

# Charter of the Community Bank Advisory Council



Consumer Financial  
Protection Bureau

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# § 1 Authority

The Director established the Community Bank Advisory Council (the “Advisory Council”).

- (a) Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act)
- (b) System of Records Notice: CFPB.016, CFPB Advisory Boards and Committees
- (c) Paperwork Reduction Act: OMB No. 3170-0021
- (d) Policy for the Constitution and Management of Advisory Councils and Panels, CFPB-COO-046

## § 2 Duration and Termination

- (a) Effective Date. This Charter of the Advisory Council will be effective when signed by the Director of the Consumer Financial Protection Bureau (the “Director”).
- (b) Termination. This Charter will terminate two years after the date of the first meeting of the Advisory Council conducted pursuant to this Charter (the “Charter Term”).
- (c) Amendments. The Director may amend this Advisory Council Charter from time to time during the Charter Term as the Director deems necessary to accomplish the purpose of the Advisory Council. The Advisory Council shall be promptly notified of any amendment of this Charter.

## **§ 3 Rules of Organization and Procedure**

The Advisory Council may at any time adopt rules of organization and procedure to govern its operations, provided, however, that these rules shall not conflict with the terms of this Charter. Such rules of organization and procedure may be amended or repealed at any time by the Advisory Council. The Staff Director shall approve the rules of organization and procedure. The Consumer Financial Protection Bureau (“CFPB” or “Bureau”) shall be promptly notified of the promulgation, amendment, or repeal of any such rules.

# § 4 Purpose, Objectives and Scope of Activities

- (a) The CFPB supervises depository institutions and credit unions with total assets of more than \$10 billion and their respective affiliates, but other than the limited authority conferred by § 1026 of the Dodd-Frank Act, the CFPB does not have supervisory authority regarding credit unions and depository institutions with total assets of \$10 billion or less. As a result, the CFPB does not have regular contact with these institutions, and it would therefore be beneficial to create a mechanism to ensure that their unique perspectives are shared with the Bureau. Small Business Regulatory Enforcement Fairness Act (SBREFA) panels provide one avenue to gather this input, but participants from community banks must possess no more than \$175 million in assets, which precludes the participation of many.
- (b) The Advisory Council shall fill this gap by providing an interactive dialogue and exchange of ideas and experiences between community bankers and Bureau staff.
- (c) The Advisory Council shall advise generally on the Bureau's regulation of consumer financial products or services and other topics assigned to it by the Director. To carry out the Advisory Council's purpose, the scope of its activities shall include providing information, analysis, and recommendations to the Bureau. The output of Advisory Council meetings should serve to better inform the CFPB's policy development, rulemaking, and engagement functions.

## § 5 Members

- (a) Qualifications. The Director shall appoint the members of the Advisory Council. In appointing members to the Advisory Council, the Director shall seek to assemble experts in consumer protection, financial services, community development, fair lending and civil rights, and consumer financial products or services and representatives of community banks that primarily serve underserved communities, and representatives of communities that have been significantly impacted by higher-priced mortgage loans, and shall strive to have diversity in terms of points of view. Only current bank or thrift employees (CEOs, compliance officers, government relations officials, etc.) will be considered for membership. Membership is limited to employees of banks and thrifts with total assets of \$10 billion or less that are not affiliates of depository institutions or credit unions with total assets of more than \$10 billion.
- (b) Number. The total number of members will be a minimum of 15 and a maximum of 20. All members shall serve at the pleasure of the Director. The Director shall select the Advisory Council's Chairperson from the total membership.
- (c) Term. Members serve a two-year term, which is not eligible for renewal. Selections for future councils will take into account the makeup of previous councils to continue to ensure diversity of viewpoints.
- (d) Resignation. Any member may resign at any time by giving notice to the Bureau. Any such resignation shall take effect upon its acceptance by the Director or the Director's designee. The Director shall have the authority to remove Advisory Council members and to appoint persons to fill vacancies on the Advisory Council as the vacancies occur.
- (e) Compensation. Members of the Advisory Council shall serve without compensation nor reimbursement from the Bureau. Members (or their trade associations) must absorb the cost for any expense related to participation in the council.

