

April 2013

Consumer Financial Protection Bureau Strategic Plan

FY 2013 - FY 2017



Consumer Financial
Protection Bureau

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Overview of the CFPB

The Consumer Financial Protection Bureau (“CFPB” or “Bureau”) was established under Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”). To create a single point of accountability in the federal government for consumer financial protection, the Dodd-Frank Act consolidated many of the consumer financial protection authorities previously shared by seven federal agencies into the CFPB and provided the Bureau with additional authorities to:

- Conduct rulemaking, supervision and enforcement with respect to the Federal consumer financial laws;
- Handle consumer complaints and inquiries;
- Promote financial education;
- Research consumer behavior; and,
- Monitor financial markets for risks to consumers.

OUR ORGANIZATION

The Bureau performs its work through six Divisions, described below. Our organizational chart is displayed in the appendix of this document.

Division descriptions

Supervision, Enforcement, and Fair Lending	Ensures compliance with Federal consumer financial laws by supervising market participants and bringing enforcement actions when appropriate.
Research, Markets, and Regulations	Responsible for understanding consumer financial markets and consumer behavior, evaluating whether there is a need for regulation, and determining the costs and benefits of potential or existing regulations.

Consumer Education and Engagement	Provides, through a variety of initiatives and methods, information to consumers that will allow them to make decisions that are best for them. Consumer education is a central mission of the Bureau. The Bureau is developing targeted outreach to groups that face particular challenges, as required by the Dodd-Frank Act.
Legal Division	Responsible for the Bureau's compliance with all applicable laws and provides advice to the Director and the Bureau's divisions.
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.
Operations	Builds and sustains the CFPB's operational infrastructure to support the entire organization. The division also includes the Office of Consumer Response, which handles consumer complaints and inquiries related to consumer financial products and services.

OUR MISSION

The CFPB is a 21st century agency that helps consumer finance 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 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.

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, to analyze and distill data 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 recognized as an innovative, 21st century agency whose approach to technology serves as a model within government.



Valuing the best people and great teamwork

At the CFPB, we believe our people are our greatest asset. Therefore, we invest in world-class training and support in order to create an environment that encourages employees at all levels to tackle complex challenges. We also believe effective teamwork extends outside 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



SERVE

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.



LEAD

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.



INNOVATE

Innovation

Our organization embraces new ideas and technology. We are focused on continuously improving, learning, and pushing ourselves to be great.

Plan Overview

OUR STRATEGIC PLAN ARTICULATES FOUR GOALS

- | | |
|---------------|---|
| GOAL 1 | Prevent financial harm to consumers while promoting good practices that benefit them. |
| GOAL 2 | Empower consumers to live better financial lives. |
| GOAL 3 | Inform the public, policy makers, and the CFPB's own policy-making with data-driven analysis of consumer finance markets and consumer behavior. |
| GOAL 4 | Advance the CFPB's performance by maximizing resource productivity and enhancing impact. |

IN SUPPORT OF EACH GOAL WE OUTLINE

- | | |
|-------------------------------------|--|
| OUTCOMES | Desired outcomes that further define the focus of our work. |
| STRATEGIES & INVESTMENTS | Strategies and investments that lay out the actions we will take to accomplish our outcomes. |
| PERFORMANCE GOALS | Specific, measurable goals we will use to assess our progress. |

Goal 1

Prevent financial harm to consumers while promoting good practices that benefit them.

Prior to Congress enacting the Dodd-Frank Act, consumer financial protection had not been the primary focus of any one federal agency, and no agency could set the rules for the entire financial market. The result was a system without sufficiently effective rules or consistent enforcement of the law. The absence of such a regulating entity and corresponding rules ultimately contributed to the 2008 financial crisis.

Consumer financial protection is the CFPB's singular focus. The Dodd-Frank Act increased accountability in government by consolidating consumer financial protection authorities that had existed across seven different federal agencies into one, the newly formed Consumer Financial Protection Bureau. These authorities include the ability to issue regulations under more than a dozen Federal consumer financial laws. As provided in section 1021 of the Dodd-Frank Act, the purpose of the CFPB is to implement and 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.

In addition, the Dodd-Frank Act gives the CFPB the authority to supervise and examine many non-bank financial service providers previously unsupervised at the federal level, such as mortgage companies, payday lenders, private education lenders, and larger debt collectors and consumer reporting companies. With the consolidation of existing and new authorities under one roof, the CFPB is now focused and equipped to prevent financial harm to consumers while promoting practices that benefit consumers across financial institutions.

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 designed to be agile and adjust its approach to supervising the financial industry in order to respond rapidly to changing consumer needs.

THE CFPB WILL ACCOMPLISH ITS FIRST GOAL BY ACHIEVING THREE OUTCOMES



Establish and maintain an effective regulatory environment via outcome 1.1

Foster and enforce compliance with Federal consumer financial laws via outcomes 1.2 and 1.3



Establish and maintain an effective regulatory environment

Outcome 1.1: Create, adopt, and administer 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, and (B) consumers are not subject to deceptive, unfair, abusive, or discriminatory practices.

