



Consumer Financial
Protection Bureau

<office>Region
<Address>
<Phone Number>

<Date>

[BOARD OF DIRECTORS/Senior Manager/Principal(s)]

<Entity name>
<street address>
<city state zip>

Dear [Directors/Senior Manager/Principal(s)]:

Pursuant to the authority of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Consumer Financial Protection Bureau (CFPB) performed a risk-focused examination of <entity name>. The examination began on <Month XX, 20XX>.

The following Examination Report (Report) summarizes the findings of our examination. Any matters of criticism, violations of laws or regulations, and other matters of concern identified within this Report require prompt attention and corrective action.

The comments and conclusions in this Report are based on an analysis of information obtained from the entity's records and from other authoritative sources. The CFPB prepared this Report for supervisory purposes, and you should not consider it an audit report.

*<Select one of the following paragraphs and delete the others.
Use paragraph one or two for Reports that do not contain Matters Requiring Attention (paragraph one is directed at an entity that has a board of directors who should review the report at its next meeting; paragraph two is directed at an entity that does not have a board).*

Use paragraph three or four for Reports that contain Matters Requiring Attention (paragraph three is directed at an entity that has a board of directors who should review the report at its next meeting; paragraph four is directed at an entity that does not have a board). If you select paragraph three or four, indicate when a reply is due.>

[(1) Please review the entire Report at your next meeting and note your review in the minutes of that meeting. You need not prepare or send the CFPB a written response to the Report.

(2) Please review the entire Report and retain written documentation confirming your review. You need not prepare or send the CFPB a written response to the Report.

(3) Please review the entire Report at your next meeting and send us a copy of excerpts from your minutes stating that you reviewed the Report. In your response, advise us of what action(s) you took, or will take, regarding each Matter Requiring Attention in this Report. Please reply within [*insert number of days*] calendar days from the transmittal of this Report by sending your response via email to the undersigned at <*insert email address*>.



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(4) Please review the entire Report and send us written confirmation of your review. In your response, advise us of what action(s) you took, or will take, regarding each Matter Requiring Attention in this Report. Please reply within *[insert number of days]* calendar days from the transmittal of this Report by sending your response via email to the undersigned at *<insert email address>*.]

If you have any questions, please call me at *[insert phone number]*. If I am unavailable, please call *[insert name and title of alternate]* at *[insert phone number]*.

/s/

<insert name and title>

cc: *<insert individual's name and title, and the prudential agency's name>*

consumerfinance.gov



Consumer Financial
Protection Bureau

EXAMINATION REPORT

Examination Start Date: [type]

Entity name: [type]

City, State: [type]

**Institution Product Line
Reviewed:**

Choose an item.

Choose an item.

Choose an item.

**Subordinate and
Affiliated Organizations
Reviewed:**

<If examiners reviewed the activities of subordinate or affiliated organizations that fall under the CFPB's jurisdiction, insert the organizations' names>

CFPB Region: Choose an item.

CFPB Exam ID Number: *<Use the SES Exam ID Number>*

CFPB Docket Number: [type]

Entity Type: Choose an item.

Examination Type: Choose an item.

This document is the property of the Consumer Financial Protection Bureau (CFPB), and the CFPB furnishes this document to the entity for its confidential use. The entity's directors, officers, or employees may not disclose the report or any portion of it except as provided in 12 CFR Part 1070.

If the entity receives a subpoena or other legal process calling for production of, or testimony regarding, this document, notify the Regional Director and the CFPB General Counsel immediately. Advise the party issuing the subpoena and, as appropriate, the court of the above prohibition and refer them to 12 CFR Part 1070.

<Examination Report Template>

<Throughout this template, you will find instructions within angled brackets, "<" and ">.">

<General Instructions:>

The primary purpose of the report is to communicate CFPB findings.

