improve in these areas target organizational effectiveness, talent development, and diversity and inclusion initiatives.

Management Training Survey Rating

One of the measures that the CFPB uses to assess progress is the extent to which managers are able to apply the skills they have learned from management training to their day-to-day management responsibilities. The CFPB has developed a metric that combines feedback from several training assessment surveys. This metric provides the CFPB with information that is used to evaluate and improve management training opportunities. This metric, along with 19 other data sources, is used to determine the effectiveness of current management training,

assess the resources needed to promote and facilitate training, and identify the type of management training needed in the future.

Performance measures

TABLE 3.2.1.1: MANAGEMENT TRAINING SURVEY RATING ON APPLYING LEARNED SKILLS TO JOB RESPONSIBILITIES (AGGREGATE OF THREE QUESTIONS ON 7 POINT SCALE)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | 5.75 | 5.75 | 5.75 | 5.00 | 5.75 | 5.75 | 5.75 |
| Actual | | 6.4 | 6.5 | 6.34 | 6.26 | N/A | N/A | |

TABLE 3.2.1.2: ANNUAL EMPLOYEE SURVEY (AES) RATING ON PERCEPTIONS OF TECHNICAL COMPETENCE OF THE BUREAU STAFF (% FAVORABLE)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | 64% | 68.5% | 70% | 70% | 66% | 66% | 69% | 70% |
| Actual | 67.9% | 72.1% | 57.1% | 57.0% | 67.4% | 70.4% | N/A | N/A |

TABLE 3.2.1.3: INCLUSION QUOTIENT: ANNUAL EMPLOYEE SURVEY (AES) RATING ON PERCEPTION OF INCLUSION AND DIVERSITY (% FAVORABLE)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | 65% | 67% | 70% | 70% | 67% | 67% | 70% | 71% |
| Actual | 67.5% | 72.5% | 67.2% | 66.6% | 67% | 72.7% | N/A | N/A |

Progress update and future action

The CFPB offered the following courses, which have contributed to this metric for FY 2021:

- CFPB Supervisor Development Seminar - three days in duration (four deliveries)
- CFPB SDS Refresher - one day in duration (four deliveries)
- Leadership Excellence Seminars 1 & 2 - two day in duration (two deliveries)
- Leadership Excellence Seminars 3 & 4 - two days in duration (two deliveries)
- Leadership Excellence Seminar 5 - two days in duration (two deliveries)

The CFPB continues to prioritize delivery of management training solutions to meet federal mandates through virtual deliveries while working in a maximum telework environment in response to COVID-19. The impact of COVID-19 has required the CFPB to prioritize the federally-mandated training topics due to the work needed to convert classroom training to virtual training. New solutions and offerings that have been developed, but not yet implemented, have been delayed until FY 2022. Despite these challenges, the CFPB was able to achieve a 6.26 score, above the adjusted target of 5.00 for FY 2021. The target will be readjusted to 5.75 in FY 2022 as the Bureau expects the new solutions and improvements with virtual deliveries to be well-received with staff.

Employee Feedback

Additional measures for assessing progress and performance toward goal 3.2.1 include employee perceptions of the workforce's technical competence and employee perceptions of diversity and inclusion. The technical competence composite is comprised of ratings on three items from the AES, related to job-relevant knowledge and skills, ability to recruit, and use of talents in the workplace.

To better focus on the conditions that enhance inclusion, in the framework of the current Annual Performance Plan and Report, the CFPB has adopted the Inclusion Quotient framework defined by the Office of Personnel Management's (OPM) Office of Diversity and Inclusion. OPM's Inclusion Quotient framework includes five aspects of inclusion: Fair, Open, Cooperative, Supportive, and Empowering. For all of the AES metrics, the baseline measures from previous years were used to establish targets for improvement over time. The CFPB reviewed and adjusted these metrics based on historical performance and current Bureau strategy.

The Office of Human Capital is also working with internal and external partners to enhance AES reporting and action planning tools for more targeted and timely action to address employee feedback. Strategies to improve in these areas target workforce planning, including succession planning, talent development, and diversity and inclusion initiatives.

Diversity, Equity, Inclusion, and Accessibility

The Office of Equal Opportunity and Fairness (OEOF) includes the Office of Civil Rights (OCR); Office of Minority and Women Inclusion (OMWI); the Disability and Accessibility Programs Section (DAPS); and the Office of Fair Lending and Equal Opportunity (OFLEO) under its umbrella. OEOF fosters a positive, diverse, and inclusive workplace by providing advice and technical assistance to senior leaders on innovative diversity and inclusion practices for

employees, consumers, and regulated entities as well as equal employment best practices supporting the CFPB’s mission. In FY 2021, OEOF conducted several programs and initiatives:

- **Facilitated Implementation of the CFPB’s Racial and Economic Equity (REE)**

Priority: In support of the CFPB’s REE priority announced in January 2021, the Acting Director convened a REE Taskforce to identify and address how the Bureau could organize its efforts to advance REE in its mission work and operations. To carry out the work of advancing racial and economic equity, the CFPB first identified needs and then secondly developed concepts to address those needs. The approach was designed to obtain involvement from Bureau staff at all levels of the agency as well as key external stakeholders. REE Taskforce members requested feedback from the entire CFPB staff for ideas or “action items” on how the Bureau could implement the REE goals. Employees were engaged in this effort in a variety of ways:

- Providing feedback through the Bureau “pulse” surveys;
- Participating in a project to develop a recommended CFPB definition for racial and economic equity and how it ties to the Bureau’s statutory authorities;
- Participating in the Taskforce outreach for feedback and recommendations; and
- Gathering feedback and recommendations from external stakeholders on how the CFPB can advance racial and economic equity.

The feedback and information collected through these efforts were used to inform eight internal and external REE goals, and recommended REE actions. OMWI developed an REE Guidance Tool, with the collaborative input of CFPB stakeholders, to help Divisions and employees apply the REE goals.

- **Developed the CFPB’s Diversity, Equity, Inclusion, and Accessibility (DEIA)**

Strategic Plan: In FY 2021, the CFPB started developing its five-year DEIA Strategic Plan. The current Plan expires in FY 2022. The new DEIA Plan will contain strategic goals and actions related to diversity, inclusion, racial and economic equity, and accessibility for the entire Bureau and relate directly to the CFPB’s overall Strategic Plan. In addition, the CFPB voluntarily responded to Executive Orders 13985 and 14035 by submitting a 200-Day Equity Assessment Report on August 6, 2021, and a DEIA Self-Assessment on October 1, 2021, respectively. The CFPB is voluntarily responding to the EOs because they align with the Bureau’s priorities and statutory authorities.

- **Educated the CFPB Workforce on Diversity and Inclusion:** OMWI and OCR implemented educational and training programs for managers and staff. In FY 2021, the CFPB developed and implemented new and updated mandatory training. The training, which focused on reinforcing the diversity and inclusion components of the CFPB's performance standards, was launched in August 2021. As of mid-November 2021, the Office of the Director managers and staff, and the SEFL managers have completed the training; it will continue into FY 2022 until all CFPB employees have taken the training. The CFPB also began offering ad hoc diversity and inclusion training on various topics and issues at the request of specific divisions, according to their development needs and interests. The CFPB will continue to offer a catalogue of ad hoc courses to divisions in FY 2022.
- **Conducted Diversity and Inclusion Strategic Planning with Divisions:** In FY 2021, the CFPB restructured the divisional diversity and inclusion strategic planning process to provide improved guidance, materials, and tools to the Bureau's diversity and inclusion administrators. OMWI worked closely with all of the CFPB's D&I administrators over a period of three months to help them identify D&I issues and define their strategic goals. OMWI also held an informational meeting for all administrators to introduce the new guidance. The divisions completed their strategic plans by September 30, 2021 and began implementing their FY 2022 plans on October 1, 2021. In addition, OMWI leadership met with the administrators in September-October 2021 to finalize the FY 2021 strategic plans.
- **Expanded and Enhanced Employee Engagement:**
 - OMWI continued its Dialogue Series that is open to all employees and centered around a variety of race and equity themes and topics, such as *Why Black Lives Matter Impacts Everyone, The Fight Against Colorism, and Racism Has a Cost for Everyone*. In response to events in the U.S. and around the world, the CFPB held employee webinars on anti-Asian hate and confronting anti-Southeast Asian hate and Islamophobia, as well as an external event, jointly with other FIRREAs on anti-Asian hate and violence. OMWI's Race Equity Guide for employees is regularly updated to include learning resources on topics such as gender identity, pronoun use, and the transgender community. Materials and resources on racial equity and inclusion from the VisionSpring *Inclusion Learning Loop* are regularly shared with diversity and inclusion administrators to help them engage employees on these topics.
 - OMWI continued to support a range of employee engagement initiatives, such as the Diversity and Inclusion Council of Employees (DICE) and Employee Resource Groups (ERG). In FY 2021, the CFPB revised its ERG policy to make ERGs official Bureau

groups, which provide broader resource support for the groups and greater opportunity for them to provide input on the CFPB's mission work. OMWI continued to support the six ERGs in addition to DICE: ADELANTE (Latino community focused), ASPIRE (Asian American community focused), PRIDE (LGBTQ+ community focused), RISE (Black and African-American community focused), SPARK (Woman focused), and the Parents' ERG (Focused on parents and caregivers). In FY 2021, OMWI helped the CFPB's community of Veterans start the process of establishing a Veterans ERG, which is currently under review. OMWI works with ERGs to increase employees' understanding of different perspectives and life experiences. ERGs also serve as vehicles for networking and participating in CFPB's efforts to recruit and retain a diverse workforce. In FY 2021, ERGs met regularly to network, plan, host, and participate in initiatives that educated Bureau employees and recognized, acknowledged, and celebrated the many ways in which diversity informs the CFPB's work. In October 2020, ADELANTE and OMWI hosted a Hispanic Heritage Month event on Assisting Multilingual Speaking Consumers in Navigating Financial Challenges and in May 2021, ASPIRE hosted a special event celebration AAPI Heritage Month and featuring local artist Risa Puno.

- The CFPB continued its Mentoring for Success Program in FY 2021, including a Leadership Speaker Series, small group discussions; and matched mentor/protégé pairs. In addition, the CFPB hosted a new and innovative speed-mentoring event that allowed protégés to connect informally with several mentors over a short period of time.
- **Participated in Outreach Activities:** In FY 2021, OMWI continued to partner with OHC to ensure the CFPB's outreach and recruitment efforts included a diverse candidate pool. OMWI hosted virtual exhibit booths at the Ascend National Convention and Career Fair, the largest gathering of Pan-Asian business leaders and professionals in North America, at the Prospanica National Conference and Career Expo, an association of Hispanic MBAs and business professionals, and at SAIGE, the first national non-profit organization representing American Indian and Alaska Native government employees. OHC applied the CFPB's digital media recruitment funding to maintain an employer brand on LinkedIn, Handshake, eQuest, and Indeed. These websites reach a large, diverse applicant pool.
- **Maintained an Equal Employment Program:** OCR processed EEO-related complaints in accordance with timeframes and guidelines set forth by the Equal Employment Opportunity Commission (EEOC). OCR continued to utilize an Alternative Dispute Resolution program for workplace disputes and continued to utilize the Conflict Coaching Program to work one-on-one with employees to resolve disputes. The CFPB reported no EEO program deficiencies in the EEOC's FY 2020 MD-715 Report issued in April 2019.

