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Consumer Financial Protection Bureau Strategic Plan

FY 2018 - 2022

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Overview of the CFPB

The Consumer Financial Protection Bureau (CFPB) 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 was established as an independent bureau within the Federal Reserve System and is 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;
2. Consumers are protected from unfair, deceptive, or abusive acts and practices and from discrimination;
3. Outdated, unnecessary, or unduly burdensome regulations are regularly identified and addressed in order to reduce unwarranted regulatory burdens;
4. Federal consumer financial law is enforced consistently in order to promote fair competition; and
5. Markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation.

Under the Dodd-Frank Act, certain authorities and functions of several agencies relating to Federal consumer financial law transferred to the CFPB in order to accomplish the above objectives.¹ The Dodd-Frank Act also provided the CFPB with certain other federal consumer financial regulatory authorities.

Our mission

The CFPB helps consumer financial markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives.

Our vision

If we achieve our mission, then we will have encouraged the development of a consumer finance marketplace:

- where consumers 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.

¹ These authorities were transferred from the Board of Governors of the Federal Reserve System (Board of Governors), Office of the Comptroller of the Currency (OCC), Office of Thrift Supervision (OTS), Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), and the Department of Housing and Urban Development (HUD). In addition, Congress vested the Bureau with authority to enforce in certain circumstances the Federal Trade Commission's (FTC) Telemarketing Sales Rule and its rules under the FTC Act, although the FTC retains full authority over these rules.

Strategic goals

Our strategic plan articulates four goals:

Goal	Description
Goal 1	Prevent financial harm to consumers while promoting good practices that work for consumers, responsible providers, and the economy as a whole.
Goal 2	Empower consumers to make informed financial choices to reach their own life goals and enhance their own financial well-being.
Goal 3	Inform the public, policy makers, and the CFPB's own policy-making with market intelligence and data-driven analysis of consumer financial markets and consumer behavior.
Goal 4	Advance the CFPB's performance by maximizing resource productivity.

Our organization

To accomplish its mission, the CFPB is organized into six primary divisions:

- 1. Consumer Education and Engagement:** works to empower consumers with the knowledge, tools, and capabilities they need in order to make informed financial decisions by engaging them in the right moments of their financial lives, while addressing the unique financial challenges faced by four specific populations.
- 2. Supervision, Enforcement, and Fair Lending:** ensures compliance with Federal consumer financial laws by supervising market participants and bringing enforcement actions when appropriate.
- 3. Research, Markets, and Regulations:** conducts research to understand consumer financial markets and consumer behavior, monitors the market for consumer financial products and services, evaluates the need for regulation, and develops and implements regulations and other policy initiatives to make markets work better for consumers and responsible providers.
- 4. Legal Division:** ensures the Bureau's compliance with all applicable laws and provides advice to the Director and the Bureau's divisions.
- 5. External Affairs:** manages the Bureau's relationships with external stakeholders and ensures that the Bureau maintains robust dialogue with interested stakeholders to promote understanding, transparency, and accountability.

6. Operations: builds and sustains the CFPB’s operational infrastructure to support the entire organization and hears directly from consumers about challenges they face in the marketplace through their complaints, questions, and feedback.

We will achieve our mission and vision through:

Data-driven analysis

The CFPB is a data-driven agency. We take in data, manage it, store it, share it appropriately, and protect it from unauthorized access. Our aim is to use data purposefully by analyzing and distilling it to enable informed decision-making in all internal and external functions.

Innovative use of technology

Technology is core to the CFPB accomplishing its mission. This means developing and leveraging technology to enhance the CFPB’s reach, impact, and effectiveness. We strive to be an innovative agency whose approach to technology serves as a model within government.

Valuing the best people and great teamwork

At the CFPB, people are our greatest asset. Therefore, we invest in world-class training and support in order to create a diverse and inclusive environment that encourages employees at all levels to tackle complex challenges. Effective teamwork also extends beyond the walls of the CFPB. We seek input from and collaborate with consumers, industry, government entities, and other external stakeholders.

We aim to embody the following values in everything we do:

Service

Our mission begins with service to the consumer and our country. We serve our colleagues by listening to one another and by sharing our collective knowledge and experience.

Leadership

Fostering leadership and collaboration at all levels is at the core of our success. We believe in investing in the growth of our colleagues and in creating an organization that is accountable to the American people.

Innovation

Our organization embraces new ideas and technology. We are focused on continuously improving and learning.

