

New Agency, New Authority: An Update on the Consumer Financial Protection Bureau

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February 1, 2012

A new agency, the Consumer Financial Protection Bureau (CFPB), was created by the passage of the Dodd-Frank Wall Street Reform and Consumer Protection act in July 2010. This agency, described by President Obama as “a new consumer watchdog with just one job: looking out for people – not big banks, not lenders, not investment houses – looking out for people . . . as they interact with the financial system,” is responsible for the regulation of consumer financial products. Since its creation, the CFPB has come under increasing political fire, though it has also rolled out new initiatives and launched a non-bank supervision program.

This article looks back on what the CFPB accomplished in various areas during its first year in business and discusses what may lie ahead for each of those areas in 2012. It focuses on the staffing of the agency, supervision and guidance, the memorandum of understanding with the FTC, consumer outreach and complaint handling, and rulemaking.