- **Conducted Barrier Analysis:** OCR conducted an equal employment barrier analysis for individuals with disabilities and targeted disabilities, including investigations, policy reviews, interviews with CFPB employees, and employee focus groups, and established an action plan for the barriers identified.

In FY 2021, OHC, OMWI, OCR, and DAP continued to build on and integrate leadership and management EEO and diversity and inclusion trainings. In addition, the OHC recognized the impact of the current pandemic and adapted its recruitment efforts accordingly by developing a FY 2021 recruitment strategy specifically designed to reach the public actively and effectively in a virtual environment. As part of the CFPB's continued effort to partner with ERGs in building and retaining an inclusive workforce, OHC presented this strategy to the ERGs to elicit feedback on the FY 2021 plan.

Performance goal 3.2.2: Maintain a high level of employee engagement.

The CFPB's internal priority is to promote a more inclusive, effective, and efficient organization. As the CFPB matures, sustaining a high level of employee engagement is essential to executing the mission and ensuring organizational success. Central to this is capturing employee feedback by measuring employees' commitment to their jobs, colleagues, and organization, and taking appropriate actions to address opportunities to increase engagement.

To better focus on the conditions that enhance employee engagement, in the framework of the current APP, the CFPB has adopted the Employee Engagement framework defined by the OPM. The OPM model for Employee Engagement includes three factors: Leaders Lead, Supervisors, and Intrinsic Work Experiences. This framework covers most of the conditions likely to lead to employee engagement.

Performance measure

TABLE 3.2.2.1: OPM EMPLOYEE ENGAGEMENT INDEX

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | 70% | 70% | 75% | 76% |
| Actual | | | | | 71.2% | 79% | N/A | N/A |

Progress update and future action

Actions taken in 2021 in these areas include the following:

- Launched CFPB Next, a Bureau-wide effort to explore what the CFPB’s work experience will look like in the coming years. The CFPB is using lessons learned, along with feedback from its employees, to redesign how and where we work in the future, better define the employee value proposition, and optimize the way we do our day-to-day work.
- Established a People Action Planning Working Group to increase coordination in the development, prioritization, implementation, monitoring, and evaluation of actions aimed at enhancing the employee experience at CFPB.
- Approved a new paid parental leave program that provides up to 12 weeks of paid parental leave to CFPB staff in connection with the birth or placement (for adoption or foster care) of a child occurring on or after January 1, 2020.
- Completed a leadership pipeline and workforce planning analysis to explore workforce readiness risks and developed recommendations to mitigate those risks. Sought FY 2022 funding to design and implement in FY 2022 – FY 2024 new and expanded programs to address potential workforce skill gaps and increase career development opportunities. These include “aspiring leaders” curriculum, project and program management curriculum, First Line Supervisor Group Coaching program, and an expansion of the Senior Leader Coaching program.
- Conducted implementation planning for a succession planning process that will aid CFPB leaders to optimize the current workforce, invest in workforce development to meet long-term needs, build a healthy management pipeline, and attract and retain a diverse and inclusive workforce responsive to the needs of the Bureau’s various stakeholders. Implementation is expected in FY 2022.
- Reached a final agreement on a new three-year compensation agreement with the National Treasury Employees Union (NTEU) that includes increases to merit pay, lump sum bonuses, and locality pay, as well as a path forward on a broader set of compensation reforms.
- Launched a CFPB-wide salary review and reset initiative with the collection of employee work experience and the establishment of joint labor-management committees to review and credit that experience. Joint Crediting Committees including two management and two union representatives credit work experience as direct, indirect, or other, using agreed-upon definitions in early 2021.
- Launched a revamped mentoring program, Mentoring for Success, which is open to all CFPB employees.

- Implemented a new Conflict Coaching Program, which is open to all employees to help reduce or resolve workplace conflicts.
- Continued several initiatives to ensure the health, safety, and well-being of the CFPB's staff during the COVID-19 pandemic, including enhancing telework, authorizing employees to use administrative leave if they are unable to perform work at home or at their home duty station due to reasons related to COVID-19, and provided up to two weeks (80 hours) of emergency paid sick leave through December 31, 2020, in accordance with the Emergency Paid Sick Leave Act.
- Initiated efforts to implement Executive Order (EO) 14043, titled, "Requiring Coronavirus Disease 2019 Vaccination for Federal Employees." The order and related *Workplace Safety Principles and Guidance* issued by President Biden's Safer Federal Workforce Task Force mandate that all federal employees be fully vaccinated for COVID-19 by November 22, 2021.

In FY 2022, the CFPB will conduct the following activities, including:

- Launching a formal People Strategy that defines the priorities and activities the CFPB will take to address aspects of the work and work environment that impact the employee experience, employee engagement, and organizational climate and culture, and ensure that the Bureau takes a holistic, consistent approach to considering and planning CFPB-wide people-related initiatives.
- Completing negotiations with NTEU over a broad set of compensation reforms, including a new pay band structure and a new pay setting process following the CFPB-wide salary review.
- Negotiating a new Collective Bargaining Agreement with the NTEU.
- Improving the hiring process through enhanced customer support and transparency.
- Act upon recommendations for improving CFPB-wide management and staff training to reduce the training burden, create more consistency in the customer experience, and implement ownership and oversight of training.

The CFPB's 66.05% response rate to the AES, reflects broad participation in employee feedback activities. The CFPB analyzes AES results to inform its action planning efforts and will continue to develop and reinforce actions and communication across the organization. In FY 2022, the CFPB will introduce a new automated tool that will enable leaders to access and view AES data

in a more interactive format and enhance their ability to explore trends in AES data over time.

Additionally, in FY 2021, the CFPB continued to offer career development resources including the implementation of two new self-directed products to support career planning, recommended courses for aspiring leaders, and multiple programs for leadership and management development, including foundational and advanced skills programs.

Objective 3.3

Manage risk and promote accountability within the Bureau.

Objective leaders: Chief Operating Officer, Operations; Chief Strategy Officer

Strategies and investments

The following strategies and investments have been put in place to help the CFPB achieve objective 3.3.

Strategies

- Align resources to mission and promote budget discipline.
- Continue to leverage shared services for management functions such as financial management and travel in order to maximize resources and cost efficiencies.
- Provide accurate, complete, and meaningful information about the CFPB's financial and operating performance to internal and external stakeholders.
- Acquire, deploy and maintain a suite of enterprise-wide services and secure technology capabilities that optimize staff productivity and are cost-effective.
- Mature and maintain a culture of continuous improvement to support the highest and best use of resources and minimize the risk of waste, fraud, and abuse.
- Mature the Enterprise Risk Management (ERM) program to strengthen leadership decision-making, enhance the resource allocation process, and improve overall organizational performance.

Investments

PERSONNEL

Completed a comprehensive staffing planning exercise to make decisions regarding the level of staffing needed to support and execute the CFPB's priorities in FY 2021. The former Director approved the staffing plan on November 18, 2020, which set staffing levels at 1,612 employees. In September 2021, the Acting Director approved an updated staffing plan which set staffing levels at 1,659 employees for FY 2022.

AUDITS OF THE BUREAU

Continue to work with the OIG of the Board of Governors of the Federal Reserve System and the Bureau of Consumer Financial Protection, the GAO, and an independent contractor for external auditing and oversight of the CFPB's operations and budget.

CLOUD APPLICATION PLATFORMS

Continue to invest in cloud-based application systems as strategic platforms to streamline CFPB processes, coordinate stakeholder interactions and workflows, and enhance visibility and reporting. The CFPB has launched applications on these platforms, including tools for handling consumer complaints, coordinating interactions with supervised entities, providing informal guidance to regulated entities, increased collaboration and information sharing among CFPB staff, and an integrated and automated platform for Bureau IT and operations services.

DATA INFRASTRUCTURE AND ANALYSIS

Continue to work toward migration from the current on-premise data platform to a modern cloud-based environment, which will allow it to scale more easily and unlock additional tools and capabilities to better serve the CFPB. Build out an enterprise-wide data strategy that defines how data resources, platforms, and tools can best be leveraged to become a more data-driven agency and support the mission to serve American consumers. Part of the data strategy will involve further adoption of AI to improve and strengthen processes while ensuring that financial service providers are using AI responsibly.

ENTERPRISE RISK AND ORGANIZATIONAL PERFORMANCE MANAGEMENT

Continue to improve the CFPB's ERM and organizational performance management capabilities by developing a robust, data-driven performance framework and risk indicators that will enable senior leaders to better understand changes in the Bureau's internal and external environment

and proactively refine impacted agency practices, policies, and operations accordingly.

FINANCIAL MANAGEMENT SUPPORT SERVICES, INCLUDING TRAVEL

Continue to invest in a shared service model for financial management services in the areas of budget execution, purchasing, accounts payable, accounts receivable, general ledger, travel, and fixed assets. These services and systems provide an infrastructure to achieve a strong internal control environment that conforms with regulations and best practices and realizes efficiencies by leveraging the expertise of shared service providers.

INTERNAL CONTROL ASSESSMENT PROGRAM SUPPORT

Continue to invest in resources that maintain accountability for effective internal controls, and follow appropriate models to assess and enhance the CFPB's internal control, such as the Federal Managers' Financial Integrity Act of 1982 (FMFIA), GAO's Green Book, and best practices derived from OMB Circular A-123.

IT PORTFOLIO MANAGEMENT AND ENTERPRISE ARCHITECTURE

In FY 2021, the CFPB enhanced its internal tracking of IT projects to improve visibility and prioritization of work. In FY 2022, the CFPB will improve its suite of project and portfolio management tools for both traditional and agile projects, streamline governance of IT projects, improve project resource management, and transform internal IT business processes.

LEGAL TECHNOLOGY PLATFORM

Continue efforts to maintain and improve the CFPB's legal technology shared service center to meet the needs and obligations of the Bureau. This includes Congressional requests, Enforcement and Fair Lending investigations and actions, FOIA requests, internal investigations and litigation, managing regulatory comments, Supervision requests for information, and market studies with unstructured documents. This investment also includes the necessary technology and resources needed to collect internal documents as well as store and process large amounts of documents to be reviewed. In FY 2021, the CFPB acquired and launched an exhibit sharing tool for virtual depositions. In FY 2022, the Legal Technology Team will focus on a complete refresh of hardware supporting all legal technology applications and launch a legal knowledge management solution.

PROCUREMENT SERVICES AND SUPPORT

Ensure proper adherence to all relevant federal acquisition regulations and guidelines while

continuing to develop a flexible, efficient, and responsive procurement environment.

Performance goals

The CFPB will assess the progress on achieving objective 3.3 through the following performance goals:

Performance goal 3.3.1: Modernize the Bureau by deploying new technology and improving IT operations.

Modern technology increases productivity, lowers risk, and reduces operational expenses. The CFPB will continue to modernize its technology infrastructure and align to best practices for IT.