About the plan

The CFPB Strategic Plan for FY 2018-2022 articulates the Bureau's long-term strategic goals and objectives that drive achievement of the Bureau's mission. For the FY 2018-2022 Strategic Plan, the CFPB has relocated the performance goals and measures which were previously included in the FY 2013-2017 Strategic Plan to the FY 2018 Annual Performance Plan and Report. The FY 2018 Annual Performance Plan and Report will identify the performance goals, performance measures, and targets for each strategic goal and objective. A review of other agency strategic plans indicated that many agencies use the strategic plan to identify long-term goals and objectives, and the performance plan and report to establish and track performance goals and measures. This approach helps to ensure that the Bureau's planning documents provide the most relevant and up-to-date information on the CFPB's performance.

By February 2018, the CFPB will publish an Annual Performance Plan and Annual Performance Report describing the agency's accomplishments and presenting the results of the agency's performance metrics for FY 2017. The most recent version of the CFPB's Annual Performance

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Plan and Annual Performance Report can be found on the agency's website, at www.consumerfinance.gov/about-us/budget-strategy/budget-and-performance.

Goal 1

Prevent financial harm to consumers while promoting good practices that work for consumers, responsible providers, and the economy as a whole.

Consumer financial protection is the CFPB's primary focus. The Dodd-Frank Act increased accountability in government by consolidating consumer financial protection authorities that had existed across seven different federal agencies into the CFPB. As provided in Section 1021 of the Dodd-Frank Act, the purpose of the CFPB is to implement, and where applicable, enforce Federal consumer financial laws consistently for the purpose of ensuring that all consumers have access to markets for consumer financial products and services and that such markets are fair, transparent, and competitive.

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 bank or nonbank. Toward that end, the Dodd-Frank Act gives the CFPB the authority to supervise and examine many nonbank financial service providers previously unsupervised at the federal level, such as mortgage companies, payday lenders, and private education lenders of any size, and larger participants of other markets as defined by rules issued by the Bureau. Industry structure is always changing, and therefore, so too will the number of institutions that fall under the CFPB's supervisory authority. The CFPB is focused and equipped to prevent financial harm to consumers while promoting practices that benefit consumers, responsible providers, and the economy as a whole.

The CFPB will reach its first goal by achieving the following three objectives:

- 1. Objective 1.1:** Adopt, administer, review, and refine regulations in order to promote a consumer financial marketplace in which: (A) consumers can understand the costs, benefits, and risks associated with consumer financial products and services initially and over the term of the product or service, (B) consumers are not subject to deceptive, unfair, abusive, or

discriminatory practices, and (C) regulations do not create unwarranted burden and support innovations designed to advance consumers' financial well-being.

2. **Objective 1.2:** Supervise institutions to foster compliance with Federal consumer financial laws, promote a fair consumer financial marketplace, and prevent unlawful discrimination.

3. **Objective 1.3:** Enforce Federal consumer financial laws and hold violators accountable.

Objective 1.1:

Adopt, administer, review, and refine regulations in order to promote a consumer financial marketplace in which: (A) consumers can understand the costs, benefits, and risks associated with consumer financial products and services initially and over the term of the product or service, (B) consumers are not subject to deceptive, unfair, abusive, or discriminatory practices, and (C) regulations do not create unwarranted burden and support innovations designed to advance consumers' financial well-being.

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

Background

The CFPB is responsible for interpreting and issuing regulations to implement a large number of Federal consumer financial protection laws. The Bureau's Division of Research, Markets, and Regulations brings together economists, market practitioners, and regulatory attorneys who evaluate the need to develop new—or revise existing—regulations to achieve the Bureau's statutory objectives. The Division analyzes the best available evidence, solicits input and feedback from the full range of stakeholders, and carefully assesses the benefits and costs of potential or existing regulations.

Strategies

- Evaluate alternative strategies to address market problems and reduce unnecessary burden.

- Pursue an efficient and evidence-based approach to developing new regulations and evaluating and revising existing regulations.
- Work with consumers and industry stakeholders to obtain input and feedback with respect to potential new and existing regulations and alternative approaches to regulation.
- Provide financial institutions, service providers, and other entities with tools and resources to support implementation and compliance with consumer financial protection law.
- Maintain an interdisciplinary team with highly advanced skills in relevant and specialized legal, business, and economic areas to develop new rules, revise existing rules, and assess regulatory effectiveness.

Objective 1.2:

Supervise institutions to foster compliance with Federal consumer financial laws, promote a fair consumer financial marketplace, and prevent unlawful discrimination.

Objective 1.3:

Enforce Federal consumer financial laws and hold violators accountable.

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

Background

The Bureau's Division of Supervision, Enforcement, and Fair Lending is responsible for supervising for compliance with and enforcing consumer financial protection law, including fair lending laws. The Division closely coordinates its use of both the supervision and enforcement tools, which work in tandem toward the common goal of preventing financial harm to consumers while promoting good practices that benefit them. As Objectives 1.2 and 1.3 are

closely linked, the Associate Director for Supervision, Enforcement, and Fair Lending is accountable for both.