Plain Language

Reports should follow "plain language" principles:

- *Identify your audience.*
- *Write in active voice (e.g., "identify the doer").*
- *Use strong verbs and the simplest tense possible.*
- *Use simple everyday words except for necessary technical terms.*
- *Avoid jargon, excessive acronyms and abbreviations, multiple negatives, unnecessary qualifiers, and redundancies.*
- *When using acronyms, introduce the formal name first followed by the acronym in parenthesis (e.g., "Consumer Financial Protection Bureau (CFPB)"). Do not use quotation marks around the acronym in the parenthesis.*
- *When referring to a specific bank, after the first usage of the entity's proper name, put "Bank" in parenthesis. Then, in subsequent references, use Bank, capitalizing the "B."*
- *Construct short, concise sentences.*
- *Express parallel ideas in parallel constructions.*

Definition of Dates used in Examination Reports

Completion Due Date: *The date that Matters Requiring Attention are required to be completed. The Completion Due Date is based on the Transmittal Date.*

Examination Start Date: *The date the examination activity commenced. For all examinations, use the date that time was first charged to the examination.*

Preceding Examination Date: *The Examination Start Date of the prior examination.*

Previous Examination Date: *The Examination Start Date of the prior examination.*

Reporting Date: *The date of the first required report from the entity to the CFPB discussing the progress in completing the Matters Requiring Attention. The date could reflect one progress report or periodic reports.*

Review Period: *The period that covers the time period for which the entity's operations were reviewed. Usually this will be the Review Period that is listed on the Information Requests. If the review period changed since the Information Requests were sent, insert the updated Review Period.*

Transmittal Date: *The date that the CFPB emails the report to the supervised entity.*

Formatting

Use **LEFT JUSTIFICATION** and the font sizes embedded in the template. Always start with a clean template from SES to ensure you are using the current one. For reference, SES includes a PDF file that specifies the font and spacing requirements.>

Table of Contents

<In the Table of Contents, include the page numbers for:

- (a) Executive Summary,
- (b) Matters Requiring Attention,
- (c) Review and Findings, and
- (d) Compliance with Supervisory or Enforcement Actions.>

EXECUTIVE SUMMARY	X
BACKGROUND AND SCOPE OF REVIEW	
CONCLUSIONS AND COMMENTS	
CONSUMER COMPLIANCE RATING	

MATTERS REQUIRING ATTENTION	X
-----------------------------	---

REVIEW AND FINDINGS	X
---------------------	---

RISK ASSESSMENT
COMPLIANCE MANAGEMENT REVIEW
AREA REVIEWED: <Insert the Institution Product Line reviewed>
AREA REVIEWED: <Insert the Institution Product Line reviewed>
AREA REVIEWED: <Insert the Institution Product Line reviewed>
AREA REVIEWED: <Insert the Institution Product Line reviewed>
<Insert name of the institution product line reviewed. Repeat "Area Reviewed" for each additional product reviewed. List the name of the institution product line EXACTLY (i.e., word for word) as it appears later in the report for the Area Reviewed(s) sections.

Do not list the modules or the laws reviewed for the institution product line. Instead, list these under the "Scope" discussion.

If, in the course of reviewing an institution product line, examiners reviewed compliance with the Equal Credit Opportunity Act (ECOA), the ECOA review should not be listed in the Table of Contents, but instead should be discussed under Area Reviewed for the institution product line (IPL).

For Fair Lending reviews conducted by examiners, list one of the following for the Area Reviewed:

- *ECOA Baseline Review*
- *ECOA Target Review - <insert IPL>*
- *Regulation C Compliance Review*

COMPLIANCE WITH SUPERVISORY OR ENFORCEMENT ACTIONS	X
<i><This entry is required. See instructions under Compliance with Supervisory or Enforcement Actions later in template.></i>	

Executive Summary

Background and Scope of Review

<The Background and Scope Review should include a brief description of the entity and a brief explanation of the examination activities undertaken, including, as applicable:

- *the entity's business operations, any affiliated organizations, and any pertinent changes such as new management;*
- *the assessment of risk;*
- *a review of the entity's compliance management system;*
- *the identification of institution product lines reviewed (e.g., credit cards, mortgage origination, mortgage servicing, education lending, auto lending, payday lending, or debt collection);*
- *the size of the institution product line reviewed (e.g., mortgage origination volume (by dollar amount and/or loan amount));*
- *a sentence explaining that the examination was simultaneous with a prudential regulator or concurrent with a state regulator (if applicable);*
- *the examination modules used;*
- *if a fair lending review was conducted, the type of review:*
 - *ECOA Baseline Review - <insert modules completed>*
 - *ECOA Target Review - <insert institution product line>*
 - *Regulation C Compliance Review;*
- *the specific Federal consumer financial laws reviewed for compliance. When listing the laws reviewed, include "Federal consumer financial laws" (and related footnote) in the lead-in sentence and choose from the list below, deleting the rest.>*

Examiners reviewed compliance with the following Federal consumer financial laws:¹