- **Federal IT Acquisition Reform Act (FITARA) Score:** The FITARA scorecard allows the CFPB to assess the agency's effectiveness in risk management, incremental software development, and CIO reporting structure. The CFPB utilizes the scorecard to identify areas for improvement, prioritize and fix potential issues, and help calibrate its IT resources.
- **Software Licenses Tracked by Asset Management System:** This measure provides the CFPB with an accurate and actionable way to improve its software asset management practices. The CFPB uses this data to find and eliminate duplicative software licenses and unneeded expenditures.
- **Federal Cloud Smart Workforce Development and Strategy:** The CFPB will continue to monitor its progress toward implementing the recommendations from the Federal Cloud Computing Strategy. This strategy focuses on the key pillars of successful cloud adoption (security, procurement, and workforce) in order to implement a successful IT modernization that provides improved return on its investments, enhanced security, and higher quality services.
- **IT Investments Implementing Human Centered Design and Organizational Change Management:** The CFPB created the T&I Organizational Change Management (OCM) team three years ago to focus on improving the end user experience of technology rollouts. Throughout this time, the OCM team has steadily institutionalized OCM approaches during product rollouts and will continue to implement them to improve technology adoption and customer experience.

Performance measures

TABLE 3.3.1.1: FEDERAL INFORMATION TECHNOLOGY ACQUISITION REFORM (FITARA) SCORE

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--------|---------|----------|---------|---------|---------|---------|---------|---------|
| Target | | Baseline | B | A | A | B- | B- | |
| Actual | | C- | C- | B- | B- | N/A | N/A | |

TABLE 3.3.1.2: PERCENTAGE OF BUREAU SOFTWARE LICENSES TRACKED BY ASSET MANAGEMENT SYSTEM

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | NA | 40% | 70% | 80% | 90% | N/A | |
| Actual | | NA | 40% | 88.6% | 91% | N/A | N/A | |

TABLE 3.3.1.3: NUMBER OF RECOMMENDED ACTIVITIES ACHIEVED FROM THE FEDERAL CLOUD SMART WORKFORCE DEVELOPMENT AND PLANNING STRATEGY (RETIRE AFTER FY 2021)

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--------|---------|---------|---------|---------|------------|------------|---------|---------|
| Target | | | | | 3 out of 5 | 3 out of 5 | N/A | N/A |
| Actual | | | | | 4 out of 5 | 5 out of 5 | N/A | N/A |

TABLE 3.3.1.4: PERCENTAGE OF IT INVESTMENTS THAT ARE ADEQUATELY IMPLEMENTING HUMAN CENTERED DESIGN AND ORGANIZATIONAL CHANGE MANAGEMENT

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | 50% | 75% | 80% | 80% |
| Actual | | | | | 67% | 75% | N/A | N/A |

Progress update and future action

The CFPB has taken several steps to modernize its IT that is consistent with federal requirements. These include:

- **FITARA Score:** In FY 2021, the CFPB received an overall ‘A’ rating across all FITARA score components, except for the requirement that the CIO report to the Director or

Deputy Director. This represents a full letter grade improvement over the previous year. However, since the CFPB CIO does not report to the Director or Deputy Director, the Bureau FITARA grade is adjusted downward so that the highest obtainable score is ‘B-’. For that reason, the CFPB is changing its target to B-. In FY 2022, the CFPB will continue to implement policies and procedures to improve cost savings and cost avoidance identification. The CFPB will also monitor changes to the FITARA Scorecard by the House Oversight and Government Reform Subcommittee, adjusting as needed.

- **Software Licenses Tracked by Asset Management System:** The FITARA Scorecard has been an important tool in bringing accountability to agency decision-making. On the first FITARA scorecard with the MEGABYTE metric, 21 out of 24 agencies received an ‘F’ on the measure of establishing a comprehensive, regularly updated inventory of software licenses that supported cost-effective decision-making. Recently, however, the CFPB along with all but one agency received an “A” in this category. Hence, the House Subcommittee on Oversight and Government Reform has retired the MEGABYTE software licensing metric in FITARA in favor of other metrics to incentivize IT modernization and bring transparency and accountability to those efforts. Since the CFPB has demonstrated success in implementing the FITARA requirements for software asset management, T&I is also removing the Software Licenses Tracked by Asset Management System metric from the APP for FY 2023 and beyond. The CFPB will continue to monitor and track software assets in a centralized database and provide information to procurement and product owners to support cost-saving decisions.
- **Federal Cloud Smart Workforce Development and Strategy:** In FY 2021, the CFPB created a strategic training plan that included a FinOps certification for key roles and enhanced its Agile expertise through a pilot Agile coaching program. The CFPB also filled several highly technical positions using the Government-wide Data Science Hiring Action, led by the Federal Chief Data Officers' Council, U.S. Digital Service, and OPM. The CFPB implemented all recommended activities by the end of FY 2021; hence this measure will be retired. In FY 2022, the CFPB plans to execute a new contract with a provider of technical cloud trainings and labs and will participate in GSA’s new Digital Corps program to continue to execute proactive recruitment strategies for highly sought-after cloud skills.
- **IT Investments Implementing Human Centered Design and OCM:** In FY 2021, the T&I OCM team continued to implement OCM approaches during product rollouts. For example, the OCM team incorporated end user feedback into the product design and selection processes via the Pathfinders group, which is a network of users across the

mission areas, incorporated human center design principles as part of T&I's governance processes, and standardized T&I's approach to OCM across multiple initiatives. In FY 2022, the CFPB will continue to ensure that human centered design and OCM are standard components of IT investments to further mature all technology deployments.

- **Data Maturity Assessment:** In FY 2022, the CFPB will continue to conduct an initial data maturity assessment that will document data management best practices, determine gaps, and identify opportunities to improve staff data skills and mature the CFPB's use of data to meet policy priorities and fulfill its mission and objectives. The assessment will serve as the foundation for the development of the CFPB's data strategy.

Performance goal 3.3.2: Award 80% of contracts competitively.

Competing procurement actions allows for competitive market pricing, stronger proposal submissions, including proposals from minority-owned and women-owned businesses, and a distributed vendor base to support the CFPB. Public value is also derived when good value is obtained from the money spent.

Performance measures

TABLE 3.3.2.1: PERCENTAGE OF CONTRACTS COMPETITIVELY AWARDED OVERALL

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | 90% | 90% | 90% | 90% | 80% | 80% | 80% | 80% |
| Actual | 91% | 87% | 87.2% | 82% | 82.6% | 83.5% | N/A | N/A |

TABLE 3.3.2.2: PERCENTAGE OF DOLLARS AWARDED TO MINORITY OWNED BUSINESSES

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | 5% | 10% | 10% |
| Actual | | | | | | 19.2% | N/A | N/A |

TABLE 3.3.2.3: PERCENTAGE OF DOLLARS AWARDED TO WOMEN OWNED BUSINESSES

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | 5% | 10% | 10% |
| Actual | | | | | | 16.6% | N/A | N/A |

Progress update and future action

The CFPB is currently tracking competition and reporting data measurements within the agency on an annual basis. The Office of Procurement has developed a real-time dashboard of procurement metrics, including competition that is available to all CFPB employees. Now at 80%, which is a more realistic estimate given the type of procurements the Bureau is awarding, the CFPB's competition goal is designed to lead by example in stewarding public money. The CFPB does not aim for 100% competition because it has a range of routine exempt needs that may include items such as expert witness services, conferences, proprietary data, and subscriptions, which may be solicited on a sole source basis. In addition to fostering the principle of competition, the Office of Procurement partners with the OMWI to develop tools and resources for increasing opportunities to minority-owned and women-owned businesses.

In FY 2021, out of approximately \$173.2 million that the CFPB obligated in contracts, \$144.5 million, or 83.4%, were awarded on a competitive basis. The CFPB will continue to strive toward exceeding the 80% goal for contracts awarded on a competitive basis and 10% goal for contracts awarded to minority-owned and women-owned businesses for FY 2022.

Performance goal 3.3.3: Remediate open audit findings within 24 months.

Where there are audit findings, the CFPB will take appropriate steps to implement a timely corrective action.

Performance measure

TABLE 3.3.3.1: PERCENTAGE OF AUDIT FINDINGS CLOSED BY THE AUDITOR WITHIN TWO FISCAL YEARS

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|----------|---------|---------|---------|---------|---------|---------|
| Target | | Baseline | 75% | 80% | 80% | 80% | 80% | 80% |
| Actual | | 65% | 93% | 78% | 63% | N/A | N/A | |

Progress update and future action

Accountability for remediating audit findings is a priority for CFPB management. The CFPB has an established process to track, monitor, and address findings reported by its auditing entities (GAO, OIG, and the independent auditor of budget and operations). In FY 2021, the CFPB closed 26 of the 41, or 63%, of the findings assigned to the Bureau. The 26 closed findings reported represent items in which corrective actions have been implemented by the Bureau and the auditor has confirmed the findings have been resolved. In FY 2022, the CFPB will continue to track and remediate open findings on an ongoing basis.

Performance goal 3.3.4: Establish and mature an enterprise risk management program that is integrated with strategic planning and budgeting processes to enhance decision-making and mission execution.

An effective Enterprise Risk Management (ERM) program is one that measures at Level 3 maturity. Since FY 2020, the CFPB's ERM program has measured at this level, but the Bureau will continue to refine and mature the program. The CFPB has also taken steps to refine its privacy program processes to minimize risk through breach mitigation and training efforts.

Performance measures

TABLE 3.3.4.1: LEVEL OF ENTERPRISE RISK MANAGEMENT MATURITY

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--------|---------|-----------|-----------|-----------|-----------|----------|----------|----------|
| Target | | Level 2 | Level 2 | Level 3 | Level 3 | Level 3 | Level 3 | Level 3 |
| | | ERM | ERM | ERM | ERM | ERM | ERM | ERM |
| | | Maturity | Maturity | Maturity | Maturity | Maturity | Maturity | Maturity |
| Actual | | Level 2 | Level 2 | Level 3 | Level 3 | | | |
| | | ERM | ERM | ERM | ERM | N/A | N/A | |
| | | Maturity* | Maturity* | Maturity* | Maturity* | | | |

* Internal assessment of ERM maturity.

TABLE 3.3.4.2: PERCENTAGE OF USERS WHO COMPLETE ANNUAL PRIVACY TRAINING

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | >90% | >90% | >90% |
| Actual | | | | | | 99.8% | N/A | N/A |

TABLE 3.3.4.3: PERCENTAGE OF PRIVACY BREACHES CATEGORIZED AS HAVING LOW RISK TO HARM

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | >95% | >95% | >95% |
| Actual | | | | | | 100% | N/A | N/A |

Progress update and future action

In FY 2021, the CFPB maintained Level 3 ERM Maturity largely due to the development of key performance indicators (KPIs) and key risk indicators (KRIs), and the establishment of the Enterprise Risk Monitoring Council (ERMC).

Level 3 ERM maturity is categorized as “Integrated” and requires:

- CFPB-wide governance structures for identifying and monitoring enterprise risks;
- defined KPIs and KRIs;
- formal risk appetite statement that is considered in planning and budgeting; and
- aligned ERM and division level risk, planning, performance, and budgeting processes senior leadership consistently communicating and enforcing “tone at the top.”

The CFPB further integrated risk, to include privacy risks, into its policy prioritization processes in FY 2021.

Privacy Breaches: In FY 2021, the CFPB’s Privacy program enhanced its breach reporting and management capabilities by transitioning the breach process into ServiceNow. This transition enables the Privacy team to automate parts of breach data entry and communications to stakeholders providing efficiencies in the process. Additionally, ServiceNow provides greater data management capabilities that will help identify opportunities for increased privacy training and outreach, and improvements in the overall breach response process.