Strategies

- Acquire and analyze qualitative and quantitative information and data pertaining to consumer financial products and service markets and companies.
- Focus resources on institutions and their product lines that pose the greatest risk to consumers based on their size, nature of the product, and field and market intelligence.
- 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.
- Enhance internal policies that facilitate the integration of the CFPB's supervision, enforcement, and fair lending functions.
- Develop and maintain technology solutions for coordinating supervisory information, capable of recording, storing, tracking, and reporting information on the CFPB's supervisory process.

Goal 2

Empower consumers to make informed financial choices to reach their own life goals and enhance their own financial well-being.

Throughout their lives, Americans make financial choices to provide for themselves and their families, achieve financial security and independence, build wealth, and prepare future generations for success. The CFPB helps empower consumers to make informed financial choices to reach their own life goals and enhance their own financial well-being. To that end, the CFPB will develop and maintain tools, programs, and initiatives that provide targeted, meaningful, and accessible assistance and information to consumers when they need it, both directly and through community channels that reach consumers. We will invest in, sustain, and increase usage of tools and resources to help individuals prepare for making financial decisions and get answers to questions about money.

Differences in financial education, capabilities, and skills are part of the context for efforts to encourage informed financial decision-making. Consumers have diverse financial needs, choices, and challenges. They seek out information about financial choices using a variety of channels. We help consumers by connecting them with financial companies to understand issues, fix errors, and get direct responses about problems. We also help consumers by working to build ways for individuals and families to get information and develop skills to enhance their financial capability to serve their own life goals. This includes providing opportunities for individuals to learn more about: steps to build individual wealth; topics like home ownership, general money management, and savings; opportunities for parents to prepare their children for financial success; and opportunities for adults to prepare for financial security later in life.

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

1. **Objective 2.1:** Answer questions, handle complaints, and analyze and share data regarding consumers' experiences with financial products or services.

2. Objective 2.2: Prepare and equip consumers in their financial lives through: offering web and print financial education resources; developing opportunities for Americans to build their own financial skills through local community channels; and amplifying the effect of those who provide services to consumers through research on what contributes to effective financial education and financial well-being.

Objective 2.1:

Answer questions, handle complaints, and analyze and share data regarding consumers' experiences with financial products or services.

Objective leader: Associate Director, Operations

Background

The CFPB provides direct assistance to consumers, in real time, through the Office of Consumer Response. Consumer Response hears directly from consumers about the challenges they face in the marketplace, brings their concerns to the attention of companies, and assists in addressing their complaints. Complaints inform the Bureau about business practices that may pose risks to consumers and help with the CFPB's work to supervise companies, enforce Federal consumer financial laws, and write effective rules and regulations.

Strategies

- Provide a platform that routes complaints to companies for response to assist with addressing consumers' complaints.
- Answer consumers' common questions about consumer financial products and services to empower them to make independent financial decisions.
- Collect, analyze, and leverage Consumer Response operational data to enable continuous improvement of the Bureau's services to consumers.
- Develop and maintain a seamless approach to the delivery of appropriate and useful Consumer Response data and analysis within the CFPB and to the public so that information is timely, understandable, and maintains consumer privacy.

Objective 2.2:

Prepare and equip consumers in their financial lives through: offering web and print financial education resources; developing opportunities for Americans to build their own financial skills through local community channels; and amplifying the effect of those who provide services to consumers through research on what contributes to effective financial education and financial well-being.

Objective leader: Associate Director, Consumer Education and Engagement

Background

The CFPB works to provide consumers with the information, knowledge, skills, and financial capability necessary to make informed decisions that serve their own life goals. The Bureau supports and informs Americans in asking questions, making plans, and acting on those plans to support strong financial decision-making.

The CFPB works to enhance the financial knowledge and capability of the country as a whole. In addition to improving overall financial capability, the Bureau focuses on addressing the unique financial challenges and decisions faced by four specific populations: servicemembers, older Americans, students, and economically vulnerable consumers.

Strategies

- Provide financial education directly to the public through digital and print tools and resources to help individuals make decisions about money that will serve their own life goals.
- Develop Americans' financial skills through local community resources: Bring financial education and financial capability into Americans' lives through the organizations that people interact with every day including military recruiters and ROTC, libraries in local communities, local social service agencies, and financial educators.
- Build the next generation's financial skills: Offer teachers, parents, and other family caregivers of young people the tools, knowledge, and confidence to prepare the next generation of Americans for their adult financial lives.

- Amplify the impact of financial educators' work through research on what contributes to effective financial education and financial well-being. Conduct foundational research to raise and measure the effectiveness of financial education in the U.S., and distribute the knowledge obtained to advance financial education and capability.