Outcome leader: Associate Director of Research, Markets, and Regulations

THIS OUTCOME WILL BE ACCOMPLISHED THROUGH THE FOLLOWING STRATEGIES

Strategies



Develop and maintain an efficient fact-based approach to developing, evaluating, revising, and finalizing regulations.



Develop a rule-writing team with highly advanced skills in relevant and specialized legal and business areas.



Work with consumers and industry stakeholders on developing regulations to implement existing Federal consumer financial laws effectively.



Leverage technology to continuously improve the efficiency and effectiveness of the federal rulemaking processes and procedures.



Develop ways to provide financial product disclosure information to consumers electronically. Working with industry groups, develop data standards so that private enterprise can create new tools that help consumers understand the financial products they buy.

WE WILL ASSESS OUR PROGRESS THROUGH THE FOLLOWING THREE PERFORMANCE GOALS

Performance goal 1.1.1: Complete consumer protection related rulemakings within nine months of receipt of final public comments.

The Bureau has made it a priority to ensure that it puts consumer protection regulations into place, including those implementing statutory requirements, in a timely manner. For this reason, the Bureau believes that completion of its own regulatory proposals within 9 months of the close of the public comment period is a good measure of whether it is meeting this goal.

Performance goal 1.1.2: Complete all five-year regulation assessments on schedule.

Section 1022(d) of the Dodd-Frank Act requires the CFPB to assess each significant rule the Bureau adopts and publish a report of the assessment within five years of the effective date. The assessment addresses, among other factors, the rule's effectiveness in meeting the purposes and objectives of the Dodd-Frank Act, Title X and the specific goals the Bureau states for the rule.

Performance goal 1.1.3: Ensure that all rulemakings are informed by public outreach processes, such as Small Business Regulatory Enforcement Fairness Act (SBREFA) panels and consumer and industry roundtables.

The Regulatory Flexibility Act, as amended by SBREFA and the Dodd-Frank Act, requires the Bureau to convene a Small Business Review Panel before proposing a rule that will have a significant economic impact on a substantial number of small entities. Other public outreach efforts, such as meetings with consumers and industry stakeholders in the development of a proposal, inform and otherwise assist the Bureau in crafting more effective rules. The Bureau is also interested in exploring ways to increase general consumer involvement in the rulemaking process.



foster and enforce compliance with consumer financial protection law

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

Outcome 1.3: Enforce Federal consumer financial laws and hold violators accountable.

Outcome leader: Associate Director of Supervision, Enforcement, and Fair Lending

THESE OUTCOMES WILL BE ACCOMPLISHED THROUGH THE FOLLOWING STRATEGIES

Strategies



Acquire and analyze qualitative and quantitative information and data pertaining to consumer financial product and service markets and companies.



Focus resources on institutions and their product lines that, based on their size, nature of the product, and field and market intelligence, pose the greatest risk to consumers.



Establish a framework for sharing information, coordinating activity, and promoting best practices with fellow financial institution supervisory and law enforcement agencies to ensure the most effective use of regulatory resources.



Continue to develop a technology solution for coordinating supervisory information, capable of recording, storing, tracking, and reporting information on the CFPB's supervisory process.



Continue implementing a tool capable of reviewing loan and deposit portfolios for compliance with Federal consumer financial laws.

WE WILL ASSESS OUR PROGRESS THROUGH THE FOLLOWING EIGHT PERFORMANCE GOALS

Performance goal 1.2.1 / 1.3.1: Perform supervision activities at financial services institutions under the CFPB's jurisdiction to foster compliance with Federal consumer financial laws.

The CFPB's Supervision, Enforcement, and Fair Lending Offices collaborate to conduct supervisory activities at bank and nonbank institutions. The CFPB's supervisory authority includes banks, thrifts, and credit unions with over \$10 billion in assets, and their affiliates, as well as certain nonbank consumer financial service providers, such as mortgage lenders, brokers, and servicers; private education lenders; payday lenders; and larger

participants of the consumer reporting and debt collection markets. These supervisory activities will foster compliance with Federal consumer financial laws, promote a fair consumer financial marketplace, and prevent unlawful discrimination.

Performance goal 1.2.2 / 1.3.2: Effectively initiate supervisory activities at financial services institutions under the CFPB's jurisdiction to determine compliance with the Federal fair lending laws, including the Equal Credit Opportunity Act (ECOA) and the Home Mortgage Disclosure Act (HMDA).

The Bureau's supervision activities range from assessments of the institution's fair lending compliance management systems to in-depth reviews of products or lending activities that may pose heightened fair lending risks to consumers. This indicator focuses on the Bureau's in-depth fair lending reviews.

Performance goal 1.2.3 / 1.3.3: Issue examination reports within the CFPB's established time periods following the close of examinations.

Effective supervision of financial institutions to foster compliance with Federal consumer financial laws requires prompt notice to institutions of matters requiring their attention and action to avoid further violations or consumer harm. A thorough report development and review process ensures high quality reports that appropriately explain what the examination team found and why corrective actions, if any, are required.

Performance goal 1.2.4 / 1.3.4: Supervisory matters requiring attention resolved by the prescribed timeframe.