- Consumer Leasing Act (Regulation M)
- Electronic Fund Transfer Act (Regulation E)
- Equal Credit Opportunity Act (Regulation B)
- Fair Credit Reporting Act (Regulation V)
- Fair Debt Collection Practices Act
- Privacy of Consumer Financial Information (Regulation P)
<Do not only list "Privacy" since there are other regulations covering privacy requirements. Do not include "Information Sharing" in the title since there are also information sharing requirements under the Fair Credit Reporting Act.>
- Home Mortgage Disclosure Act (Regulation C)
- Homeowners Protection Act
- Real Estate Settlement Procedures Act (Regulation X)
- Secure and Fair Enforcement for Mortgage Licensing Act (Regulation G)
- Truth in Lending Act (Regulation Z)
- Truth in Savings Act (Regulation DD)

¹ Federal consumer financial law is defined by Section 1002(14) of title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (12 USC 5481(14)).

Examiners also reviewed whether the entity was engaging in unfair, deceptive, or abusive acts or practices (UDAAP).²

Include the dates of the review period using the following sentence:

The review period for the examination was <insert start of review period>, through <insert end of review period.>

[type]

Conclusions and Comments

<The Conclusion and Comments must contain an overall conclusion, followed by a concise summary of the findings. The conclusion should match the tone and language of the rating definition. This section should:

- *include summary details or facts supporting the conclusion, including a summary of material deficiencies that support 3, 4, and 5 ratings;*
- *include both positive and negative conclusions;*
- *be concise, constructive, and direct; and*
- *focus on those matters that support the overall conclusion and rating and are important to convey to the entity's leadership (and not necessarily cover every area reviewed during an examination).>*

[type]

² 12 USC 5531 and 5536.

Consumer Compliance Rating³

<Insert the current examination rating for the supervised entity and choose the correct rating definition below. Ensure that the examination rating is supported in the workpapers and the Final Scope Summary. The procedures for determining the examination rating as well as the definitions for each rating are located in the “Close the Examination” section of the CFPB Supervision and Examination Manual. The dates are the Examination Start Dates. For Previous Examinations, only list dates and ratings of CFPB examinations; do not list such information for the examinations of other agencies. If the CFPB has not previously examined the entity, enter “N/A.”>

	Current Examination	Previous CFPB Examinations (if applicable)	
	Click here to enter a date.	N/A	N/A
Compliance Rating	Choose an item.	Choose an item.	Choose an item.

CHOOSE A PARAGRAPH AND DELETE THE OTHERS (AND THIS INSTRUCTION). DO NOT ALTER, REVISE, EDIT, OR DELETE ANY OF THE DEFINITIONS! THE CFPB ADOPTED THESE FFIEC-APPROVED DEFINITIONS; THEY MAY NOT BE EDITED.>

A supervised entity rated “1” is in a strong compliance position. Management is capable of and staff is sufficient for effectuating compliance. An effective compliance program, including an efficient system of internal procedures and controls, has been established. Changes in consumer statutes and regulations are promptly reflected in the institution's policies, procedures, and compliance training. The institution provides adequate training for its employees. If any violations are noted, they relate to relatively minor deficiencies in forms or practices that are easily corrected. There is no evidence of discriminatory acts or practices, reimbursable violations, or practices resulting in repeat violations. Violations and deficiencies are promptly corrected by management. As a result, the institution gives no cause for supervisory concern.

A supervised entity rated “2” is in a generally strong compliance position. Management is capable of administering an effective compliance program. Although a system of internal operating procedures and controls has been established to ensure compliance, violations have nonetheless occurred. These violations, however, involve technical aspects of the law or result from oversight on the part of operating personnel. Modification in the institution's compliance program and/or the establishment of additional review/audit procedures may eliminate many of the violations. Compliance training is satisfactory. There is no evidence of discriminatory acts or practices, reimbursable violations, or practices resulting in repeat violations.

³ The CFPB has adopted the FFIEC Uniform Consumer Compliance Rating System.

Generally, a supervised entity rated “3” is in a less than satisfactory compliance position. It is a cause for supervisory concern and requires more than normal supervision to remedy deficiencies. Violations may be numerous. In addition, previously identified practices resulting in violations may remain uncorrected. Overcharges, if present, involve a few consumers and are minimal in amount. There is no evidence of discriminatory acts or practices. Although management may have the ability to effectuate compliance, increased efforts are necessary. The numerous violations discovered are an indication that management has not devoted sufficient time and attention to consumer compliance. Operating procedures and controls have not proven effective and require strengthening. This may be accomplished by, among other things, designating a compliance officer and developing and implementing a comprehensive and effective compliance program. By identifying an institution with marginal compliance early, additional supervisory measures may be employed to eliminate violations and prevent further deterioration in the institution's less-than-satisfactory compliance position.