Servicemembers

Population (including veterans): Over 22 million²

From the start of a military career signing an enlistment contract in a recruiter's office, military life can include challenges and decisions with financial repercussions specific to uniformed military personnel, veterans, military retirees, and their families. The Office of Servicemember Affairs focuses on addressing these financial challenges through educational initiatives, complaint monitoring, and partnering with other federal and state agencies on consumer protection measures for the military. In addition, financial readiness is an ongoing need through various stages in the military lifecycle and it is important to provide continuous education as a servicemember's life, financial goals, and circumstances develop and change (e.g. marriage/divorce, change of duty stations, promotion, etc.).

Older Americans

Population age 62 and older: 57 million (17.9% of the population)³

² Represents population at end of FY15; See National Center for Veterans Analysis and Statistics "Table 4L: Vetpop2016 Living Veterans by Period of Service, Gender, 2015-2045," https://www.va.gov/vetdata/docs/Demographics/New_Vetpop_Model/4L_VetPop2016_Branch_National.xlsx (last viewed 8/16/2017); Defense Manpower Data Center, Military and Civilian Personnel by Service/Agency by State/Country (Updated Quarterly), June 2017, avail at: https://www.dmdc.osd.mil/appj/dwp/dwp_reports.jsp (last accessed, Aug 17, 2017)

Aging poses a number of unique financial challenges and choices. Older Americans face complicated decisions about finances and long-term financial planning later in life. On average, Americans reaching age 65 today will live to about age 85.⁴ Consequently, consumers today will likely need sufficient income and savings to cover 20 years or more for financial security later in life. Retirement years may be more expensive than consumers expect, as many will incur increased health and housing expenses⁵ or carry mortgages and other debts into later life.⁶ In addition, Older Americans are prime targets of financial fraud and exploitation schemes. Older consumers lose up to \$36 billion per year due to financial fraud and abuse.⁷ The Office for Older Americans works to help older adults and the caregiver generation plan for financial security in later life, prepare for life events with financial impacts, and prevent loss of assets through fraud or exploitation.

³ U.S. Census Bureau, 2014 American Community Survey, Table DP05 ACS Demographic and Housing Estimates. Available at http://factfinder.census.gov/bkmk/table/1.0/en/ACS/14_1YR/DP05.

⁴ See, Social Security Administration, Calculators: Life Expectancy (2015), at <http://www.ssa.gov/planners/lifeexpectancy.html> (last visited October 1, 2015).

⁵ See e.g. Sudipto Banerjee, How Does Household Expenditure Change With Age for *Older Americans?*, EBRI Issue Brief, No. 9 (Sept. 2014), <http://www.ebri.org/pdf/notespdf/Notes.Sept14.EldExp-Only.pdf>.

⁶ See CFPB, *Snapshot of older consumers and mortgage debt* (May 2014), http://files.consumerfinance.gov/f/201405_cfpb_snapshot_older-consumers-mortgage-debt.pdf.

⁷ MetLife Study, *supra* note 7, at 2; True Link Financial, *The True Link Report on Elder Financial Abuse 2015*, (January 2015), available at <https://truelink-wordpress-assets.s3.amazonaws.com/wp-content/uploads/True-Link-Report-On-Elder-Financial-Abuse-012815.pdf>. Estimates vary significantly largely due to definitional and methodological differences. For a discussion of the MetLife and True Link methodologies, see Tobie Stanger, *Financial Elder Abuse Costs \$3 Billion a Year. Or is it \$36 billion?* Consumer Reports, Sept. 29, 2015.

Students

Population enrolled in colleges and universities: 26.7 million⁸

Population repaying student loan debt: 44 million⁹

Student debt is an issue that affects more than 44 million Americans.¹⁰ Over the past decade, the size of the student loan market has increased steadily. At over \$1.4 trillion in outstanding loans, student loans are now the second largest component of total household debt after mortgages.¹¹ In 2015, the Bureau noted that this market continues to show elevated levels of borrower distress, observing that more than one in four student loan borrowers are past due or in default.¹² In 2016 and 2017, the Bureau raised new questions about whether certain aspects of the current student loan system structure were adequate to address the needs of the most vulnerable consumers.¹³ The Office for Students addresses student loan issues for students and for adults who are at the repayment stage.

⁸ U.S. Department of Education, National Center for Education Statistics, 2016 Digest of Education Statistics: Total 12-month enrollment in degree-granting postsecondary institutions, by control and level of institution and state or jurisdiction: 2013-14 and 2014-15, available at https://nces.ed.gov/programs/digest/d16/tables/dt16_308.10.asp?current=yes (Last viewed 08/09/2017).