The CFPB monitors institutions receiving notice of matters requiring attention to ensure that corrective actions are taken by the prescribed timeframe in response to supervisory activities, which foster compliance with Federal consumer financial laws and promote a fair consumer financial marketplace.

Performance goal 1.2.5 / 1.3.5: Cooperate and share information with its partners in local, state, and federal law enforcement as part of its efforts to protect consumers, deter wrongdoers, and build a better marketplace.

This indicator ensures that the CFPB works well with its partners at the local, state, and federal level to share information, subject to the Bureau's regulations and policies on information sharing, across jurisdictions and to make the best use of limited resources.

Performance goal 1.2.6 / 1.3.6: Where the Bureau determines enforcement action is warranted, file or settle action within two years of opening its investigation.

Filing enforcement actions in a timely manner is an important measure of the CFPB's effectiveness. The Bureau seeks to balance the need to effectively pursue complex and time-consuming cases while minimizing any unnecessary delay between conduct and resolution. Timely pursuit of resolutions increases deterrence and provides consumers with greater protections of law.

Performance goal 1.2.7 / 1.3.7: Successfully resolve the cases the CFPB files in court and administrative adjudicative proceedings whether by litigation, settlement, issuance of a default judgment, or other means.

This measure ensures that the CFPB successfully resolves as many actions as possible while, at the same time, pursuing complex and challenging actions when appropriate, even when success is not assured.

Performance goal 1.2.8 / 1.3.8: Successfully resolve the fair lending cases the CFPB files in court and administrative adjudicative proceedings, whether by litigation, settlement, issuance of a default judgment, or other means.

When the Dodd-Frank Act created within the CFPB an Office of Fair Lending, it set forth as one of that Office's functions the enforcement of Federal fair lending laws, including ECOA and HMDA. The CFPB seeks to successfully resolve as many fair lending actions as possible while, at the same time, pursuing complex and challenging actions when appropriate, even when success is not assured.

Goal 2

Empower consumers to live better financial lives.

The CFPB works to arm consumers with the knowledge, tools, and capabilities they need in order to make better-informed financial decisions by engaging them in the right moments of their financial lives, in moments when they are most receptive to seeking out and acting on assistance. To that end, the CFPB will develop and maintain a variety of tools, programs, and initiatives that provide targeted, meaningful, and accessible assistance and information to consumers at the moment they need it.

While almost all Americans are impacted by financial products²

Report having some form of financial asset



Report having some form of debt



Many face challenges in making financial decisions³

20% of individuals reported that over the past year, their household spent more than their income.

60% of individuals lack a rainy day fund to cover expenses even for three months in case of emergencies.

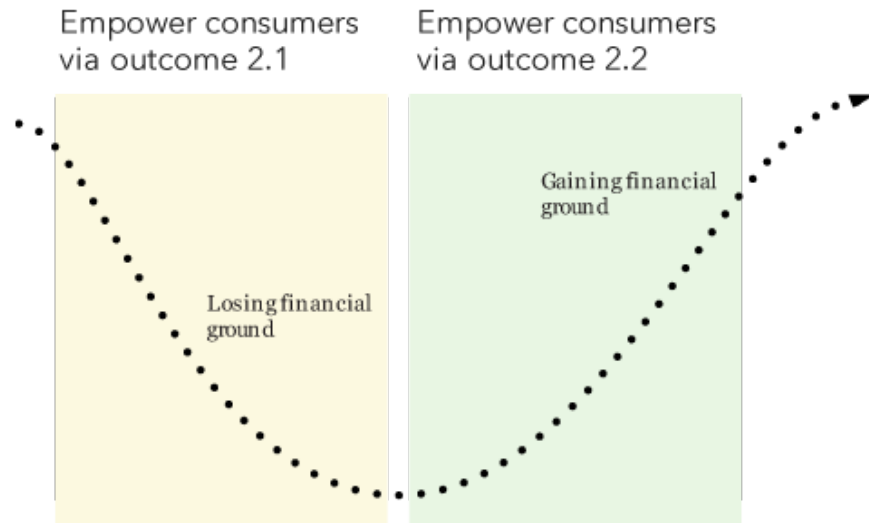
62% of individuals said that, when obtaining their most recent credit card, they did not collect and compare information about cards from more than one company.

Differences in financial education, capabilities, and skills contribute to this problem. Consumers represent diverse populations with diverse financial needs, choices, and challenges; they seek out information about financial choices using a variety of channels. Therefore, the CFPB must be flexible and adaptable in addressing the highly diverse needs of American consumers.

Despite this diversity, consumers often find themselves in one of four specific financial circumstances at various points in their lives. These stages include learning about financial life, losing financial ground, bottoming out, or gaining financial ground.

THE CFPB WILL ACCOMPLISH ITS SECOND GOAL BY ACHIEVING TWO OUTCOMES

Path of consumer behavior



prevent and respond to problems

Outcome 2.1: Collect, monitor, respond to and share data associated with consumer complaints and inquiries regarding consumer financial products or services.

Outcome leader: Associate Director, Operations

The CFPB provides direct assistance to consumers, in real time, through its 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.

Top consumer complaints

The CFPB’s Office of Consumer Response looked to the experiences of other regulators to understand the types of complaints to expect and used available complaint data to inform its phased rollout of complaint handling by product.