A supervised entity rated “4” requires close supervisory attention and monitoring to promptly correct the serious compliance problems disclosed. Numerous violations are present. Overcharges, if any, affect a significant number of consumers and involve a substantial amount of money. Often practices resulting in violations and cited at previous examinations remain uncorrected. Discriminatory acts or practices may be in evidence. Clearly, management has not exerted sufficient effort to ensure compliance. Its attitude may indicate a lack of interest in administering an effective compliance program, which may have contributed to the seriousness of the institution's compliance problems. Internal procedures and controls have not proven effective and are seriously deficient. Prompt action on the part of the supervisory agency may enable the institution to correct its deficiencies and improve its compliance position.

A supervised entity rated “5” is in need of the strongest supervisory attention and monitoring. It is substantially in non-compliance with the consumer statutes and regulations. Management has demonstrated its unwillingness or inability to operate within the scope of consumer statutes and regulations. Previous efforts on the part of the regulatory authority to obtain voluntary compliance have been unproductive. Discrimination, substantial overcharges, or practices resulting in serious repeat violations are present.

<The Examiner-in-Charge (EIC) will sign the examination report. If an examiner is acting as the EIC for professional development purposes (EIC-in-training), a Field Manager (FM) or a commissioned examiner must review the EIC-in-training’s work and sign the report.>

/s/ <EIC signature>
<Insert typed name>
Examiner-in-Charge

/s/ <FM signature or commissioned examiner>

<Insert typed name>

<Insert the title, Field Manager, or the title of the commissioned examiner>

<Matters Requiring Attention - Instructions

Matters Requiring Attention (MRAs) describe corrective actions for the supervised entity to take to address violations or weaknesses discussed in the report. In addition, the supervised entity must report back to the CFPB in writing on its progress in addressing these “matters requiring attention.”

Communicate specific expected actions

- *Write the MRA in a manner that clearly connects the MRA to the related issues discussed in the relevant Area Reviewed (under Comments and Supporting Analysis).*
- *Use the lead-in sentences in the template as appropriate for the specific examination. See Detailed Instructions that follow.*
- *Describe the MRA in a manner that allows:*
 - *the entity to clearly understand what corrective action(s) need to be taken; and*
 - *examiners to clearly evaluate when a specific corrective action is complete.*

For example, compare:

- *Improve compliance with the Equal Credit Opportunity Act and its implementing Regulation B.*

to the preferred:

- *Provide staff training on the Regulation B’s requirements for adverse actions, including the requirement to provide a reason for denial in written notices.*
 - *Incorporate into the Bank’s internal audit program a review of adverse actions for compliance with Regulation B requirements.*
- *To the extent possible, do not combine together MRAs that might be completed at different points in time. The separation of such corrective actions will facilitate an examiner’s determination that a specific MRA is complete and an examiner’s recording in SES that a specific MRA is complete.*
 - *If management completed an MRA during the course of the examination, after the incomplete MRAs, list the completed MRAs and then indicate that they were completed during the examination.*

Communicate specific time frames.

MRA descriptions include two types of dates, both specified as calendar days:

1. **Completion due date:** *when we expect the entity to finish implementing the actions; and*
2. **Reporting date:** *when we expect the entity to report to the CFPB on progress and/or completion.*

Depending on the expected action, the completion due date and the reporting date may be the same. Alternatively, the completion date may be some time in the future, with interim progress reports.

When designating time frames:

- *ensure that time frames are reasonable;*
- *be clear about time frames, particularly if an action will take time to implement;*
- *if we expect periodic progress reports, specify how often the entity must submit reports; and*
- *base the Completion Due Date on the “Transmittal Date.” Include a footnote that states:
The Transmittal Date is the date that the CFPB emails the report to the supervised entity.>*

Detailed Instructions

<Step 1. Select one of the following lead-in sentences.>

This examination report includes no matters requiring attention.

<Stop here. Do not proceed to the following steps.>

<or>

This examination found the following matters that require a written response to the CFPB.