# § 6 Meetings

- (a) Frequency. The Advisory Council shall meet in person from time to time at the call of the Director or the Director's designee. The estimated number of meetings is four times per year. At least two of these meetings may take place in person at the Bureau's headquarters in Washington, DC, with the option to participate by phone or other means satisfactory to Council members as necessary. In person meetings will typically run for a half- or full-day. The remaining sessions will take place primarily by conference call and will last 90 – 120 minutes. Attendance in person will also be permitted during the meetings held primarily by conference call.
- (b) Agenda. Each meeting shall be conducted in accordance with an agenda formulated or approved by the Staff Director.
- (c) Bureau Representation. Each meeting of the Advisory Council shall be attended by the Staff Director who shall have authority to adjourn any meeting of the Advisory Council when such representative considers adjournment to be in the public interest or consistent with Bureau policies or procedures.
- (d) Attendance. Attendance must include Advisory Council members and Bureau staff, and may include invited speakers. The Advisory Council may, from time to time, call on individuals who are not members of the Advisory Council or staff of the Bureau, for the sole purpose of providing specific domain expertise and knowledge. As discussed in § 9, minutes will be made public following each meeting.

## § 7 Committees

- (a) With approval of the Bureau, the Advisory Council may establish and dissolve committees as necessary and consistent to the Advisory Council's purpose and scope. Committee members are appointed by the Director in the same manner as members and shall serve for the length of the subcommittee, but not more than one term of two years. Committee members shall serve without compensation or reimbursement. Any committees shall report to the Advisory Council and shall not directly update or report to the Bureau. Committees may, from time to time, request attendance by Bureau staff or other individuals who are not members of the Advisory Council, in order to obtain specific domain expertise and knowledge.
- (b) Each committee will be led by a committee Chairperson who shall be appointed and may be removed by the Chairperson of the Advisory Council. Meetings of the Advisory Council's committees will be called by the committee Chairperson in consultation with the Staff Director. The Staff Director must attend all committee meetings and other Bureau staff may attend meetings of the committees. Committee meetings may be held, and committee members may participate, in person, by phone or other means satisfactory to committee members.

# § 8 Governance, Staffing, and Budget

- (a) Staff Director. The Director shall designate a Staff Director, who shall be an employee of the Bureau, and who shall have the following responsibilities:
  - 1) Exercise control and supervision over the establishment, procedures, and accomplishments of the Advisory Council, and provide Bureau staff to perform such other necessary functions in order for the Advisory Council to accomplish its purpose and objectives;
  - 2) Calls all Advisory Council and committee meetings, facilitates activities of committees, prepares and approves all agendas, and adjourns meetings when in the interest of the public or consistent with Bureau policies or procedures;
  - 3) Attend all meetings of the Advisory Council and the committees of the Advisory Council;
  - 4) Assemble, maintain and attend to reports, records, official correspondence and other papers of the Advisory Council and its committees;
  - 5) Acts as the Advisory Council representative to ensure the collection, validation and payment of all expenditures; and
  - 6) Carry out, on behalf of the Bureau, the provisions of the Freedom of Information Act, 5 U.S.C. § 552 *et seq.*, as amended, with respect to such reports, records, and other papers of the Advisory Council, as well as compliance with other governing rules, regulations, statutes or Bureau policies or procedures, to include the Paperwork Reduction Act, 44 U.S.C. § 3501 *et seq* and section 2, General Records Schedule 26;
  - 7) Other responsibilities as further delegated by the Director.
- (b) Staff Secretary. The Staff Director shall designate a member of the Bureau's staff to act as secretary of the Advisory Council (the "Staff Secretary"). The Staff Secretary shall record and maintain minutes of the meetings of the Advisory Council and shall ensure that the Chairperson certifies to the accuracy of the minutes of the meetings.

- (c) Staffing the Advisory Council. The Staff Director, in coordination with the Bureau's Chief Financial Officer, is responsible for providing adequate support to the Advisory Council, as described in § 8 (a) and carrying out other necessary functions in order for the Advisory Council to accomplish its purpose and objectives.
- (d) Budget. To the extent permitted by law, the Bureau shall provide the funding and administrative support necessary, as determined by the Director, to operate the Advisory Council for the Charter Term.

## § 9 Record of Activities

- (a) The Staff Director will work with the Chairperson and Staff Secretary to provide the Director with minutes following each meeting of the Advisory Council or its subcommittees. These minutes will be distributed to relevant offices across the Bureau and to all Advisory Council members. The Bureau will also publicly post the minutes on its website, [www.consumerfinance.gov](http://www.consumerfinance.gov).
- (b) Though the Advisory Council will not provide written reports or consensus suggestions, meeting minutes will include, when available, recommendations from individual Advisory Council members to the Bureau relating to the purpose and objectives of the Advisory Council as set forth in Section 4, as well as recommendations of possible improvements in the structure and process of the Advisory Council.

Signed:

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**Richard Cordray**  
Director  
Consumer Financial Protection Bureau

Dated:      **INSERT**, 2012