Consumer complaint categories

Top complaint categories in the FTC Consumer Sentinel Network database (2011)⁴

January 1 - December 31, 2011

1 Identity Theft	11 Foreign Money Offers and Counterfeit Check Scams
2 Debt Collection	12 Health Care
3 Prizes, Sweepstakes, and Lotteries	13 Mortgage Foreclosure Relief and Debt Management
4 Shop-at-Home and Catalog Sales	14 Credit Cards
5 Banks and Lenders	15 Television and Electronic Media
6 Internet Services	16 Business Opportunities, Employment Agencies, and Work-at-Home Plans
7 Auto-Related Complaints	17 Internet Auction
8 Imposter Scams	18 Travel, Vacations, and Timeshare Plans
9 Telephone and Mobile Services	19 Credit Bureaus, Information Furnishers, and Report Users
10 Advance-Fee Loans and Credit Protection/Repair	20 Magazine and Books

THIS OUTCOME WILL BE ACCOMPLISHED THROUGH THE FOLLOWING STRATEGIES

Strategies



Collect, analyze, and leverage Consumer Response operational data to enable continuous improvement of our services to consumers.



Develop a seamless approach to delivery of appropriate and useful Consumer Response data within the CFPB and to the public so that information is timely, understandable, and maintains consumer privacy.



Automate key internal operational systems, particularly the intake and routing process, in order to effectively scale Consumer Response operations.



Maintain a robust training and development program to support Consumer Response operations as volume and product coverage increase.

WE WILL ASSESS OUR PROGRESS THROUGH THE FOLLOWING THREE PERFORMANCE GOALS

Performance goal 2.1.1: Decrease time between receiving and closing a complaint.

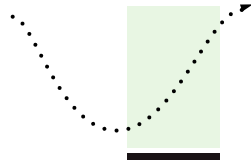
Facilitating efficient handling of a consumer complaint is a key way in which the CFPB provides targeted, meaningful, and accessible assistance and information to empower consumers.

Performance goal 2.1.2: Facilitate the timely response to consumer complaints by companies.

The CFPB facilitates timely response to consumer complaints by using a dedicated company portal to route complaints to companies for response. Once routed, complaints appear in real time in company portals where companies can review and respond to the complaint, triggering communications to consumers about the company's response to their complaints.

Performance goal 2.1.3: Expand capacity to handle consumer complaints.

Consumer complaints shed light on the challenges consumers face in obtaining financial products and services and inform the CFPB's efforts to make consumer financial markets work better and empower consumers to live better financial lives.



enable better financial lives

Outcome 2.2: Help consumers understand the costs, risks, and tradeoffs of financial decisions; build trusted relationships that are interactive and informative to help consumers take control of their financial choices to meet their own goals; and raise effectiveness of those who provide financial education services to increase financial literacy.

Outcome leader: Associate Director, Consumer Education and Engagement

The CFPB works to provide consumers with the information, knowledge, and financial education needed in order to make well-informed decisions to enhance the financial knowledge and capability of the country as a whole. In addition to improving overall financial capability, the CFPB focuses on addressing the unique financial challenges faced by four specific populations.

STUDENTS

Population enrolled in colleges and universities⁵

28 million

The benefits of higher education are well documented. Four-year college graduates experience a number of economic benefits over high school graduates, including higher median earnings and lower unemployment rates. Evidence indicates that these disparities are growing.⁶ Demand for higher education and college financing are at all-time highs. Over the past decade, the size of the student loan market has been increasing steadily. At over \$1 trillion in loans outstanding, the market for student loans is now the second largest component of household debt after mortgages.⁷

OLDER AMERICANS

Population age 62 and older⁸

50 million

Aging poses a number of unique financial challenges. Older Americans face complicated decisions about finances, retirement, and long-term planning. With the shift from defined-benefit to defined-contribution plans and other forms of “do-it-yourself retirement” such as IRAs, good financial advice and assistance is especially important. Older Americans are frequently targeted for scams and financial exploitation. As people age, their ability to handle finances may decline, putting them at risk of making poor decisions or increasing the risk that they will become victims of financial exploitation by scam artists or even by family members or legal fiduciaries.

SERVICEMEMBERS

Population (including veterans)⁹

22 million

The CFPB believes servicemembers should be able to accomplish their mission without worrying about illegal or harmful financial practices. Military life has extra challenges with powerful financial repercussions for uniformed military personnel, veterans, military retirees, and their families.

LOW-INCOME AND ECONOMICALLY VULNERABLE

Population

68 million

Adults are unbanked or underbanked¹⁰

46 million

Live below the official poverty line¹¹

Many consumers cannot or do not access banks, thrifts, or credit unions, and instead, rely on alternative financial services. Low-income and other economically vulnerable consumers are especially likely to use these services. The CFPB focuses on identifying approaches that help this population achieve economic stability and works to ensure that the financial marketplace works for all consumers, including those who have been traditionally underserved.

THIS OUTCOME WILL BE ACCOMPLISHED THROUGH THE FOLLOWING STRATEGIES

Strategies



Provide tools and information directly to the public to help individuals make decisions about money that will serve their own life goals.