⁹ Consumer Financial Protection Bureau, *Increasing transparency in the student loan servicing market* (February 16, 2017). <https://www.consumerfinance.gov/about-us/blog/increasing-transparency-student-loan-servicing-market/>.

¹⁰ CFPB, “Increasing transparency in the student loan servicing market,” February 16, 2017, <https://www.consumerfinance.gov/about-us/blog/increasing-transparency-student-loan-servicing-market/>.

¹¹ The Department of Education and Consumer Financial Protection Bureau, “Private Student Loans Report,” July 20, 2012, <http://www.consumerfinance.gov/reports/private-student-loans-report/> (last viewed 9/10/12).

¹² Consumer Financial Protection Bureau, *Student Loan Servicing* (September 2015), available at http://files.consumerfinance.gov/f/201509_cfpb_student-loan-servicing-report.pdf.

¹³ Consumer Financial Protection Bureau, *2017 Annual Report of the CFPB Student Loan Ombudsman* (October 16, 2016),

Low-income and economically vulnerable consumers

Many individuals and families are struggling to make ends meet. By most measures, the number of consumers whose income level contributes to financial vulnerability constitutes a significant portion of the U.S. population. In 2015, 43.1 million people had incomes below the federal poverty level,¹⁴ and 33.5 million U.S. households were “unbanked,” meaning that no one in the household had a checking or savings account.¹⁵

All consumers need to make the most of their income, and this is particularly important for those with limited income or other forms of economic vulnerability. The Bureau’s study found that as of 2010, 26 million consumers in the United States were credit invisible, representing about 11 percent of the adult population.¹⁶ These consumers do not have a credit history with one of the three nationwide credit reporting companies (Experian, Equifax, and Transunion). An additional 19 million consumers have “unscorable” credit files, which means they do not have a credit score because they have thin files with insufficient credit history (9.9 million) or stale files and lack any recent credit history (9.6 million). In sum, there are 45 million consumers who may be denied access to credit because they do not have credit records that can be scored.¹⁷

Financial emergencies can happen to anyone —such as the loss of a job, the loss of a spouse, an unexpected medical expense, or a car breaking down. Not all of these things have to lead to

http://files.consumerfinance.gov/f/documents/102016_cfpb_Transmittal_DFA_1035_Student_Loan_Ombudsman_Report.pdf; and Consumer Financial Protection Bureau, Update from the CFPB Student Loan Ombudsman (May 16, 2017), http://files.consumerfinance.gov/f/documents/201705_cfpb_Update-from-Student-Loan-Ombudsman-on-Redefaults.pdf.

¹⁴ <http://census.gov/library/publications/2016/demo/p60-256.html>.

¹⁵ <https://www.fdic.gov/householdsurvey/2015/2015report.pdf>.

¹⁶ http://files.consumerfinance.gov/f/201505_cfpb_data-point-credit-invisibles.pdf.

¹⁷ http://files.consumerfinance.gov/f/201505_cfpb_data-point-credit-invisibles.pdf.

financial disaster if consumers can access and use the tools and resources necessary to weather unexpected events and plan for the future. The Office of Financial Empowerment works to bring opportunities for economically vulnerable consumers to build financial capability and achieve greater financial well-being that strengthens their families and communities.

Goal 3

Inform the public, policy makers, and the CFPB's own policy-making with market intelligence and data-driven analysis of consumer financial markets and consumer behavior.

Understanding how consumer financial markets work, the avenues for innovation in financial products and services, and the potential for risk to consumers is a core component of the CFPB's mandate. The CFPB's aim is to ground all of its work—from implementing rules and litigating enforcement actions to its outreach and financial literacy efforts—in the realities of the marketplace and the complexities of consumer behavior.

Achieving this goal requires strong partnerships within the CFPB and externally to ensure that the Bureau continues to monitor markets effectively; advanced technology to support data analysis; access to current and relevant data; and employees with the skills and capabilities needed to analyze data and distill insights.

The CFPB's research supports an understanding of consumer financial markets and the nature of consumer behavior in these markets. It also supports the consideration of potential benefits and costs of the CFPB's regulations for consumers and institutions, including effects on consumer access to financial products or services.

The Bureau works to ensure that in gathering and analyzing data, strong protections are in place to protect consumer privacy. Datasets will generally be structured such that no personal information is directly identifiable. Access to, and the use of, any personally identifiable information in the CFPB's data will be carefully limited. The Bureau treats the information collected from participating persons and institutions consistently with our confidentiality regulations, and all data and analyses are subject to legal and privacy review prior to their release.