Annual Privacy Training: In FY 2021, the CFPB’s Privacy program created four new role-based trainings. The trainings utilize roles as outlined in the Policy on Data Access to train staff in how best to protect and safeguard Bureau data. Additionally, the Privacy team worked with SEFL to consolidate the confidential information (CI) training into the privacy training. This created efficiencies since the CI training was retired. This also minimized risk to the CFPB since all staff are now trained on how to identify and protect PII and CI. Finally, the Privacy team created trainings tailored to staff in the T&I and the IT Service Desk team to address the unique

roles they play within privacy operations.

Strengthening Privacy Processes: For FY 2022, the CFPB will continue to administer and enhance its annual role-based privacy training to all staff and contractors. The CFPB will expand its knowledge management program to improve cross-Bureau collaboration and access to information. The CFPB will also use the assessment of the Privacy program to upgrade any systems and procedures to enhance its compliance with existing OMB and NIST guidance and memoranda.

Performance goal 3.3.5: Improve the delivery of Operations services to the Bureau.

The CFPB will mature and maintain a culture of continuous improvement to support the efficient and effective use of resources and minimize the risk of waste, fraud, and abuse. In FY 2021, the CFPB slightly adjusted these three measures to provide the Bureau with a more relevant and actionable way to make core operational services more efficient and effective for staff. By measuring staff satisfaction and experience with frequently used operational services, the CFPB can identify ineffective processes, misaligned resources, and opportunities for enhanced accountability. Over time, increased satisfaction of services will indicate more effective and mature service delivery for the Bureau. Although the goal is to exceed the targets set in FY 2022, the actual results may be lower due to the significant impact COVID-19 has made on the CFPB's workforce and operations.

Performance measures

TABLE 3.3.5.1: PERCENTAGE OF USERS WHO AGREE OPERATIONS SERVICES ADDRESSED THEIR NEED

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | 65% | 68% | 70% |
| Actual | | | | | | 82% | N/A | N/A |

TABLE 3.3.5.2: PERCENTAGE OF USERS WHO AGREE THAT THE PROCESSES SUPPORTING OPERATIONS SERVICES ARE EASY TO COMPLETE

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|----------|---------|---------|---------|---------|---------|
| Target | | | Baseline | 50% | 65% | 68% | 70% | |
| Actual | | | 44.15% | N/A | 72% | N/A | N/A | |

TABLE 3.3.5.3: PERCENTAGE OF USERS WHO AGREE THAT OPERATIONS STAFF WERE HELPFUL

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | 65% | 68% | 70% | |
| Actual | | | | | 79% | N/A | N/A | |

Progress update and future action

In FY 2021, the Customer Experience Office (CXO) focused on helping the Operations Division become more customer-focused and accountable by identifying improvements to service delivery along with supporting or leading other priority projects and managing internal CFPB communications. Key projects included:

- Enhancing internal communications to maximize employee engagement.
- Conducting a Customer Experience (CX) Benchmarking Assessment to improve the delivery of Operations Divisions' internal services, focused on employee benefits and technology.
- Prototyping and examining tools and methods to enhance employee feedback and collaboration.
- Enhancing the efficiency and effectiveness of operational governance bodies.
- Improving the experience of complicated personnel matters for those involved.
- Synchronizing all people initiatives across the CFPB.
- Collaborating across Operations teams to clarify, streamline, and simplify complex processes that involve multiple touch points by creating a standard operating procedure

to support reorganizations.

- Improving employee's experience with Bureau mandatory training programs.
- Inventorying and promoting existing Operations' services dashboards and reports.

In FY 2022, the CXO will support critical operational priority projects along with CFPB internal communications. This includes CFPB Next, the Bureau's journey to a long-term work experience, where CXO will continue to provide project management support, develop communications and prepare to support employees during implementation through OCM techniques. CXO will also manage the Annual Operations Survey and support the People Action Planning Working Group.

APPENDIX A:

Historical Measures

Historical measures no longer serve as performance measures but are included in this section for transparency.

Retired after FY 2021

NUMBER OF MAJOR ENTITIES ENGAGED AND ACTIVE IN ENCOURAGING SAVINGS, REDUCING BARRIERS TO SAVINGS, OR INCREASING OPPORTUNITIES TO SAVE

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | | 3-5 | 5 |
| Actual | | | | | | | 5 | 0 |

NUMBER OF CONSUMERS WITH ENHANCED OPPORTUNITIES TO SAVE

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | | 1.0M | 1.0M |
| Actual | | | | | | | 1.3M | 10,471 |

NUMBER OF STAFF TRAINED WITH LOCAL AND REGIONAL ORGANIZATIONS TO ASSIST THE PEOPLE THAT THEY SERVE WITH FINANCIAL INFORMATION

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | NA | 6,000 | 4,000 | 2,500 | 2,500 |
| Actual | | | | 9,352 | 3,721 | 4,026 | 4,434 | 2,793 |

PERCENTAGE INCREASE IN FRONTLINE STAFF REPORTING AFTER TRAINING THAT THEY ARE VERY OR EXTREMELY CONFIDENT IN DISCUSSING FINANCIAL MANAGEMENT WITH CLIENTS.

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | | 60% | 60% |
| Actual | | | | | | | 77% | 91% |

PERCENTAGE OF SERVICEMEMBERS (FUTURE AND CURRENT) WHO ACCESSED MISADVENTURES IN MONEY MANAGEMENT (MIMM) WHO SHOWED KNOWLEDGE GAIN (IN ONE OR MORE TOPICS)

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | | 15% | 40% |
| Actual | | | | | | | 19.3% | 91% |

NUMBER OF COMMUNITY ORGANIZATIONS AND PRACTITIONERS WHO SIGN-UP TO RECEIVE FINANCIAL EDUCATION RESOURCES TO HELP CONSUMERS

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------|---------|---------|---------|---------|---------|---------|---------|----------|
| Target | | | | | | | | Baseline |
| Actual | | | | | | | | 62,958 |

PERCENTAGE OF TAX FILERS AT VITA COHORT SITES OWED A TAX REFUND WHO SAVE A PORTION OF THEIR REFUND

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | NA | 3% | 3% | 3% |
| Actual | | | | | 3% | 4.5% | 3.75% | 1% |

NUMBER OF PROTO-APPLICATIONS FOR A TDP WAIVER

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------|---------|---------|---------|---------|---------|---------|----------|---------|
| Target | | | | | | N/A | Baseline | 5 |
| Actual | | | | | | N/A | 2 | 3 |

NUMBER OF APPLICATIONS FOR TDP WAIVER DEEMED TO BE COMPLETE (“FORMAL APPLICATIONS”)

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------|---------|---------|---------|---------------|---------------|----------|---------|---------|
| Target | | | | Empty Cell | Empty Cell | Baseline | 3 | |
| Actual | | | | Empty Cell | Empty Cell | 0 | 0 | |

PERCENT OF FORMAL TDP WAIVER APPLICATIONS PROCESSED WITHIN 60 DAYS OF DEEMING THE APPLICATION TO BE COMPLETE

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------|---------|---------|---------|---------|---------|----------|-------------------|---------|
| Target | | | | | | Baseline | Baseline | 90% |
| Actual | | | | | | N/A | N/A ³⁴ | 0% |

NUMBER OF PROPOSED AND FINAL RULES TO REDUCE REGULATORY BURDEN³⁵

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | NA | 3 | 2 | 2 |
| Actual | | | | | 4 | 4 | 5 | 2 |

³⁴ No formal TDP waiver applications were deemed completed in FY 2020.

³⁵ Both proposed and final rules are considered under this measure, but a proposed rule and the finalization of the same rule will not be double counted.

ESTIMATED PERCENT OF BURDEN REDUCED BY FINAL RULES COMBINED OR BY EACH FINAL RULE TO REDUCE REGULATORY BURDEN

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--------|---------|---------|---------|---------|----------|---------|---|--------------------------|
| Target | | | | | Baseline | 10% | 10% | 10% |
| Actual | | | | | NA | 13.4% | 3 – 17% ³⁶ 95% 18 – 31% 7 – 10% | 95% 20% ³⁷ |

NUMBER OF COMPLIANCE ASSISTANCE SANDBOX PROTO-APPLICATIONS

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--------|---------|---------|---------|---------|---------|----------|---------|---------|
| Target | | | | | | Baseline | 6 | |
| Actual | | | | | | 4 | 9 | |

NUMBER OF COMPLIANCE ASSISTANCE SANDBOX APPLICATIONS DEEMED TO BE COMPLETE ("FORMAL APPLICATIONS")

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--------|---------|---------|---------|---------|---------|----------|---------|---------|
| Target | | | | | | Baseline | 4 | |
| Actual | | | | | | 1 | 0 | |

PERCENT OF FORMAL COMPLIANCE ASSISTANCE SANDBOX APPLICATIONS PROCESSED WITHIN 60 DAYS OF DEEMING TO BE COMPLETE

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|--------|---------|---------|---------|---------|---------|----------|---------|---------|
| Target | | | | | | Baseline | 90% | |
| Actual | | | | | | 100% | 0% | |

³⁶ This table reflects a cost-benefit analysis of the Remittance Transfers under the Electronic Fund Transfer Act (Regulation E), Payday, Vehicle Title, and Certain High-Cost Installment Loans—Revocation Rule, Home Mortgage Disclosure (Regulation C) – 2019 Final Rule, and Home Mortgage Disclosure (Regulation C).

³⁷ This table reflects a cost-benefit analysis of the Qualified Mortgage Definition under the Truth in Lending Act (Regulation Z): Seasoned QM Loan Definition and Debt Collection Practices (Regulation F subpart B). Please see the “Progress update and future action” section for more details.