Analyze consumer financial experiences to help shape policy and influence product change to make the financial environment safer and more beneficial for consumers.



Reshape the field of financial education through the identification and widespread dissemination of effective practices.



Collaborate with third parties to encourage the development of effective financial skills and habits.

WE WILL ASSESS OUR PROGRESS THROUGH THE FOLLOWING THREE PERFORMANCE GOALS

Performance goal 2.2.1: Significantly increase targeted outreach activities and digital education materials in order to engage consumers at the right moment.

The CFPB works to arm consumers with the knowledge, tools, and capabilities they need in order to make better informed financial decisions by engaging them in the right moments of their financial lives, in moments when the consumer is most receptive to seeking out and acting on assistance. To that end, the CFPB will develop and maintain a variety of tools, programs, and initiatives that provide targeted, meaningful, and accessible assistance and information to consumers at the moment they need it.

Performance goal 2.2.2: Improve the understanding of successful financial decision-making approaches by identifying key success factors in financial health.

The CFPB believes that financial education's primary goal is to improve the financial well-being of consumers. However, very little empirical research has been conducted regarding what variables measure financial health in terms of real-world outcomes for consumers. By defining these variables through data-driven research the Bureau will be able to define what knowledge and skills are associated with financial health. The Bureau will then encourage effective teaching and development of that knowledge and skills by enhancing the effectiveness of financial education and financial capability work in the United States.

Performance goal 2.2.3: Promote fair lending compliance and education by lending and participating in fair lending outreach activities.

As one of its core functions, the Office of Fair Lending is responsible for “working with private industry, fair lending, civil rights, [and] consumer and community advocates on the promotion of fair lending compliance and education.” (Dodd-Frank Act, Section 1013(c)(2) (c).) CFPB employees travel throughout the country to meet with industry and advocate groups focused on fair lending issues. Consumer advocates communicate directly with the CFPB, and the CFPB learns about emerging fair lending issues from these groups.

Goal 3

Inform the public, policy-makers, and the CFPB's own policy-making with data-driven analysis of consumer finance 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 mission. The CFPB's aim is to ground all of its work — from writing rules and litigating enforcement actions to its outreach and financial literacy efforts — in the realities of the marketplace and the complexities of consumer behavior.

This requires a repository for data; strong partnerships within the CFPB and externally to ensure that we continue to monitor markets effectively; technology tools, and employees with the skills and capabilities needed to analyze data and distill insights.

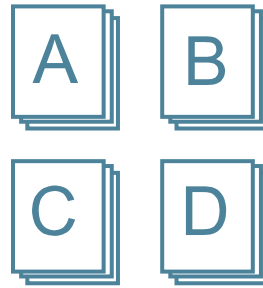
The CFPB's research will support building an understanding of the markets we regulate and the nature of consumer behavior in these markets. It will also support the consideration of the potential benefits and costs of the CFPB's work to consumers and institutions, including effects on access by consumers to consumer financial products or services.

In all of the data used for its analyses, the Bureau will work to ensure that strong protections are in place around personally identifiable information. Datasets will aggregate information such that no information is personally attributable or identifiable, and research/analysis products resulting from such data will use similarly anonymous information as appropriate. 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 ACCOMPLISH ITS THIRD GOAL BY ACHIEVING TWO OUTCOMES



Perform evidence-based analysis via Outcome 3.1



Disseminate data and use it to inform decision-making via Outcome 3.2



Outcome 3.1: Monitor markets and conduct research to surface financial trends and emergent risks relevant to consumers.

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

THIS OUTCOME WILL BE ACCOMPLISHED THROUGH THE FOLLOWING STRATEGIES

Strategies



Acquire, collect, and maintain the data necessary to properly monitor select markets for emerging risks and positive innovations.



Coordinate with other federal agencies, including the Treasury Office of Financial Research, to ensure the most efficient use of data and avoid duplication.

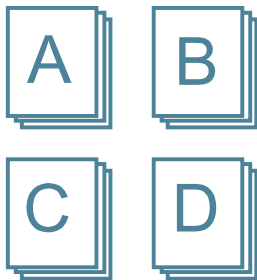


Build and maintain technological infrastructure required to support market intelligence through the integration of diverse internal and external data.

WE WILL ASSESS OUR PROGRESS THROUGH THE FOLLOWING PERFORMANCE GOAL

Performance goal 3.1.1: Monitor the credit card and mortgage markets through data.

The credit card and mortgage markets are both critical to consumers. Having quantitative data on both markets makes it easier for the Bureau to monitor trends and implications for both consumers and providers. These data also strengthen the evidentiary basis for Bureau policy-making.



Outcome 3.2: Articulate a research-driven, evidence-based perspective on consumer financial markets, consumer behavior, and regulations to inform the public discourse, inform Bureau thinking on priority areas, identify areas where Bureau intervention may improve market outcomes, and support efforts to reduce outdated, unnecessary, or unduly burdensome regulations.

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

THIS OUTCOME WILL BE ACCOMPLISHED THROUGH THE FOLLOWING STRATEGIES

Strategies



Collect and analyze data in order to improve understanding, regulation, and functioning of consumer financial markets and behavior.