The CFPB will reach its third goal by achieving the following two objectives:

1. **Objective 3.1:** Monitor markets and analyze data to surface financial trends, market opportunities, and emergent risks to consumers.
2. **Objective 3.2:** Produce research-driven, evidence-based perspectives and analyses on consumer financial markets, consumer behavior, and regulations to inform the public discourse and Bureau policy-making.

Objective 3.1:

Monitor markets and analyze data to surface financial trends, market opportunities, and emergent risks to consumers.

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

Background

As a data-driven agency, the CFPB uses quantitative and qualitative data in order to understand consumer financial markets and consumer behavior. The Division of Research, Markets, and Regulations collects and analyzes market data and intelligence to ensure that the Bureau stays abreast of current market trends and their implications for consumers and for consumer financial regulation.

Strategies

- Acquire, collect, and maintain data to effectively monitor consumer financial markets for emerging risks and positive innovations.
- Review published reports and conduct ongoing market engagement to gather up-to-date market intelligence on consumer financial markets.
- Develop and maintain the tools, technology, and skills required to effectively, efficiently, and securely process data and conduct data analyses.

Objective 3.2:

Produce research-driven, evidence-based perspectives and analyses on consumer financial markets, consumer behavior, and regulations to inform the public discourse and Bureau policy-making.

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

Background

The CFPB seeks to ensure that its decisions are based on the best available evidence and also seeks to advance public understanding of consumer financial markets. The Division of Research, Markets, and Regulations provides research and market intelligence to inform the Bureau's decision-making and publishes reports with respect to consumer financial markets, the consumers and providers in those markets, and the effect of governing laws and standards on those markets.

Strategies

- Conduct research and analysis with respect to consumer financial markets.
- Contribute to cross-Bureau collaboration to ensure the Bureau's work is informed by the CFPB's internal research and expertise.
- Regularly publish reports and other research output to advance public understanding of consumer financial markets.
- Maintain the Bureau's expertise in finance, business, economics, psychology, and other social sciences, and in managing complex data sets.

Goal 4

Advance the CFPB's performance by maximizing resource productivity.

In order to maximize the effectiveness of the consumer protections established by Federal consumer financial law, the CFPB must acquire, maintain, support, and direct its resources in a way that enables it to operate efficiently, effectively, and transparently. This means developing, maintaining, and continuously improving the policies and controls in place to ensure the CFPB has the resources it needs and puts those resources to the best possible use.

A key mission of the CFPB is to make financial products and services more transparent in the consumer marketplace. The CFPB will strive to achieve the same level of commitment to transparency in its own activities, while respecting consumer privacy and confidentiality. To accomplish this, the CFPB will develop and implement mechanisms and provide channels to maintain an open, collaborative dialogue with the public.

The CFPB will reach its fourth goal by achieving the following four objectives:

1. **Objective 4.1:** Attract, engage, and deploy a diverse workforce that meets dynamic challenges and provides effective oversight of the consumer financial marketplace.
2. **Objective 4.2:** Enable the innovative use of technology and creative services for the benefit of efficient and secure internal operations and effective public engagement.
3. **Objective 4.3:** Enable the operation of a high-performing organization by ensuring effective and efficient management, protection of CFPB resources, rigorous internal controls, and full compliance with the law.
4. **Objective 4.4:** Increase public confidence in consumer financial markets by maintaining the CFPB's transparency, accountability, and meaningful channels for feedback.

Objective 4.1:

Attract, engage, and deploy a diverse workforce that meets dynamic challenges and provides effective oversight of the consumer financial marketplace.

Objective leader: Associate Director, Operations

Background

The CFPB continues to pursue a strategic imperative to recruit and hire highly qualified individuals. To do so, the CFPB continues to identify and adopt best practices from the private and public sectors to hire, train, and develop a diverse workforce with the knowledge, skills, and abilities required to effectively achieve the Bureau's mission.

The Bureau also places a strong emphasis on the development and retention of the highly qualified individuals at the CFPB. This focus will support improvement efforts targeting the employee experience, development, retention, and engagement.

Strategies

- Recruit and retain a high-quality, diverse staff through effective workforce planning and talent acquisition methods, strong engagement, and a comprehensive diversity and inclusion program.
- Offer effective workforce learning, development, and performance management programs in support of a high-performing workforce.
- Maintain and improve human capital infrastructure by creating and applying human capital policies, improving human capital information systems, and effectively allocating and prioritizing resources to achieve desired human capital outcomes.
- Build a work environment in which the Bureau is deliberate about how the staff invests its time and works together, engaging and enabling the workforce to continue doing their best work for sustainable, long-term impact.

Objective 4.2:

Enable the innovative use of technology and creative services for the benefit of efficient and secure internal operations and effective public engagement.