Step 2. Reporting date: <Insert when report(s) are due to the CFPB. See example language on the next page.>

Step 3. Insert the area reviewed as written in the Table of Contents and in the body of the report after the title “Area Reviewed.” List all Matters Requiring Attention for that Area Reviewed.

Step 4. List each MRA, numbering each for ease of reference.

Step 5. Under each MRA, indicate the Completion due date.

See example of MRA layout on the next page.

Matters Requiring Attention

<Select one of the following sentences:

This supervisory letter includes no matters requiring attention.

or

The review found matters that require a written response to the CFPB. >

Reporting date: <insert # of days> calendar days from the transmittal⁴ of this report (and every <insert # of days> calendar days thereafter until the MRA completion date), provide the CFPB progress reports on fulfilling the following MRAs.

Area Reviewed: <insert name of Institution Product Line>

1. <insert MRA>
 - **Completion due date:** <insert # of days> calendar days from the transmittal of this report.
2. <insert MRA>.
 - **Completion due date:** <insert # of days> calendar days from the transmittal of this report.

Area Reviewed: <insert name of Institution Product Line >

1. <insert MRA>
 - **Completion due date:** <insert # of days> calendar days from the transmittal of this report.
2. <insert MRA>.
 - **Completion due date:** <insert # of days>calendar days from the transmittal of this report.

⁴ The Transmittal Date is the date that the CFPB emails the Report to the supervised entity.

Review and Findings

Risk Assessment

<Fill in the risk assessment chart below. Follow it with a narrative explanation of the review. For the risk assessment findings, the supporting documentation and analysis should be documented in the Risk Assessment template found in SES and included in the examination workpapers. The Current date should be the Examination Start Date. The Preceding date should be the Examination Start Date of the prior examination (enter "N/A" if there was no preceding CFPB Examination Start Date).>

THE DESCRIPTIONS IN THE DROP DOWN LISTS BELOW ARE THE ONLY DESCRIPTIONS THAT MAY BE USED.>

Element	Current Click here to enter a date.	Preceding Click here to enter a date.
Inherent Risk	Choose an item.	Choose an item.
Quality of Risk Controls and Mitigation	Choose an item.	Choose an item.
Overall Risk to Consumers*	Choose an item.	Choose an item.

Expected Change/Direction of Risk	Choose an item.
Last Change in Direction	Click here to enter a date. Choose an item.

*The inherent risk identified in a particular business line or supervised entity, mitigated or amplified by the strength or weakness of the controls to address those risks.

Conclusion

<At a minimum, the Conclusion section should state the Overall Risk to Consumers and the Expected Change in the Direction of Risk. Conclusions on the Inherent Risk and Quality of Risk Controls and Mitigation also may be summarized. All components should be more fully explained under Comments and Supporting Analysis.>

[type]

Comments and Supporting Analysis

<In the Comments and Supporting Analysis, cover the four distinct areas listed below. Begin the discussion of each area with a sentence that includes the conclusion in the chart above (e.g., Inherent risk is moderate due to the). For each write up, provide the supporting details, facts, and/or analysis.>

Inherent Risk

Quality of Risk Controls and Mitigation

NOTE: Under “Quality of Risk Controls and Mitigation,” examiners should summarize their findings after reviewing the compliance management systems. Generally, a paragraph or two will be sufficient with a statement that more information on the Quality of Risk Controls and Mitigation can be found under the section on Compliance Management Review.

Overall Risk to Consumers

Expected Change in Risk>

Inherent Risk

[type]

Quality of Risk Controls and Mitigation

[type]

Overall Risk to Consumers

[type]

Expected Change in Risk

[type]

Compliance Management Review

<After completing the procedures and template for a Compliance Management Review, provide the results of the review in this section.>

Conclusion

<The conclusion must contain an overall Conclusion about the effectiveness of the supervised entity’s strategy for identifying and managing inherent risks to consumers and managing its consumer compliance responsibilities with respect to the area(s) reviewed. Use the descriptors “strong,” “adequate,” or “weak.”>

Include a brief summary of facts that support the conclusion, including a summary of material deficiencies. Provide details supporting the conclusion in the Comments and Supporting Analysis section.

Do not include any Matters Requiring Attention language in the conclusion.