Help to make the market safer for special populations such as students, older Americans, servicemembers and veterans, and economically vulnerable consumers through selected policy work.



Institutionalize cross-Bureau collaboration to ensure our work is informed by the CFPB's internal research and expertise.



Develop and maintain the tools and technology required to effectively, efficiently, and securely disseminate data and research for internal and external audiences.

WE WILL ASSESS OUR PROGRESS THROUGH THE FOLLOWING PERFORMANCE GOAL

Performance goal 3.2.1: Increase the number of reports produced about specific consumer financial products, markets, or regulations and on consumer decision-making.

The Bureau conducts qualitative and quantitative research to deepen understanding of consumer decision making; consumer financial products and markets; and the effects of consumer financial regulations and policies. Periodically, the Bureau publishes reports of its research.

Bureau and independent research are intended to provide the Bureau and other policy-makers with a stronger evidentiary foundation for policy-making. They are also intended to inform the public and enhance the public's participation in policy-making.

Goal 4

Advance the CFPB's performance by maximizing resource productivity and enhancing impact.

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 use possible.

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.

Outcome 4.1: Attract, engage, and deploy a workforce that meets dynamic challenges and provides effective oversight of the consumer financial marketplace.

Outcome leader: Associate Director, Operations

As a relatively new government agency, the CFPB has a unique and vital opportunity to create an innovative, 21st century organization. To that end, the CFPB will continue to identify and adopt best practices from the private and public sectors to hire, train and develop a diverse world-class workforce with the knowledge, skills and abilities required to effectively achieve our mission.

THIS OUTCOME WILL BE ACCOMPLISHED BY THE FOLLOWING STRATEGIES

Strategies



Recruit and retain a high-quality, diverse staff through effective workforce planning and talent acquisition methods, strong engagement, a

comprehensive diversity and inclusion program, and a competitive compensation and benefits package.



Create and sustain a high-performing workforce through innovative workforce learning, development and performance-management programs.



Develop human capital infrastructure by creating human capital policies, improving human capital information systems, effectively allocating and prioritizing resources, and using mutual accountabilities to achieve desired human capital outcomes.



A more detailed discussion of the strategies and activities in support of this outcome are included in the Bureau's annual report to Congress on human capital activities.

WE WILL ASSESS OUR PROGRESS THROUGH THE FOLLOWING TWO PERFORMANCE GOALS

Performance Goal 4.1.1: Recruit and retain high-performing, diverse employees with the right skills and abilities to meet mission driven goals and objectives.

A wide array of skills and abilities, which represent diversity and organizational makeup, is required for success in achieving our mission. We will assess progress toward achieving this goal using a workforce profile metric and a measure of employee and manager assessments of the skills of the workforce.

Performance goal 4.1.2: Increase the level of employee engagement.

Engagement has been described as a state of passion and commitment to the organization's goals on the part of each employee, which leads to their willingness to invest discretionary effort to ensure success. In the case of the Bureau, maintaining the initial motivation and

excitement of the new workforce is critical to our future success. Individual employees' perception of the level of employee engagement is one way to measure the Bureau's success engaging its employees.

Outcome 4.2: Enable the innovative use of technology for the benefit of efficient internal processes and effective public engagement.

Outcome leader: Associate Director, Operations

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.

We believe technology has a key role to play in creating an organization that, despite its size and the physical distance that separates its staff, still feels and acts like a small team instead of a large bureaucracy. The CFPB will leverage technology to create a streamlined organization that effectively communicates information across teams and through the hierarchy, unifies the organization with common tools and methods for getting things done quickly and easily, and creates a strong culture and an environment of teamwork and collaboration where all staff members are contributing to each other's missions.

THIS OUTCOME WILL BE ACCOMPLISHED THROUGH THE FOLLOWING STRATEGIES

Strategies



Develop a set of implementable data standards that help consumers shop for financial products.



Build a behavioral research and user testing practice in order to ensure maximally usable product design.



Build a next-generation open data catalog.



Establish a secure, responsive and cost-effective technology infrastructure to enable a 21st century agency.



Continue to build, develop and improve next-generation online tools that help consumers understand financial products.



Maintain a robust platform for the public to visualize and make use of data maintained by the Bureau, such as consumer complaint data.

WE WILL ASSESS OUR PROGRESS THROUGH THE FOLLOWING TWO PERFORMANCE GOALS

Performance goal 4.2.1: Release new datasets to the public, where legally permissible and appropriate, to allow for innovative uses of the data by individuals, non-profit entities, and businesses for the benefit of consumers.

The public uses data released by the government to build tools and provide resources to consumers to help them make the best financial decisions. The CFPB wants to support a culture of information and transparency by releasing useful data to the public when doing so is legally permissible and appropriate.

Performance goal 4.2.2: Improve the efficiency of internal processes and procedures.

Technology can help us improve the efficiency of the CFPB so that we serve more consumers in a better way.

Outcome 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.

Outcome leader: Associate Director, Operations

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

THIS OUTCOME WILL BE ACCOMPLISHED THROUGH THE FOLLOWING STRATEGIES

Strategies



Use data to supervise and coordinate all financial operations of the Bureau consistent with the requirements of laws and regulations.