Objective leader: Associate Director, Operations

Background

The CFPB is committed to staying on the leading edge of technology and leveraging its technological resources to provide significant business value with lower costs. From developing online products that help inform consumers to making critical data available internally and to the public, technology is—and will continue to be—core to the CFPB accomplishing its mission.

Strategies

- Establish and maintain a secure, responsive, and cost-effective technology infrastructure.
- Build, develop, and improve next-generation online tools that help consumers get answers to questions, make financial decisions, and confront difficult financial circumstances.
- Maintain a robust platform for the public to visualize and make use of data maintained by the Bureau, such as consumer complaint data.
- Create and maintain a suite of enterprise-wide technology capabilities that maximizes the efficiencies of resources and minimizes costs.

Objective 4.3:

Enable the operation of a high-performing organization by ensuring effective and efficient management, protection of the CFPB resources, rigorous internal controls, and full compliance with the law.

Objective leader: Associate Director, Operations

Background

The CFPB has the obligation to act as a good steward of public funds. The CFPB will continue to monitor its operations and conduct periodic evaluations to ensure it maintains sound financial practices and robust internal controls.

Strategies

- Use data to supervise and coordinate all financial operations of the Bureau consistent with the requirements of laws and regulations.
- Develop and maintain a team of high-performing professionals with expertise in budget, financial management, procurement, internal controls, and travel operations.
- Develop and maintain integrated accounting and financial management systems and travel systems in order to support the effective execution of resources.
- Develop and mature an Enterprise Risk Management (ERM) program to strengthen leadership decision-making, enhance the resource allocation process, and improve overall organizational performance.

Objective 4.4:

Increase public confidence in consumer financial markets by maintaining the CFPB's transparency, accountability, and meaningful channels for feedback.

Objective leaders: Associate Director, External Affairs; Associate Director, Consumer Education and Engagement; Associate Director, Operations

Background

Transparency is at the core of CFPB operations; accordingly, the CFPB will provide clear information on both the use of resources and on its performance. To this end, the CFPB will communicate substantively and frequently across a wide and diverse range of external stakeholders, including industry and consumer groups. The CFPB aims to actively engage all stakeholders that could potentially be affected by the Bureau's work, with the understanding that there is much insight to be gained from varied stakeholders representing distinct points of view.

Strategies

- Gather input from stakeholders on the CFPB's policies and operations to ensure the Bureau is effectively communicating its activities, meeting transparency goals, and actively soliciting feedback.
- Maintain and enhance a highly effective and usable online presence that supports multiple digital services.

APPENDIX A:

Program Evaluations and Research

The CFPB continuously evaluates its efforts across the four strategic goals to identify opportunities for enhancement and increased effectiveness of its supervision and enforcement programs, research and regulations efforts, consumer education and engagement initiatives, as well as internal operations in the areas of procurement, talent management, technology and innovation, and others. The Bureau uses internal and external resources and a variety of processes to conduct regular evaluations and introduce course corrections as necessary. The following highlights key evaluation efforts undertaken by the CFPB across the strategic goals.

Goal 1

The Bureau's Research, Markets, and Regulations Division's efforts to improve Bureau rulewriting deliverables, associated analyses, and procedures include:

- Continuing disclosure testing for major rulemakings, which informs the proposed and final regulations;
- Continuing review and renewal of the Bureau's Paperwork Reduction Act (PRA) burden estimates for inherited regulations, identifying areas for improvements;
- Continuing statutorily-required assessments of the effectiveness of significant regulations adopted by the Bureau;
- Launching a program to review existing regulations or subparts of major regulations to assess opportunities for clarification, updating, and streamlining; and
- Forming a Regulatory Burden Task Force to identify opportunities to reduce regulatory burden.

The Bureau's Supervision, Enforcement, and Fair Lending Division's efforts to improve Bureau supervision examinations and enforcement activities include:

- Continuing to implement, expand, and evaluate the impact of process improvement projects;
- Continuing to review and analyze processes to determine methods for improvement and increased effectiveness and efficiency in its supervision program. Supervision remains dedicated to monitoring and assessing the quality and the timeliness of examination reports and supervisory letters issued; and
- Piloting a project to expand Supervision's capacity and flexibility to address consumer harm by conducting supervisory activities to supplement the traditional examination process.

Goal 2

The Bureau's Consumer Education and Engagement Division assesses its consumer education and outreach initiatives. The efforts include:

- Conducting field research studies to assess usage or impact of consumer tools and resources;
- Continuing to use website analytics to continuously improve consumer-focused sites by measuring the number of site visitors and the activities and informational pages they visit/download and where they spend time, and seeking additional qualitative feedback;
- Conducting independent program evaluations, where feasible and appropriate, to learn whether processes are working effectively and to gauge the benefit to the people who use program or materials; and
- Continuing to gather data monthly on usage of Ask CFPB, whether visitors are new or returning, popularity of topics and questions, and user ratings of individual questions, as well as periodically conducting user and usability testing to gain insight into what is working well, what needs updating or optimization, and opportunities to expand or improve the overall value of Ask CFPB.