NUMBER OF NO-ACTION LETTER PROTO-APPLICATIONS

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------|---------|---------|---------|---------|---------|---------|----------|---------|
| Target | | | | | | | Baseline | 10 |
| Actual | | | | | | | 10 | 2 |

NUMBER OF NO-ACTION LETTER APPLICATIONS DEEMED TO BE COMPLETE ("FORMAL APPLICATION")

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------|---------|---------|---------|---------|---------|---------|----------|---------|
| Target | | | | | | | Baseline | 7 |
| Actual | | | | | | | 5 | 0 |

PERCENT OF FORMAL NO-ACTION LETTER APPLICATIONS PROCESSED WITHIN 60 DAYS OF DEEMING TO BE COMPLETE

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------|---------|---------|---------|---------|---------|---------|----------|---------|
| Target | | | | | | | Baseline | 90% |
| Actual | | | | | | | 80% | 0% |

PERCENTAGE OF RESPONDENTS SATISFIED WITH OFFICE OF STAKEHOLDER MANAGEMENT (FORMERLY EXTERNAL AFFAIRS) MANAGEMENT OF STAKEHOLDERS

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------|---------|---------|---------|---------|---------|---------|----------|---------|
| Target | | | | | | | Baseline | N/A |
| Actual | | | | | | | N/A | N/A |

NUMBER OF COMMUNITIES AND TASKFORCES SUPPORTED WITH TECHNICAL ASSISTANCE TO CREATE OR ENHANCE NETWORKS TO PROTECT OLDER ADULTS FROM ELDER FINANCIAL EXPLOITATION

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | 4 | 4 | 4 | 4 |
| Actual | | | | | 7 | 7 | 1 | 25 |

NUMBER OF ON-SITE SUPERVISION EXAMS OR REVIEWS WITH AN ON-SITE DATE DURING THE PERIOD, INCLUDING FAIR LENDING

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------|---------|---------|---------|---------|---------|----------|----------|---------|
| Target | | | | | NA | Baseline | Baseline | 120 |
| Actual | | | | | NA | 125 | 104 | 104 |

NUMBER OF RECOMMENDED ACTIVITIES ACHIEVED FROM THE FEDERAL CLOUD SMART WORKFORCE DEVELOPMENT AND PLANNING STRATEGY

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 |
|---------------|---------|---------|---------|---------|---------|------------|------------|---------|
| Target | | | | | | 3 out of 5 | 3 out of 5 | |
| Actual | | | | | | 4 out of 5 | 5 out of 5 | |

Retired after FY 2020

PERCENTAGE OF TRAINING COHORT ORGANIZATIONS PROVIDED ADDITIONAL TECHNICAL ASSISTANCE IN INTEGRATING YMYG INTO THEIR SERVICES

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|---------------|---------|---------|---------|---------|---------|---------|----------|---------|
| Target | | | | | | | Baseline | |
| Actual | | | | | | | 41% | |

PARTICIPATING LIBRARIANS WHO SAY THE BUREAU'S LIBRARY PROGRAM INCREASED THEIR LIBRARY'S ABILITY TO PROVIDE FINANCIAL EDUCATION RESOURCES TO PATRONS

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|---------------|---------|---------|---------|---------|---------|---------|----------|----------------------|
| Target | | | | | | | Baseline | 75% |
| Actual | | | | | | | 85% | 85% (2019 survey) |

FINEX PARTICIPANTS REPORTING THAT BUREAU TOOLS CHANGED HOW THEY INTERACT WITH CONSUMERS

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|---------------|---------|---------|---------|---------|---------|---------|---------|-------------------------|
| Target | | | | | | | 50% | 50% |
| Actual | | | | | | | 74% | 74% (2019 survey) |

PERCENT OF PROTO-APPLICATIONS FOR A TDP WAIVER THAT ARE ULTIMATELY GRANTED

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|---------------|---------|---------|---------|---------|---------|---------|---------|----------|
| Target | | | | | | | | Baseline |
| Actual | | | | | | | | TBD |

PERCENT OF COMPLIANCE ASSISTANCE SANDBOX PROTO-APPLICATIONS THAT ARE ULTIMATELY GRANTED

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|---------------|---------|---------|---------|---------|---------|---------|---------|----------|
| Target | | | | | | | | Baseline |
| Actual | | | | | | | | 100% |

PERCENT OF NO-ACTION LETTER PROTO-APPLICATIONS THAT ARE ULTIMATELY GRANTED

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|---------------|---------|---------|---------|---------|---------|---------|---------|----------|
| Target | | | | | | | | Baseline |
| Actual | | | | | | | | TBD |

NUMBER OF OUTREACH EVENTS (RFI OR INDUSTRY ROUNDTABLE) TO DISCUSS QUALITY OF EXAMINATION REPORTS AND SUPERVISORY LETTERS

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | 1 | 1 | 1 |
| Actual | | | | | | 4 | 1 | 0 |

PERCENT OF EXAMINATION CALENDAR SHARED WITHIN THE PRESCRIBED TIMEFRAME FOR EACH YEAR WITH PRUDENTIAL AND STATE REGULATORS TO INVITE COORDINATION ON EXAM ACTIVITIES

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | NA | 100% | 100% |
| Actual | | | | | | 100% | 100% | 0% |

PERCENTAGE OF EXAM REPORTS SHARED WITH OTHER REGULATORS, AS APPROPRIATE

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | 90% | 90% | 90% |
| Actual | | | | | | 100% | 100% | 100% |

CONTRIBUTE TO FFIEC ISSUANCES BY MAINTAINING BUREAU REPRESENTATIVES ON ALL RELEVANT FFIEC TASK FORCES AND WORKING GROUPS

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | 100% | 100% | 100% |
| Actual | | | | | | 100% | 100% | 100% |

MONTHLY AVERAGE NUMBER OF INTERNAL PRESENTATIONS, PUBLICATIONS, AND CONSULTATIONS TO SHARE MARKET INTELLIGENCE AND EXPERTISE TO SUPPORT BUREAU FUNCTIONS

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|---------------|---------|---------|---------|---------|---------|---------|----------|---------|
| Target | | | | | | N/A | Baseline | 20 |
| Actual | | | | | | N/A | 19.3 | 50 |

NUMBER OF OVERDUE POAMS

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | | <30% | |
| Actual | | | | | | | 82.8% | |

PERCENTAGE OF FAVORABLE RESPONDENTS SATISFIED WITH THE TIMEFRAME IN WHICH THEIR OPERATIONS MATTER IS ADDRESSED

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|---------------|---------|---------|---------|---------|---------|---------|----------|---------|
| Target | | | | | | | Baseline | 50% |
| Actual | | | | | | | 52.15% | TBD |

PERCENTAGE OF FAVORABLE RESPONDENTS WHO ARE SATISFIED WITH THEIR EXPERIENCE WITH BUREAU OPERATIONS

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|---------------|---------|---------|---------|---------|---------|---------|----------|---------|
| Target | | | | | | | Baseline | 50% |
| Actual | | | | | | | 44.15% | TBD |

PERCENTAGE OF FAVORABLE RESPONDENTS WHO AGREED THAT OPERATIONS PROVIDES CLEAR, CONSISTENT GUIDANCE AROUND ITS PROCESSES

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 |
|---------------|---------|---------|---------|---------|---------|---------|----------|---------|
| Target | | | | | | | Baseline | 50% |
| Actual | | | | | | | 48.49% | TBD |

Retired after FY 2019

NUMBER OF EMERGING TRENDS (TOPIC AREAS THAT INDICATE GROWING INTEREST OR UTILITY) IDENTIFIED BY BUREAU STAKEHOLDERS OR NOTED ACROSS EA STAKEHOLDER OFFICES

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---------------|---------|---------|---------|---------|---------|---------|----------|
| Target | | | | | | | Baseline |
| Actual | | | | | | | 5 |

NUMBER OF BUREAU VISITS TO STATES WITH CORRESPONDING PUBLIC EVENTS AND STAKEHOLDER ENGAGEMENTS³⁸ (MEETINGS/ROUNDTABLES, PUBLIC EVENTS, I.E., FIELD HEARINGS, TOWN HALLS, LISTENING SESSIONS, STAKEHOLDER CALLS, AND OTHER INFORMAL STAKEHOLDER ACTIVITY)

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---------------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | NA | 12 |
| Actual | | | | | | NA | 16 |

NUMBER OF STAKEHOLDER EVENTS AND ENGAGEMENTS FROM VARIOUS GEOGRAPHIES (1 PER QUARTER) (NEW MEASURE)

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---------------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | NA | 4 |
| Actual | | | | | | NA | 56 |

PERCENTAGE POINT INCREASE IN CONFIDENCE LEVEL OF SOCIAL SERVICES STAFF TRAINED IN DISCUSSING CORE FINANCIAL MANAGEMENT TOPICS WITH CLIENTS AFTER YMYG TRAINING

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---------------|---------|---------|---------|---------|---------|---------|-----------|
| Target | | | | | | NA | 35 points |
| Actual | | | | | | NA | 24 points |

NUMBER OF LIBRARY LOCATIONS ENGAGED TO BE LOCAL CENTERS OF FINANCIAL EDUCATION

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---------------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | NA | 2,000 | 2,000 |
| Actual | | | | | 1,628 | 2,106 | 2,702 |

³⁸ In FY 2018, the total number of engagements across offices = 769.

PERCENTAGE OF ASK CFPB USERS WHO RATE QUESTIONS AND RELATED ANSWERS AS HELPFUL

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---------------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | NA | 86% | 85% |
| Actual | | | | | 86% | 84.1% | 80% |

NUMBER OF INDIVIDUALS SERVED BY FINANCIAL COACHING FOR TRANSITIONING VETERANS AND ECONOMICALLY VULNERABLE CONSUMERS (PROGRAM ENDS MARCH 2019)

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---------------|---------|---------|---------|---------|---------|---------|---------------------|
| Target | | | | | NA | 6,000 | 3,000 ³⁹ |
| Actual | | | | | 6,781 | 7,860 | 2,380 |

NUMBER OF PAPERS DEVELOPED TO INCREASE UNDERSTANDING OF WHAT CONTRIBUTES TO FINANCIAL WELL-BEING THAT CAN BE SUPPORTED THROUGH FINANCIAL EDUCATION

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---------------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | NA | 2 | 2 |
| Actual | | | | | 3 | 2 | 2 |

DOWNLOADS OF TOOLS/PAPERS/MATERIALS FOR EDUCATORS SERVING ADULTS

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---------------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | NA | 46,000 | 50,000 |
| Actual | | | | | 55,000 | 45,120 | 52,703 |

³⁹ FY 2019 target reflects program ending 3/31/19

LAUNCH TEACHER FINANCIAL EDUCATION PLATFORM

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---------------|---------|---------|---------|---------|---------|------------------------------|---|
| Target | | | | | | High school teacher platform | Middle school teacher platform by end of FY19 |
| Actual | | | | | | Nov 2018 | Complete |

DISTRIBUTION OF REPORTS AND TOOLS ON EFFECTIVE APPROACHES TO SAVINGS OR MONEY MANAGEMENT AND NUMBER OF INDIVIDUALS THAT ATTEND WEBINARS ABOUT THE REPORT

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---------------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | NA | 8,000 |
| Actual | | | | | | NA | 10,000 |

NUMBER OF COMPLAINT REPORTS PUBLISHED

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---------------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | 2 | 3 |
| Actual | | | | | | 2 | 3 |

NUMBER OF REGIONAL OR LOCAL ENTITIES SUPPORTED WITH TECHNICAL ASSISTANCE TO ADDRESS CREDIT INVISIBILITY

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---------------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | NA | 4 |
| Actual | | | | | | NA | 4 |

DISTRIBUTION OF RECOMMENDATIONS ABOUT AGE-FRIENDLY ACCOUNT FEATURES FOR FINANCIAL INSTITUTIONS TO CONSIDER

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---------------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | NA | 1,000 |
| Actual | | | | | | 2,000 | 2,101 |

MIGRATE DATA TO THE CLOUD (% OF DATA REMOVED FROM ON PREMISE DATA CENTERS)

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---------------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | 25% | 60% |
| Actual | | | | | | 27% | 27% |

ANNUAL EMPLOYEE SURVEY (AES) ENGAGEMENT COMPOSITE RATING (% FAVORABLE)⁴⁰

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---------------|---------|---------|---------|---------|---------|---------|---------|
| Target | 76.5% | 76.5% | 72% | 73% | 75% | 75% | 75% |
| Actual | 73% | 70.5% | 74.1% | 72.9% | 76.6% | 68.8% | 69.5% |

PERCENTAGE OF PLAN OF ACTIONS & MILESTONES (POA&MS) THAT ARE RESOLVED WITHIN 6 MONTHS OF IDENTIFICATION

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---------------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | NA | 75% |
| Actual | | | | | | NA | 9.21% |

PERCENTAGE OF ENDPOINTS ANALYZED IN THE ANNUAL CYBERSECURITY COMPROMISE ASSESSMENT THAT ARE VALIDATED CLEAN

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---------------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | NA | 95% |
| Actual | | | | | | NA | 96% |

MITIGATE CRITICAL AND HIGH PLAN OF ACTION & MILESTONES (POA&M) FROM 2018 THIRD-PARTY CYBER ASSESSMENT (% MITIGATED)

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---------------|---------|---------|---------|---------|---------|---------|---------|
| Target | | | | | | 50% | 80% |
| Actual | | | | | | 100% | 100% |

⁴⁰ The employee engagement composite is comprised of ratings on nine items from the AES survey, such as “my work gives me a feeling of personal accomplishment” and “the work I do is important.”