Develop 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 and travel systems in order to support the effective execution of resources.

WE WILL ASSESS OUR PROGRESS THROUGH THE FOLLOWING THREE PERFORMANCE GOALS

Performance goal 4.3.1: Obtain an unqualified "clean" audit opinion on the CFPB's financial statements.

An unqualified opinion from GAO of the CFPB's internal operations confirms that the Bureau maintains sound financial practices and robust internal controls.

Performance goal 4.3.2: Award 90% of contracts competitively.

Competing procurement actions allow for competitive market pricing, stronger proposal submissions, and a distributed vendor base in support of the Bureau. Public value is also derived as money is being spent effectively.

Performance goal 4.3.3: Distribute funds collected through enforcement actions to identified victims within 24 months.

This goal tracks the disbursement of CPF payments and Bureau-administered redress funds to eligible identified victims within 24 months of identifying victims. The Dodd-Frank Act authorizes the CFPB to enforce Federal consumer financial laws. Under this authority, the CFPB litigates cases which may result in redress to harmed consumers. In some cases, the Bureau will be responsible for obtaining redress funds from the defendant and distributing those funds to the harmed consumers. In addition, the Dodd-Frank Act gives the Bureau the authority to obtain civil money penalties in enforcement actions and to deposit those penalties in the Civil Penalty Fund. It may then use amounts in the Civil Penalty Fund for payments to the victims of activities for which civil penalties have been imposed.

Outcome 4.4: Increase public confidence in consumer financial markets by maintaining the CFPB’s transparency, accountability, and meaningful channels for feedback.

Outcome leader: Associate Director, External Affairs

Since transparency is at the core of how the CFPB operates, the CFPB will provide clear information both on the use of resources and on its performance. To that end, the CFPB will communicate substantively and frequently across a wide 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, with the understanding that there is much insight to be gained from varied stakeholders representing distinct points of view.

THIS OUTCOME WILL BE ACCOMPLISHED THROUGH THE FOLLOWING STRATEGIES

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.



Enhance program efficiency through regular analysis of operations data.



Maintain and enhance a highly effective and usable online presence that supports multiple digital services.

WE WILL ASSESS OUR PROGRESS THROUGH THE FOLLOWING PERFORMANCE GOAL

Performance goal 4.4.1: Engage the public by hosting public field hearings, town hall meetings, Consumer Advisory Board meetings, and other events on consumer finance issues.

The CFPB aims to engage with the public on consumer finance issues (a) to ensure that consumers and interested parties have visibility into the Bureau's work and have meaningful opportunities to share input publicly and (b) to ensure that the Bureau's work is informed by regular input from varied perspectives representing distinct points of view.

Appendix

PROGRAM EVALUATIONS

The CFPB has an expansive, vital mission yet limited resources to achieve its goals. Our vision helps to guide us in the right direction, our values set expectations for how we get there; and our strategy helps to focus our energies on areas that offer the greatest potential impact.

It is also important for us to step back, evaluate our recent past performance, and plan for that which is to come. In order to ensure the Bureau's programs and strategies are effectively achieving its goals, the Bureau uses a variety of processes and reports to periodically evaluate its performance and course correct when necessary.

Government Accountability Office

The GAO conducts studies or investigations related to the CFPB's programs every year. In FY 2012, GAO's reports included studies on the benefits and costs associated with implementing the Dodd-Frank Act; the Dodd-Frank Act's impact on community banks and credit unions, troubled mortgages and the Troubled Asset Relief Program; and, the operations of the Financial Stability Oversight Council and the Office of Financial Research, among other areas. In addition, GAO performs an annual audit of the CFPB's financial statements and internal controls, as required by the Dodd-Frank Act.

Office of the Inspector General of the Board of Governors of the Federal Reserve System and the Bureau of Consumer Financial Protection

The OIG is an independent oversight authority within the Board of Governors of the Federal Reserve System that conducts audits of programs and operations of the CFPB and investigations into allegations of potential misconduct by staff or contractors. The mission of the OIG is to detect fraud, waste and abuse, and to promote integrity, economy, efficiency and effectiveness in the CFPB's programs and operations. The OIG's audit reports are available on the OIG's website.

Independent Performance Audit

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 FY 2012 and FY 2011 are available on the Bureau's website.

Quarterly Performance Reviews

On a quarterly basis, the CFPB executives, including all Goal Leaders, review 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.

EXTERNAL CONSULTATION

In accordance with statute, the Bureau sought input from Congress on its Strategic Plan several times during the drafting process. In addition, the Bureau posted the 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.

It is anticipated that markets in both U.S. and foreign financial services sectors will evolve over time. These future changes must be monitored, as they will impact the work of the CFPB in protecting consumers and addressing a continually changing financial environment.

Additional external factors are discussed throughout the Strategic Plan in the context of our goals and outcomes.