Goal 3

Research, Markets, and Regulations Division's program evaluation efforts contribute to the improvement of internal processes, as well as influence the impact of external, mission-driven programs. These efforts include:

- Conducting assessments of significant rules issued in the prior five years, which will advance the Bureau and public's knowledge of the effects of these rules and inform decisions about potential improvements to the rules; and
- Continuing the development of databases that will allow the Bureau to monitor markets and conduct research to surface financial trends, market opportunities, and emergent risks relevant to consumers.

Goal 4

The Bureau continuously evaluates internal operations, and these efforts include:

- Continuing to review the Bureau's management programs;
- Developing an Enterprise Risk Management (ERM) program that will include establishing a continuous improvement program for ongoing monitoring and review of risk areas;
- Participating in annual Federal Information Security Management Act (FISMA) reviews to ensure appropriate levels of information security are provided according to the risk level, and addressing any areas that need improvement; and
- Conducting a comprehensive review and analysis of the results of the Annual Employee Survey and using the results to monitor progress, identify strengths and challenges, and determine strategies to help improve our work environment.

Cross-goal performance management and audits

In addition to the program evaluations and research focused on specific goals, the following evaluation efforts address all of the goals:

- Three times a year, CFPB leadership reviews progress toward achieving the Bureau's strategic goals and outcomes, in part using the performance goals and measures outlined in this plan. At these points, course corrections are made as needed;
- The U.S. Government Accountability Office conducts studies or investigations related to the CFPB's programs every year, and it performs an annual audit of the CFPB's financial statements and internal controls, as required by the Dodd-Frank Act;
- The Office of the Inspector General of the Board of Governors of the Federal Reserve System and the Consumer Financial Protection Bureau is an independent oversight authority that conducts audits, inspections, evaluation, and other reviews of programs and operations of the CFPB. The OIG's audit reports are available on the OIG's website at <https://oig.federalreserve.gov>; and
- In accordance with the Dodd-Frank Act, the CFPB orders an annual independent audit of the operations and budget of the Bureau. The purpose of this audit is to provide objective analyses to improve program performance and operations, reduce costs, facilitate decision-making, and contribute to public accountability. The audits for prior years are available on the Bureau's website.

External Consultation

In accordance with statute, the Bureau will seek input from Congress on its Strategic Plan during the drafting process. In addition, the Bureau will post the draft Strategic Plan on its website for 30 days in order to give the public the opportunity to provide comments.

External Factors

Key external factors beyond the Bureau's control have the potential to impact the CFPB's ability to effectively achieve its strategic goals and objectives.

Economy and Market Conditions: A decade after the financial crisis of 2008, and almost five years since the implementation of Bureau rules to govern underwriting, servicing, and loan originator compensation in the multi-trillion-dollar mortgage industry, confidence in both the mortgage market and overall economy has grown. While reforms have been undertaken in several financial markets in order to decrease the likelihood of future failures, the Bureau must continue to monitor markets to identify trends and emergent risks relevant to consumers. The markets the Bureau oversees are large, and they touch all American consumers one way or another. In the past few decades, markets for household credit and consumer financial products and services have expanded rapidly and grown more complicated for the average American family. Changes in financial market conditions and factors affecting the performance of the economy such as interest rates, inflation, and unemployment directly affect the Bureau's ability to make financial markets work for consumers, responsible providers, and the economy as a whole.

Evolving Technology: In recent years, evolving technologies have driven rapid change in the consumer financial marketplace. This environment can both provide benefits and pose new risks to consumers. In addition to the CFPB's work to hold those who break the law accountable across the consumer financial marketplace, the Bureau wants to foster a market where new and emerging products and services that benefit consumers can be developed. Consumer-friendly innovation has the potential to help fulfill the Bureau's directive under the Dodd-Frank Wall Street Reform and Consumer Protection Act to give all consumers access to fair, transparent, effective, and innovative markets. The Bureau must keep pace with the evolution of technology and data tools in order to accomplish its strategic goals and objectives.

Change Management: As time passes since the creation of the CFPB by the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act, the Bureau must continue to fulfill its mission while managing the opportunities and challenges of a maturing organization. The Bureau depends upon the talents and skills of its employees to accomplish its mission and will need to successfully manage and implement changes that significantly impact its employees. Doing so

will allow the Bureau to continue to recruit and retain a high-quality, engaged, and diverse workforce to carry out its mission work.