NUMBER OF REGULATORY REVIEWS INITIATED AND COMPLETED

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---------------|---------|---------|---------|---------|---------|---------|-----------------|
| Target | | | | | | NA | Baseline |
| Actual | | | | | | NA | 0 ⁴¹ |

⁴¹ This performance measure was intended to include only discretionary regulator reviews. During FY 2019, the Bureau conducted three assessments and regulatory reviews, each of which were statutorily required.

APPENDIX B:

Data Validation

Following the CFPB's data accuracy and reliability processes and procedures, the Bureau takes continuous steps to ensure performance information is complete, accurate, and reliable. The following captures key efforts by Strategic Goal and specifically focuses on data sources, summarizes levels of accuracy and data verification approaches, and identifies data limitations along with compensatory counteractions.

Strategic Goal 1

Ensure that all consumers have access to markets for consumer financial products and services.

Objective 1.1

Ensure that consumers are provided with timely and understandable information to make responsible decisions about financial transactions.

- **Data sources:**

- To measure performance for this objective, the CFPB relies on several data sources, including the *Federal Register*, <https://www.regulations.gov/>, the Bureau website, website analytics tools, and the CFPB's consumer response complaint management system.
- The number of consumers served through Ask CFPB, consumer education web portals and subpages, consumer education blogs, print publications, and downloads of tools/papers/materials are based on Google Analytics data for unique users to consumerfinance.gov and print orders from GPO. Community partner data, such as number of staff trained and number of individuals served, is measured through Bureau databases as well as through reports from regional and local partners.
- Web analytics for the CFPB website are the data source for reports dated between October 1, 2020, and September 30, 2021. The Bureau also tracks its research projects completed on disclosure effectiveness.

- **Level of accuracy and data verification:**
 - The data sources listed above were reviewed to determine metrics related to all relevant final rules, proposed rulemakings, published reports, outreach and other initiatives covered by the performance metrics. The website analytics are provided by Google Analytics 360, which provides numbers based on website user sessions.
 - The Office of Consumer Response conducts regular data reviews and cross-checks accuracy for all key performance measures, including number of days to route to the company and percentage of company responses that are timely. The office also tracks the proportion of complaints received via the web channel and the number of consumer complaints handled by the CFPB.
- **Advantages, limitations, and mitigating actions:**
 - Website analytics data is pulled by a Google Analytics-certified analyst who performs thorough quality control checks to ensure all data reported is accurate. The CFPB website provides an accurate and extensive record of rulemakings and publications issued by the Bureau. No data limitations are known.

Objective 1.2

Regularly identify and address outdated, unnecessary, or unduly burdensome regulations in order to reduce unwarranted regulatory burdens.

- **Data sources:**
 - The CFPB uses several data sources to measure Objective 1.2, including the *Federal Register*, Regulations.gov, and the Bureau's website.
 - Notices of proposed rulemakings are generally considered to be proposed and other materials related to targeted initiatives, outreach, regulatory implementation, and requests for information are considered to be issued when posted to the CFPB website. Assessments are considered published when they are posted to the CFPB website.
- **Level of accuracy and data verification:**
 - The data sources listed above were reviewed to determine metrics related to all proposed rulemakings, assessments, requests for information, and other initiatives covered by the performance metrics.

- **Advantages, limitations, and mitigating actions:**

- No limitations and reasonable level of accuracy — the CFPB’s website, *Federal Register*, and [Regulations.gov](#)—provide an accurate and extensive record of all rulemakings, assessments and requests for information issued by the CFPB.

Objective 1.3

Ensure that markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation.

- **Data sources:**

- To measure Objective 1.3, the CFPB uses various data sources, including the *Federal Register*, [Regulations.gov](#), and the Bureau’s website ([consumerfinance.gov](#)). The CFPB also maintains a catalog of consumer financial market data for internal use by Bureau staff and produces publicly available data that is published to the Bureau website. The CFPB’s website is the data source for reports along with the Bureau website of SSRN, a repository of scholarly research publications.⁴² Additionally, the CFPB uses website analytics tools designed to capture website pageviews and downloads from its website. The number of citations of CFPB reports and publications in external publications uses data compiled from Google Scholar, a tool to search scholarly literature across research disciplines, SSRN, and Lexis-Nexis. Public engagement is tracked by external affairs staff.
 - Rulemakings are considered finalized when a final rule is issued by the CFPB and posted to its website or published in the *Federal Register*, whichever occurs first (see Procedure Related to Rulemaking, 12 CFR 1074). Notices of proposed rulemakings are generally considered to be proposed and other materials related to targeted initiatives, outreach, regulatory implementation, and requests for information are considered applicable when posted to the CFPB website. Reports are considered finalized when the CFPB issues and posts the final report to the Bureau’s website or a scholarly research publication is posted publicly to SSRN.

- **Level of accuracy and data verification:**

⁴² The CFPB maintains a site designated as a repository for independent research publications at <https://www.ssrn.com/index.cfm/en/cfpb-gov/>.

- The data sources listed above were reviewed to determine metrics related to all final rules, proposed rulemakings, outreach, and other initiatives covered by the performance metrics. This includes all consumer protection related rulemakings and related work independently conducted by the CFPB between October 1, 2017, and September 30, 2018. The data sources listed above were also reviewed tri-annually during FY 2018 (October 1, 2017 to September 30, 2018) to determine the consumer financial markets for which the Bureau maintains standardized data⁴³ and to account for all major research reports published by the Division of Research, Markets, and Regulations in FY 2018.
 - Website analytics are provided by Google Analytics 360, which provides numbers based on website user sessions. Google Scholar, SSRN, and Lexis-Nexis provide data on report citations, but does not include a full accounting of CFPB research material cited across varied publications. For public engagement, the CFPB's external affairs team verifies and validates data by reviewing the Bureau blog, newsroom and other materials publicly available on the CFPB's website that announce, report on, and otherwise provide information about public events hosted by the CFPB.
- **Advantages, limitations, and mitigating actions:**
 - No limitations and reasonable level of accuracy - the CFPB's website, *Federal Register*, and *Regulations.gov* provide an accurate and extensive record of all rulemakings, data, and reports issued by the Bureau.

Strategic Goal 2

Implement and enforce the law consistently to ensure that markets for consumer financial products and services are fair, transparent, and competitive.

Objective 2.1

Protect consumers from unfair, deceptive, or abusive acts and practices and from discrimination.

⁴³ To meet the criteria for standardized data, the Bureau must maintain regularly updated data that allow Bureau staff to draw generalizable conclusions about market activity.

- **Data sources:**
 - Community partner data, such as communities, networks, and taskforces supported with technical assistance, is measured through CFPB databases as well as through reports from regional and local partners.
- **Level of accuracy and data verification:**
 - The data sources listed above were reviewed on a quarterly basis.
- **Advantages, limitations, and mitigating actions:**
 - No data limitations are known.

Objective 2.2

Enforce federal consumer financial law consistently, without regard to the status of a person as a depository institution, in order to promote fair competition.

- **Data sources:**
 - The CFPB captures and stores data about its supervision and enforcement activities in several systems of record, including ENForce, and the Supervision and Examination System. Metrics and measures for the performance goals in support of Strategic Goal 2 are updated based on data housed in these systems on a biannual basis, followed by focused management reviews to assess progress toward achieving the CFPB's Strategic Goals and Objectives.
 - To measure performance for the goal related to enhancing protection of older Americans from elder financial exploitation, the CFPB relies on several data sources, including website analytics and print distribution orders from GPO.
- **Level of accuracy and data verification:**
 - ENForce, the matter management system for enforcement matters, provides a streamlined workflow, and data validation controls that have been developed to ensure consistent data quality. ENForce also provides visibility, tracking, reporting, and several quantitative metrics that can help the CFPB more effectively achieve its strategic goals.
 - The CFPB provides training to users on proper use of the data systems described above to ensure data verification and validation. The SES Data Entry Policy was

updated in June 2017. Revisions included additional SES fields added as a part move to the new SES platform.

- The website analytics are provided by Google Analytics 360, which provides numbers based on website user sessions.
- **Advantages, limitations, and mitigating actions:**
 - Although the data is frequently reviewed for accuracy, as discussed above, the CFPB continues to improve its ability to track its supervision and enforcement activities. Continued improvements to SES and ENForce, as needed, will assist in accurately and consistently capturing key supervisory and enforcement data.
 - Website analytics data is pulled by a Google Analytics Certified analyst who performs thorough quality control checks to ensure all data reported is accurate. No data limitations are known.

Strategic Goal 3

Foster operational excellence through efficient and effective processes, governance and security of resources and information.

Objective 3.1

Safeguard the Bureau’s information and systems.

- **Data sources:**
 - The average time to report cybersecurity incidents to US-CERT is generated from the CFPB’s automated tracking systems for cybersecurity.
 - POA&M reporting is maintained and managed via a series of reports and dashboards. The tool allows for a historical accounting of the activities associated with the POA&M remediation. Additionally, a complete snapshot of the POA&Ms is taken weekly and kept for historical purposes. An auto-generated POA&M ID tracks each POA&M throughout its entire lifecycle.
 - Data about the CFPB’s endpoint analysis is taken from the CFPB’s compromise assessment report, which is generated by an independent third party that performs automated compromise assessment of Bureau IT systems.

- The percentage of users susceptible to phishing attacks represents the percentage of users who clicked through or otherwise failed a phishing exercise. This data comes from the test platform the CFPB uses to conduct its phishing exercises.
- OIG Maturity Model ratings are taken from the Annual Audit Report issued by the OIG.
- **Level of accuracy and data verification:**
 - The level of accuracy is high based on the operational use of the systems for the ongoing security of the CFPB.
- **Advantages, limitations, and mitigating actions:**
 - The advantages of using operational tracking systems for generating business measures is that the statistics are close to real time. There are few limitations, as an evolving scenario or threat will not always have every factor known immediately, so the data set will evolve over time and may initially have incomplete fields. Additionally, some factors will require additional input and analysis – for example, the cost of remediation for a POA&M. These limitations affect the actionability of the metric, but not the overall accuracy of the totals. The mitigation to overcome the limitations will be to have regular updates as soon as new or better data is known.

Objective 3.2

Maintain a talented, diverse, inclusive and engaged workforce.

- **Data sources:**
 - AES results are captured through an online survey administered under an IAA for reimbursable government services offered by the OPM's Human Resources Solutions group. The IAA provides warranties that services provided for the AES meet professional and legal standards. OPM's USASurvey branded online survey administration tool is used to gather data. This tool is subject to the variety of information security guidelines for government information technology projects and systems. To ensure that all intended employees are invited to complete the annual employee survey, email addresses for the employee population are provided to OPM as the basis for survey invitation.
 - Manager Training Applied Learning Metric results are captured through training

classroom evaluations, administered during classroom training sessions. Data is then aggregated across multiple deliveries, and calculated for both the period, and cumulative for the fiscal year.