MANAGEMENT CHALLENGES

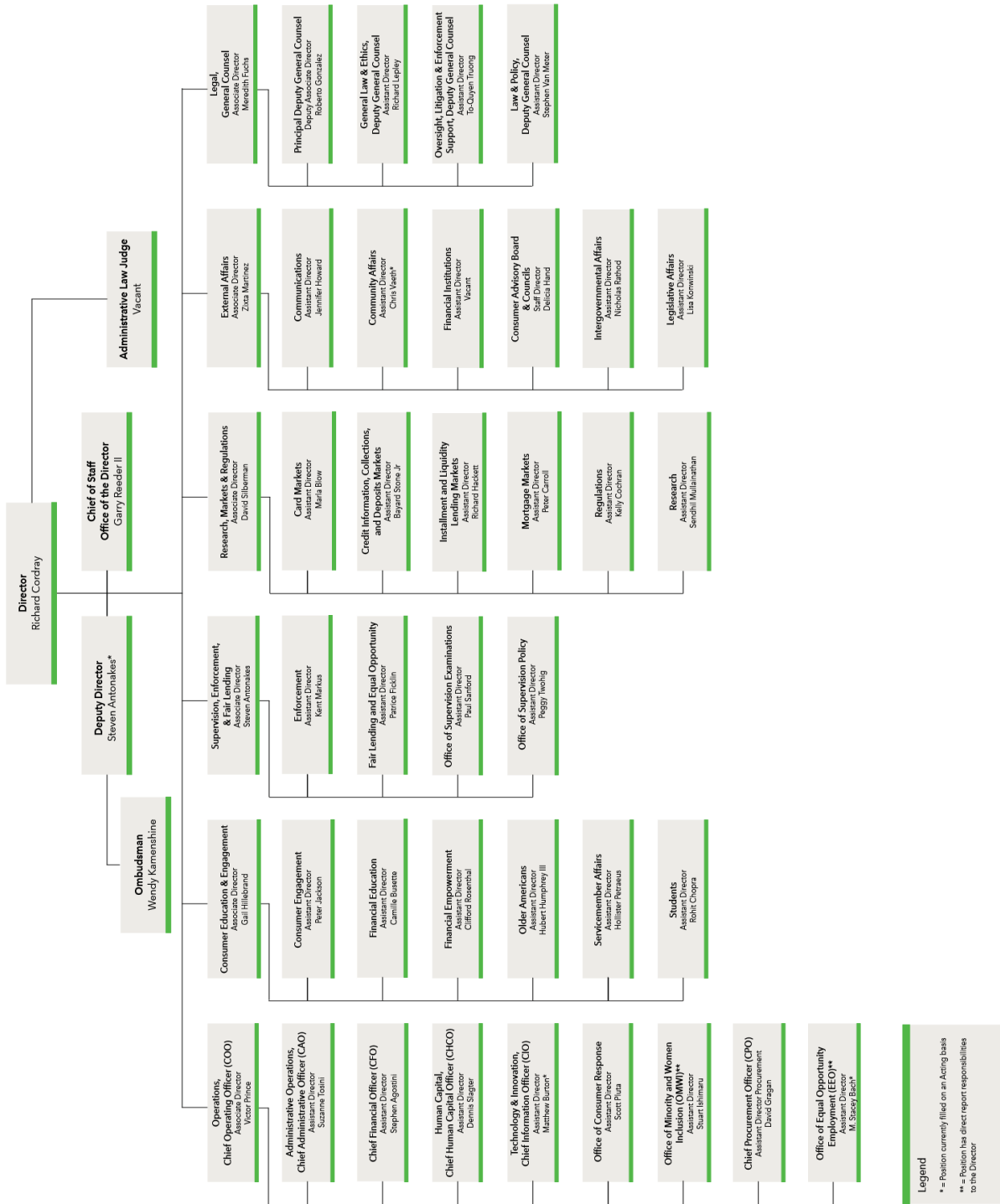
The Congress, in implementing the Dodd-Frank Act, followed a long-established precedent in providing the CFPB with funding outside of the congressional appropriations process to ensure full independence as the Bureau supervises and regulates providers of consumer financial products and services and protects consumers. Congress has consistently provided

for independent funding for bank supervisors to allow for long-term planning and the execution of complex initiatives and to ensure that banks are examined regularly and thoroughly for compliance with the law.

The CFPB supervises over 100 very large depository institutions, including the largest, most complex banks in the country. In addition, it has been charged by Congress with responsibility for supervising thousands of nonbank providers of consumer financial products and services. Effective supervision that assures a level playing field between bank and nonbank institutions requires dedicated and predictable resources, and independent examiners.

Although Congress provided the CFPB with a source of funding outside the appropriations process, the CFPB is nonetheless the only bank supervisor with a statutory cap on its primary source of funding. If the Director were to determine that the non-appropriated funds to which it is entitled under the Dood-Frank Act are insufficient to carry out its responsibilities, section 1017 (e) of the Dodd-Frank Act authorizes the CFPB to also obtain appropriated funds through FY 2014, up to a capped amount and subject to apportionment. In accordance with the Dodd-Frank Act and appropriations law requirements, further action would be required on the part of the Director and Congress in order for the CFPB to obtain such appropriated funds. These additional funds would be subject to apportionment under section 1517 of Title 31, United States Code, and restrictions that generally apply to the use of appropriated funds in Title 31, United States Code, and other laws.

ORGANIZATION CHART



Organizational chart current as of February 27, 2013

Endnotes

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