

# Client Alert

February 20, 2018

## CFPB Requests Information on Supervision Processes

By **Obrea O. Poindexter, Crystal N. Kaldjob, and Calvin D. Funk**

On February 14, 2018, the Consumer Financial Protection Bureau (CFPB or “Bureau”) issued a Request for Information (RFI) seeking comments on improvements to the CFPB’s supervision program and “how best to achieve meaningful burden reduction.”<sup>1</sup> The CFPB is seeking comments from “all interested members of the public,” including supervised entities, companies supervised by other agencies, consumer advocates, and regulators. The CFPB asks commenters to provide “as much detail as possible” without disclosing confidential supervisory information.<sup>2</sup>

This RFI is the fourth in a series<sup>3</sup> of RFIs that the CFPB has issued under Acting Director Mick Mulvaney. According to the Bureau, it represents an attempt to “ensure the Bureau is fulfilling its proper and appropriate functions to best protect consumers.”<sup>4</sup> As with the previous RFIs, this RFI presents an opportunity for commenters to provide specific suggestions for modifications to activities and functions of the CFPB.

Commenters are invited to provide feedback on *all* aspects of the Bureau’s supervision program, including:

- Timing, frequency, and scope of supervisory exams;
- Timing and methods of information requests;
- Type and volume of information and documents requested in information requests;
- Effectiveness of the CFPB’s Supervision and Examination Manual;
- Efficiency and effectiveness of onsite examination visits;
- Usefulness and content of potential action and request for response letters (i.e., PARR letters);
- Quality and clarity of Supervisory Letters and Examination Reports;
- Clarity of matters requiring attention (MRA), the reasonability of MRA timing requirements, and the use of third parties to conduct assessments specified in MRAs;
- Process for appealing supervisory findings;
- Usefulness of *Supervisory Highlights* (published periodically by the CFPB to provide updates regarding the CFPB’s supervisory findings); and
- Possibility of coordination of supervisory activity with other Federal or state supervisory agencies.

<sup>1</sup> 83 Fed. Reg. 7166, 7167 (Feb. 20, 2018).

<sup>2</sup> *Id.*

<sup>3</sup> We have issued client alerts on the CFPB’s three previous RFIs on Civil Investigative Demands, administrative adjudications, and the enforcement process broadly.

<sup>4</sup> Press Release, CFPB Issues Request For Information On Supervision Processes (Feb. 14, 2018) (available at <https://www.consumerfinance.gov/about-us/newsroom/cfpb-issues-request-information-supervision-processes/>).

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While it is unclear whether the CFPB plans significant changes to its Supervision Program, the RFI and topics for comment highlight a few key principles that Acting Director Mulvaney and the CFPB appear to be interested in. For example, the RFI suggests that the CFPB may be open to alleviating supervisory burdens through various means, including reductions in the frequency and scope of exams, relaxing timing requirements throughout the supervision process, and coordinating supervisory activity with other agencies. The RFI also suggests that the CFPB is interested in feedback regarding the effectiveness of communications from the CFPB throughout the supervisory process, as well as the usefulness of the information provided by the CFPB in connection with its supervision activities. Comments are due May 21, 2018.

Later this week, the CFPB is expected to release its next RFI in the series, requesting information on the Bureau's engagement processes.

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