- **Level of accuracy and data verification:**

- In order to verify data summaries for item and index level results, OPM provides independent verification and reporting of Bureau-wide AES results prior to releasing data to the CFPB. The CFPB's OHC, in partnership with the Office of Research (OR) and a vendor under contract for this effort, then conducts analysis and generates summary reports. Any and all discrepancies between posted and calculated results are subject to 100% verification.
 - At a broader level of verification, comparison data from OPM for government-wide results is monitored and verified through data cross checking. In the final steps of survey processing, the CFPB posts results to external website and sends an internet link and posted results to OPM to meet regulatory guidance.

- **Advantages, limitations, and mitigating actions:**

- The CFPB continues to monitor and evaluate the reliability and validity of these metrics as additional baseline data become available. Adjustment to outcomes, components, or targets may be necessary as measures are better understood.

Objective 3.3

Manage risk and promote accountability within the Bureau.

- **Data sources:**

- The migration of data to cloud-based data centers is calculated through the CFPB's network management tools, which can be used to run reports and consolidate information. Calculation of the FITARA score is based on a self-assessment evaluated on standards and templates from GAO and other organizations.
 - The Office of Procurement tracks competition and reporting data measurements on an annual basis and has developed a live dashboard of procurement metrics, including competition, that is available to all CFPB employees.
 - The remediation of open audit findings is measured through an established process to track, monitor, and address findings using data reported by its auditing entities

(GAO, IG, and the independent auditor of budget and operations)

- The ERM Maturity Assessment data is contained in an internal tracking document. The CFPB plans to have this data independently validated.
 - CFPB software licenses will be tracked in a central database. Licensing information will be populated in that database using information from the purchasing process and the approved software list.
 - For the delivery of operations services performance goal, the data for this measure will come from an internal survey administered by the Operations division.
 - For IT investments that are adequately implementing human centered design, the calculation is based on evaluating data collected and analyzed for CFPB's FITARA score supplemented by additional information collected for each investment through the Investment Review Board (IRB) process.
 - The 2018 Federal Cloud Computing Strategy, known as [Cloud Smart](#), focuses on three key inter-related areas – security, procurement, and workforce. T&I started implementing the strategy's five workforce recommendations in FY 2019 starting with performing an organizational skill gap analysis. The T&I Operations Team tracks the planning and implementation of each recommendation. The data is a count of the number of recommendations implemented. The number tracked by the T&I Operations team is validated by the CIO prior to reporting.
- **Level of accuracy and data verification:**
- The CFPB can accurately calculate its footprint across on-premise data centers and can easily replicate those calculations.
 - The Office of Procurement dashboard is regularly reviewed by staff for accuracy.
 - Data to measure the Bureau's ERM program comes from and is verified against the assessment report issued by an external organization annually. The CFPB will ensure the external organization performs its review in accordance with leading practices in ERM.
 - The software licenses tracked in the database will be reconciled on a recurring basis based on feedback from Procurement, Product Owners and Service Desk requests.
 - The calculation methodology and data sources will be similar to those employed for

CFPB's FITARA score. For each IT investment, an assessment is made on adequate resources with OCM or human centered design skills supporting the investment and an overall percentage will be calculated. This metric will closely mirror the approach used for current FITARA metrics. The denominator will be the number of investments, which is similar to the approach used in calculating the Risk Transparency metric. To derive the numerator, as part of the IRB process, we will add the collection of supplemental information for each T&I investment to collect additional information regarding an overall change impact analysis, organizational readiness, and OCM requirements to inform an assessment of the adequacy of OCM staffing/budget based on the impact, readiness and OCM requirements. This supplemental information may take the form of a separate survey apart from adding new questions to the current IRB form.

- **Advantages, limitations, and mitigating actions:**

- When the IT Asset Management team is aware of purchased software (and licenses) and tracking is centralized into one database, the CFPB has greater ability to effectively manage and monitor software owned by the Bureau. If the IT Asset Management team is not informed of purchases or provided feedback from product owners on a regular basis, the software license database may not reflect the current state of all software owned by the CFPB. Per the Asset Management Policy, all software must be approved by the IT Asset Management team prior to purchase thus helping mitigate incomplete information.
 - In collecting IRB data, a series of working sessions is conducted with each investment to review and validate their input. This consultative approach to data collection ensures greater completeness and accuracy of IRB data.

APPENDIX C:

Management challenges

As identified by the Bureau’s OIG, the Bureau faces management challenges in the areas of information security, human capital programs, supervision and enforcement strategy, and consumer complaints.⁴⁴ As part of its ongoing, continuous improvement efforts, the Bureau is addressing these challenges. One change since the previous report is the addition of the challenge related to managing consumer complaints.

1. Ensuring an effective information security program

The CFPB collects and stores sensitive information, including confidential supervisory information and personally identifiable information, to support many of its mission-critical activities. Unauthorized access to or disclosure of this information, through internal or external threats, could undermine the CFPB and limit its ability to accomplish its mission. Although the Bureau continues to mature its information security program, it faces challenges in aligning its information security program, policies, and procedures with the agency’s evolving ERM program, implementing its insider threat program, and managing vulnerabilities.

Agency actions

The CFPB continues to strengthen the information security program in many areas. In FY 2021, the CFPB maintained an OIG Maturity Model of Level 4 (Managed & Measurable) across 3 of 5 Cybersecurity framework areas despite increasing threats and more stringent standards. The CFPB’s Data Protection and Privacy programs also stayed at Level-4 maturity to ensure managed and measurable controls and safeguards throughout Bureau operations to include executing a tailored privacy awareness training campaign. The CFPB further reduced its average time to report Cybersecurity incidents to US-CERT, continued to run exercises to educate staff about the risks of phishing attacks, established a maturation plan, and made significant strides towards closing out POA&Ms. In FY 2022, the CFPB plans to achieve at least an OIG Maturity Model of Level 4 (Managed & Measurable) across 4 of 5 Cybersecurity framework areas even as

⁴⁴ Office of Inspector General: Board of Governors of the Federal Reserve System, Consumer Financial Protection Bureau, Mar. 8, 2021, 2021 Major Management Challenges for the Bureau

standards continue to be elevated. The CFPB plans to improve its Cybersecurity maturity level by implementing a Cloud Access Security Broker (CASB) program. Other goals include streamlining the incident reporting processes and increasing storage capacity for system logs, implementing a continuous red teaming program in line with DHS Binding Operational Directive 20-01, and implementing a digital rights management solution to decrease the risk of insider threat. Further, the CFPB will develop an implementation strategy to provision multifactor authentication, privileged access management and zero trust architecture by FY 2024.

Responsible Executive: Chief Operating Officer, Operations

Related Objective: 3.1

Related Performance Goal: 3.1.1

2. Maturing the Human Capital Program

Since beginning operations in 2011, the CFPB has worked to build its human capital program and develop a diverse, high-performing, and engaged workforce. The CFPB's human capital leadership must adapt to recent changes at the agency, including changes in leadership, strategic direction, and organizational structure, along with turnover in specialized positions and recent CFPB workforce directives, to help ensure that employees' skills are best leveraged. Although the Bureau has worked to build its human capital program and develop a diverse, high-performing, and engaged workforce, the program will need to develop and implement strategies to address the various employee engagement challenges.

Agency actions

In FY 2021, OHC worked to help management recruit, retain, and engage a high performing and diverse workforce that can effectively and efficiently achieve the Bureau's mission objectives. OHC continued implementing the Bureau staffing plan approved in FY 2020, working to bring in more than 216 new staff to the organization while also providing opportunities for internal promotions and reassignments for current staff. Further, the CFPB conducted a mid-year comprehensive staffing planning engagement with division management to identify skill gaps or mission critical vacancies across the organization, allocating additional resources to mission critical functions. The former Acting Director approved the FY 2022 Staffing Plan in September 2021, which continues the CFPB's disciplined practice of identifying and hiring the staff needed to accomplish mission priorities.

Throughout FY 2021, OHC was able to continue to offer employees a host of human capital programs for employee performance and engagement despite operating challenges related to COVID-19. OHC remained actively engaged with a cross-Bureau working group to monitor and respond to the ongoing COVID-19 situation and continued to administer new workplace flexibilities. This included making CFPB employees eligible for up to two weeks (80 hours) of emergency paid sick leave through December 31, 2020, in accordance with the Emergency Paid Sick Leave Act, as enacted by the Bureau as of April 1, 2020. Further, staff have been authorized to use up to 20 hours of administrative leave per pay period if they are prevented from working due to a lapse in childcare or other reasons associated with COVID-19. OHC has also played a lead role in developing and implementing processes and procedures to implement Executive Order (EO) 14043, titled, “Requiring Coronavirus Disease 2019 Vaccination for Federal Employees.” Leveraging lessons learned since the start of the pandemic, OHC has made significant contributions to the CFPB’s effort to define its vision for the future of work post-pandemic. This included serving as a key thought leader during the CFPB’s initial exploration of options and considerations around the future of work; leading various research, data collection and planning efforts aimed at better understanding needs and requirements for supporting remote and/or hybrid work arrangements; and leading the development of various options and proposals for Bureau management to consider as they work with NTEU to create and support more flexibilities in when and where CFPB employees work.

The CFPB continues to work toward a fundamental overhaul of the agency’s compensation structure and pay setting program. The goals of this effort including aligning pay band structure and the Bureau’s performance management system; fostering internal pay equity; promoting fair, effective, and transparent pay setting practices; and ensuring comparability with the FRB and FIRREAs. In a major step forward towards compensation reform, the Bureau and the NTEU finalized a new three-year compensation agreement. In addition to agreeing to increases in merit pay, lump sum bonuses, increases in locality pay, and a variety of benefit issues for the next two years, the parties also agreed to the following with respect to the broader issue of compensation reform:

- Begin a CFPB-wide salary reset in 2021 with the collection of work experience data for every Bureau employee.
- Establish a joint-labor working-group to review the experience data and determine, by September 2021, which experience is creditable for the purpose of setting pay.
- Reopen negotiations on pay band structure; annual pay band structure adjustments; pay setting following the CFPB-wide salary reset; and the use of a pay matrix or matrices to

help with pay setting.

Additionally, the CFPB began offering a new paid parental leave program effective October 1, 2020. It will provide up to 12 weeks of paid parental leave to CFPB staff in connection with the birth or placement (for adoption or foster care) of a child occurring on or after January 1, 2020.

Responsible Executive: Chief Operating Officer, Operations

Related Objective: 3.2

Related Performance Goal: 3.2.1 and 3.2.2

3. Remaining Adaptable to External Developments While Continuing to Refine the Supervision and Enforcement Strategy

The CFPB is responsible for ensuring compliance with federal consumer financial laws by supervising market participants and bringing enforcement actions when appropriate. The Dodd-Frank Act provides the CFPB with the authority to supervise insured depository institutions and credit unions with more than \$10 billion in total assets and their affiliates and certain nondepository institutions, such as mortgage companies, payday lenders, private education lenders, and larger participants in other markets as defined by rules issued by the CFPB.