The facts discussed here under Conclusion and below under Comments and Supporting Analysis should be written in a manner to clearly connect the two discussions.>

[type]

Comments and Supporting Analysis

<In this section, examiners should provide the facts and analysis that led to the Conclusion. Summarize what was reviewed and the time period reviewed, as applicable. For example,

briefly discuss policies and procedures reviewed and/or other activities conducted such as interviews with loan officers and senior management.

Discuss the following components of a compliance management system.

Board of Directors and Management Oversight

Compliance Program

- *Policies and Procedures*
- *Training*
- *Monitoring and Corrective Action*

Consumer Complaint Response

Compliance Audit

Begin the discussion of each component with a sentence that describes the component as “strong,” “adequate,” or “weak.” Avoid using the adverb “generally.”

Discuss positive findings as well as deficiencies of each component of a compliance management system, as applicable. If examiners reviewed the oversight of service providers, include comments on the review and the supporting analysis.

Do not discuss what the supervised entity must do to correct deficiencies. Include that information under Matters Requiring Attention section at the beginning of the report. However, the discussion under Comments and Supporting Analysis should be written in such a way that it supports any Matter Requiring Attention.>

Board of Directors and Management Oversight

<Begin the discussion with a sentence that describes Board of Directors and Management Oversight as “strong,” “adequate,” or “weak.” Avoid using the adverb “generally.”>

[type]

Compliance Program

<Discuss overall summary of compliance program as a lead-in to the discussion below of policies and procedures, training, and monitoring and corrective action. Begin the discussion with a sentence that describes the Compliance Program as “strong,” “adequate,” or “weak.” Avoid using the adverb “generally.”>

[type]

Policies and Procedures

[type]

Training

[type]

Monitoring and Corrective Action

[type]

Consumer Complaint Response

<Begin the discussion with a sentence that describes the Consumer Complaint Response as “strong,” “adequate,” or “weak.” Avoid using the adverb “generally.”>

[type]

Compliance Audit

<Begin the discussion with a sentence that describes the Compliance Audit as “strong,” “adequate,” or “weak.” Avoid using the adverb “generally.”>

[type]

Area Reviewed: [insert name of Institution Product Line]

<The Area Reviewed Section (with subsections on Conclusion, and Comments and Supporting Analysis) should be repeated as many times as necessary to cover reviews of different Institution Product Lines conducted during the examination. For example, if examiners reviewed Mortgage Origination, then an Area Reviewed for Mortgage Origination should include subsections of Conclusion, and Comments and Supporting Analysis that focus on mortgage origination and any statutory or regulatory issues identified for the area reviewed. Further, if, for example, at the same examination, examiners reviewed Debt Collections, then a separate Area Reviewed (and subsections of Conclusion and Comments and Supporting Analysis) should focus on debt collections.>

Within each Area Reviewed, the discussion may be organized by the examination modules reviewed. If several laws were reviewed for an Institution Product Line (IPL), the discussion may include subsections for each law reviewed or the discussion of compliance with several laws may be grouped together. The choice depends on whether certain conclusions merit a separate discussion. Either the subsections or the overall IPL discussion must discuss Conclusions and Comments and Supporting Analysis for each law reviewed.

If examiners conducted a type of fair lending review, the Area Reviewed should name the type of review conducted:

- *ECOA Baseline Review - <insert modules reviewed>*
- *ECOA Target Review - <insert Institution Product Line>*
- *Regulation C Compliance Review>*

Conclusion

<The conclusion must contain an overall conclusion about the area reviewed and summary details or facts supporting the conclusion, including a summary of material deficiencies. Provide details supporting the conclusion in the Comments and Supporting Analysis section.>

If violations of law are identified, include:

- *the citation for the violation, and*
- *a phrase describing the requirement.*

For example, state:

The Bank violated Regulation M’s requirements for disclosing payment calculation (12 CFR 1013.4(f)).

The entity violated the Fair Credit Reporting Act's requirement to establish and follow procedures when notified of identity theft-related information (15 USC 1681s-2(a)(5)).

Do not state that an entity is "in compliance with Federal consumer financial laws" since this implies that examiners conducted a comprehensive review of all legal requirements. Instead, in a risk-focused examination, after summarizing the scope of a review, state the results of the review.

For example, state:

The examiners reviewed policies and procedures, interviewed loan officers, and sampled 30 mortgage origination files. The examiners found no violations of the Federal consumer financial laws.

Do not include any MRA in the conclusion.

