“The Bureau shall seek to implement and ... enforce **Federal consumer financial law** consistently for the purpose of ensuring that

- All consumers have access to markets for consumer financial products and services; and
- Markets for consumer financial products and services are fair, transparent, and competitive
CFPB’s Vision

A consumer finance market place…

where *customers* can see prices and risks up front and where they can easily make product comparisons;

in which *no one* can build a business model around unfair, deceptive or abusive practices;

that works for *American consumers*, responsible providers, and the economy as a whole.
Statutory Functions

- Conducting financial education programs
- Collecting, investigating and responding to consumer complaints
- Collecting, researching, monitoring and publishing information relevant to the functioning of markets to identify risks to consumers and the proper functioning of such markets
- Supervising covered persons for compliance ... and taking appropriate enforcement action to address violations of Federal consumer financial law
- Issuing rules, orders and guidance implementing Federal law

CFPB will choose the most efficient and effective tool for any particular policy challenge requiring CFPB action
CFPB’s Mission

The CFPB is a 21st-century agency that helps consumer financial markets work by

- making rules more effective,
- consistently and fairly enforcing those rules, and
- by empowering consumers to take more control over their economic lives.

The CFPB will achieve its mission through:

- data-driven analysis
- innovative use of technology
- valuing the best people and great teamwork
Organizational Structure

Director

- Office of the Director

Chief Operating Officer
  - Associate Director
  - Consumer Response
  - Operations & Facilities
  - Procurement
  - CTO
  - CIO
  - CFO
  - Human Capital
  - Inclusion
  - FOIA, Privacy & Records

Consumer Education & Engagement
  - Associate Director
  - Financial Education
  - Consumer Engagement
  - Older Americans
  - Servicemembers
  - Students
  - Financial Empowerment

Research, Markets & Regulations
  - Associate Director
  - Research
  - Regulations
  - Cards Markets
  - Mortgage Markets
  - Installment & Liquidity
  - Lending Markets
  - Deposits, Collections, & Credit Information Markets

Supervision, Enforcement, Fair Lending & Equal Opportunity
  - Associate Director
  - Fair Lending & Equal Opportunity
  - Large Bank Supervision
  - Non-bank Supervision
  - Enforcement

General Counsel
  - Associate Director
  - Principal Deputy GC
  - Deputy GC
  - Deputy GC
  - ALJ Staff Director

External Affairs
  - Associate Director
  - Media Relations
  - Legislative Affairs
  - Small Business, Community Banks & Credit Unions
  - Intergovernmental Affairs
  - Ombudsman
  - Consumer Advisory Boards
  - Community Affairs
Where We Are Today

- Twelve months process to stand up the agency
  - Diverse, experienced, management team recruited from public, private, and non-profit sectors
  - ~700 dedicated employees including 200+ transferees from 5 governmental agencies
  - Four regional offices

- Launched less than four months ago
  - Manual for examination of financial institutions published
  - Examinations of depository institutions in process
  - Consumer Response center handling credit card complaints
  - First substantive rule promulgated
  - Two research reports to Congress by transfer date
  - Know Before You Owe launched for mortgages and education lending
CFPB and the Payments System

- **CFPB authority under statutes which provide consumer protections with respect to payment products and services**
  - Fair Credit Billing Act
  - Electronic Funds Transfer Act
  - Truth in Savings
  - Truth in Lending Acts
  - Dodd-Frank Act (UDAAP)

- **CFPB enforcement authority over any “covered person”**
  - “Offers or provides” a” consumer financial product or service”
    - “Transmitting or exchanging funds”
    - “Selling, providing, or issuing stored value or payment instruments”
    - “Providing check cashing, check collection or check guarantee services”
    - “Providing payments or other financial data processing products or services to a consumer”

- **Scope of enforcement authority over non-depositories uncertain in the absence of a Director**
CFPB and the Payments System (cont’d)

- **CFPB authorized to examine large depository institutions and other covered persons who are larger participants” in a “market for consumer financial products or services”**
  - Assess compliance with federal consumer financial protection law
  - Obtain information about compliances systems
  - Detect and assess risks to consumers and to markets

- **CFPB has solicited comments on**
  - Which markets to cover in an initial rule
    - Money transmitting
    - Check cashing
    - Prepaid cards
  - Criteria and thresholds to define a larger participant
  - Data to be used in measuring criteria

- **Larger participant rule required to be issued by July 21, 2012**

- **Appointment of a Director required to trigger authority to examine non-depository institutions**