The COVID-19 pandemic has resulted in novel challenges that have affected consumers and communities as well as the depository and nondepository institutions that serve them. The OIG has noted that in light of the uncertainty surrounding the duration and effect of the pandemic, the CFPB faces challenges in adapting its oversight strategy in this evolving environment. As such, the CFPB is monitoring the ongoing developments associated with the pandemic as well as complaints from consumers while continuing to assess and implement adjustments to its oversight approach.

An important objective of the Dodd-Frank Act is to ensure that federal consumer financial law is enforced consistently, without regard to whether a financial service provider is a depository institution or a nondepository institution. The OIG has noted a challenge the CFPB faces in providing sufficient oversight of nondepository institutions given their number in the marketplace. The OIG stated that the CFPB must continue to assess, define, and evolve its strategy, including the types and frequency of supervisory activities, for overseeing nondepository institutions.

The CFPB may apply supervision or enforcement tools in a variety of circumstances, and the selection and application of such tools are crucial to effective oversight. The CFPB should continue to define and mature its tool selection process to promote consistency in its oversight of depository and nondepository institutions. The CFPB should also evaluate its human capital needs to ensure that it maintains a workforce with the requisite skills and expertise to support its strategy. Further, the CFPB should evaluate its technology needs to ensure they adequately support the effectiveness and efficiency of its supervisory and enforcement functions.

Agency actions

The Supervision, Enforcement, and Fair Lending Division has in place tool selection processes, including the Action Review Committee (ARC) Process. The ARC determines through a deliberative and rigorous process whether matters that originate from examinations will be resolved through confidential supervisory action or subject to investigation and resolution through a potential public enforcement action. The division has taken steps to refine its tool selection processes during FY 2021 and continues to evaluate refinements to the ARC Process and other tool selection processes as well as consider new tool selection processes.

The CFPB is also taking steps to focus more supervisory efforts on nondepository institutions including analyzing how to engage in increased supervisory activities at larger nondepositaries operating in multiple states. For example, the CFPB is increasing periodic monitoring of larger nondepositaries to include all those, based on the Supervision's risk prioritization process, that are on the examination schedule.

The CFPB is also continuing to assess sources and capabilities that will provide an enhanced data-driven approach to its areas of supervisory focus. Leveraging additional data sources as well as AI within the supervisory prioritization process has the potential to allow CFPB analysts to more efficiently and effectively identify risk signals throughout all institutional product lines under the Bureau's supervisory jurisdiction, especially at nondepository institutions that do not have traditional reporting sources and are far larger in number than depository institutions.

Additionally, the CFPB is also researching new supervisory technology tools to ensure it focuses its supervisory resources as effectively as possible, including at nondepository institutions. The CFPB is looking to modernize its examination recording technology system for advanced functionality that will allow a more data driven approach. The CFPB is also seeking to partner with its state and federal counterparts to use the collective resources of the agencies and knowledge to be more efficient regulators.

Enforcement continues to monitor the ongoing developments associated with the pandemic as well as complaints from consumers to ensure it deploys its resources effectively in response to the fallout from the pandemic and its effects on consumers, particularly communities of color.

Enforcement is also continuing to assess its technology needs and improving on its technology tools to better allow it to take a data driven approach to its investigations and matter management.

Responsible Executive: Associate Director, Supervision, Enforcement, and Fair Lending

Related Objective: 2.1 and 2.2

Related Performance Goal: 2.2.1, 2.2.7, 2.2.8, 2.2.9

4. Managing consumer complaints

Under authority granted by the Dodd-Frank Act, the CFPB collects, monitors, and responds to complaints from consumers on financial services and products. The CFPB has identified the handling of consumer complaints as a mission-essential function that is critical to its strategic contingency planning efforts in its Continuity of Operations Plan. The CFPB's Office of Consumer Response receives complaints directly from consumers about the challenges they face in the financial services and products marketplace and uses the complaint data to create reports for internal and external reporting. The number of complaints has continued to grow gradually since the creation of Consumer Response. Processing an increase in complaints during challenging times, such as the pandemic, may strain the CFPB's resources. Since its creation, the CFPB has received more than 3.6 million complaints, and more than 5,000 financial companies have responded to their customers through the Bureau's complaint process. Further, the monthly average complaint volume increased from about 29,000 complaints in 2019 to an average of approximately 45,000 complaints in 2020. Moreover, whereas Consumer Response handled approximately 352,400 complaints in 2019, it handled approximately 542,300 complaints in 2020 and approximately 994,400 complaints in 2021. As the pandemic persists, consumers will continue to experience problems such as incorrect credit report information, difficulty paying their mortgages, or difficulty paying their student loans, resulting in even more complaints. Consumer Response has also undergone multiple organizational shifts within the past four years, having moved from the Operations Division to the Consumer Education and Engagement Division and then to the newly created Division of Consumer Education and External Affairs. In addition, the CFPB has redistributed some of Consumer Response's resources to other divisions.

Agency actions

Consumer Response acknowledges this continued increase in complaint volume as a management challenge, as required by statute. The OIG did not recommend that Consumer Response change its current practices aimed at mitigating the challenge. As such, Consumer Response will continue to rely on its current processes and systems for routing complaints to financial services companies for response. In addition, Consumer Response has temporarily moved its call centers to a remote work environment to maintain continuity of services for consumers calling the CFPB. Consumer Response is continuing to monitor company response timeliness, enabling it to share and publish data about the timeliness of these responses. Although the reorganization has reduced its available staff resources, Consumer Response expects that its scalable model can continue to handle increased complaint volume and does not anticipate the need to change the complaint process.

Responsible Executive: Associate Director, Consumer Education and External Affairs

Related Objective: 1.1

Related Performance Goal: 1.1.6.1, 1.1.7.1, and 1.1.7.2

APPENDIX D:

Defined Terms

| Abbreviations | Definitions |
|--------------------|--|
| ACFIN | American Consumer Financial Innovation Network |
| AES | Annual Employee Survey |
| AI | Artificial Intelligence |
| ANPR | Advance Notice of Proposed Rulemaking |
| APP | Annual Performance Plan |
| ARC | Academic Research Council |
| ATR | Ability to Repay |
| Board | Board of Governors of the Federal Reserve System |
| Bureau | The Consumer Financial Protection Bureau |
| Bureau Fund | Bureau of Consumer Financial Protection Fund |
| CAB | Consumer Advisory Board |
| CARD Act | Credit Card Accountability Responsibility and Disclosure Act of 2009 |
| CARES | Coronavirus Aid, Relief and Economic Security Act |
| CAS Policy | Compliance Assistance Sandbox |

| Abbreviations | Definitions |
|-----------------------|--|
| CBAC | Community Bank Advisory Council |
| CFPB | The Consumer Financial Protection Bureau |
| CIO | Chief Information Officer |
| CPF | Consumer Financial Civil Penalty Fund |
| CSIRT | Computer Security Incident Response Team |
| CTC | Child Tax Credit |
| CUAC | Credit Union Advisory Council |
| CXO | Chief Experience Officer |
| DAP | Disability and Accessibility Programs |
| DEIA | Diversity, Equity, Inclusion, and Accessibility |
| DICE | Diversity and Inclusion Council of Employees |
| Dodd-Frank Act | Dodd-Frank Wall Street Reform and Consumer Protection Act Public Law No. 111-203 |
| ECOA | Equal Credit Opportunity Act |
| ECI | Employment Cost Index |
| ECP | Examiner Commissioning Program |
| EEO | Equal Employment Opportunity |

| Abbreviations | Definitions |
|----------------------|--|
| EEOC | Equal Employment Opportunity Commission |
| EGRRCPA | Economic Growth, Regulatory Relief, and Consumer Protection Act |
| EO | Executive Order |
| ERG | Employee Resource Group |
| ERM | Enterprise Risk Management |
| FDCPA | Fair Debt Collection Practices Act |
| FDIC | Federal Deposit Insurance Corporation |
| FFIEC | Federal Financial Institutions Examination Council |
| FHFA | Federal Housing Finance Agency |
| FIRREA | Financial Institutions Reform, Recovery, and Enforcement Act of 1989 |
| FISMA | Federal information Security Modernization Act of 2014 |
| FITARA | Federal IT Acquisition Reform Act |
| FMFIA | Federal Managers' Financial Integrity Act of 1982 |
| FTE | Full-Time Equivalent |
| FY | Fiscal Year |
| GAO | Government Accountability Office |

| Abbreviations | Definitions |
|----------------------|---|
| GPRAMA | GPRA Modernization Act |
| GSE | Government-Sponsored Enterprises |
| HMDA | Home Mortgage Disclosure Act |
| HUD | Department of Housing and Urban Development |
| IAA | Interagency Agreement |
| ICAM | Identity Credential and Access Management |
| IFR | Interim Final Rule |
| ILSA | Interstate Land Sales Full Disclosure Act of 1968 |
| IPL | Institutions Product Line |
| IRB | Investment Review Board |
| IT | Information Technology |
| KPI | Key Performance Indicator |
| KRI | Key Risk Indicator |
| MFA | Multi-factor Authentication |
| MIMM | Misadventures in Money Management |
| ML | Machine Learning |

| Abbreviations | Definitions |
|----------------------|---|
| MSEM | Managing Someone Else's Money |
| NAL Policy | Policy on No-Action Letters |
| NCAI | National Congress of American Indians |
| NCES | U.S. Department of Education's National Center for Education Statistics |
| NCUA | National Credit Union Administration |
| NDU | National Defense University |
| NICE | National initiative for Cybersecurity Education |
| NIST | National Institution of Standards and Technology |
| NPRM | Notice of Proposed Rulemaking |
| NSMO | National Survey of Mortgage Originations |
| NTEU | National Treasury Employees Unions |
| OCC | Office of the Comptroller of the Currency |
| OCM | Organizational Change Management |
| OCR | Office of Civil Rights |
| OEOF | Office of Equal Opportunity and Fairness |
| OFLEO | Office of Fair Lending and Equal Opportunity |

| Abbreviations | Definitions |
|----------------------|--|
| OHC | Office of Human Capital |
| OI | Office of Innovation |
| OIG | Office of Inspector General |
| OMB | Office of Management and Budget |
| OMWI | Office of Minority and Women Inclusion |
| OPM | Office of Personnel Management |
| OR | Office of Research |
| OSM | Office of Stakeholder Management |
| PACE | Property Assessed Clean Energy |
| PAM | Privileged Access Management |
| PIV | Personal Identity Verification |
| POA&Ms | Plans of Action and Milestones |
| QM | Qualified Mortgage |
| REE | Racial and Economic Equity |
| RFA | Regulatory Flexibility Act |
| RFI | Request for Information |

| Abbreviations | Definitions |
|----------------------|---|
| RMR | Division of Research, Markets, and Regulations |
| SBREFA | Small Business Regulatory Enforcement Fairness Act |
| SEFL | Supervision, Enforcement, and Fair Lending |
| SISNOSE | Significant Economic Impact on a Substantial Number of Small Entities |
| T&I | Technology and Innovation |
| TDP | Trial Disclosure Policy |
| TDP Policy | Policy to Encourage Trial Disclosure Programs |
| TILA | Truth in Lending Act |
| US-CERT | United States Computer Emergency Readiness Team |
| VITA | Volunteer Income Tax Assistance |
| YMYG | Your Money Your Goals |