The facts discussed here under Conclusion and below under Comments and Supporting Analysis should be written in a manner to clearly connect the two discussions.>

[type]

Comments and Supporting Analysis

Summarize what was reviewed, including the sample size, the universe size, and the time period reviewed, as applicable. In addition, the summary may include other activities conducted such as interviewing loan officers or listening to recorded calls with consumers.

Discuss the facts found at the supervised entity for the Area Reviewed.

Discuss positive findings as well as deficiencies.

If violations of law are cited:

- a. Describe what you reviewed and the violations found (include the statutory or regulatory cite).*
- b. Describe in detail the statutory or regulatory requirements (you may copy the statutory or regulatory language).*
- c. Describe what the supervised entity was or was not doing; make a clear connection that the practice was not adhering to the law.*
- d. Describe the cause or source of the violations. In particular, connect the occurrence of the violation(s) to weaknesses in the compliance management system. For example, was the cause human error that could have been prevented by better procedures or a monitoring and corrective action process?*
- e. Describe management's response, including whether they agreed with the findings, as applicable.*

Avoid using the word "technical" before violation(s) or requirement(s). Instead, be specific and explain the violation or requirement. For example, state:

Examiners found violations of Regulation DD's requirement to use the full term "annual percentage yield" in an advertisement that stated a rate of return (12 CFR 1030.8(b)).

Do not discuss what the supervised entity must do to correct deficiencies. Include that information in the Matters Requiring Attention section.

The facts discussed here under Comments and Supporting Analysis and in the Matters Requiring Attention section should be written in a manner to clearly connect the two discussions.>

[type]

Compliance with Supervisory or Enforcement Actions

<**THIS SECTION MUST BE INCLUDED IN THE REPORT.**>

In the chart below, list any existing consumer financial protection-related supervisory or enforcement action(s) in place from the CFPB or the entity's prudential or state supervisor that covers an area under the CFPB's jurisdiction. For example, include actions related to mortgage servicing or mortgage lending (and related laws) but do not include actions related to anti-money laundering or safety and soundness. In addition, list all existing consumer financial protection-related actions even if they do not pertain to the area(s) reviewed during the current examination.

NOTE: Supervisory actions are non-public agreements such as Board of Directors Resolutions or Memoranda of Understanding. Enforcement Actions include public orders to Cease and Desist or to pay Civil Money Penalties.

Use this section to document conclusions and supporting analysis concerning the supervised entity's compliance with any such actions. Generally, if the supervised entity has failed to comply with any requirements, this should be addressed as a Matter Requiring Attention (MRA) in the MRA section at the beginning of the report.

Do not discuss supervisory actions that are no longer in place or enforcement actions that are no longer in effect. However, if relevant, discussions of completed actions may be discussed under the applicable Area Reviewed.

If there are no existing or previous consumer financial protection-related supervisory or enforcement action(s), insert "N/A" under "Compliance with Supervisory or Enforcement Actions" and delete the Conclusion and Comments and Supporting Analysis subsection.>

Conclusion

<Entity's name> is currently under the following supervisory or enforcement action relating to compliance with Federal consumer financial laws:

<u>Federal or State Agency</u>	<u>Date of Action</u>	<u>Type of Action</u>
Choose an item.	Click here to enter a date.	[type]
Choose an item.	Click here to enter a date.	[type]

<Briefly state whether the entity is complying with the terms of the supervisory or enforcement action based on the examiner's review. If the entity is **not** in compliance, include an MRA in the MRA section outlining the actions to be taken to ensure compliance.>

[type]

If examiners did not review compliance with any (or all) of the existing supervisory or enforcement action(s) listed in the chart above, specifically state the following:

Examiners did not review compliance with <specify the actions in the chart that were not

reviewed> during this examination.>

Comments and Supporting Analysis

<Discuss the facts reviewed to determine whether the entity was complying with the terms of the supervisory or enforcement action. The summary may include the sample size, the universe size, and the time period reviewed, as applicable. In addition, the summary may include other activities conducted such as interviewing loan officers or listening to recorded calls with consumers. Discuss positive findings as well as deficiencies.>

If examiners did not review compliance with a supervisory or enforcement action, but the responsible state or federal supervisor did, summarize the supervisor's review for compliance. If neither reviewed, insert "N/A.">

[type]



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<office>Region
<Address>
<Phone Number>

<Date>

[BOARD OF DIRECTORS/Senior Manager/Principal(s)]

<Entity name>
<street address>
<city state zip>

Dear [Directors/Senior Manager/Principal(s)]:

Pursuant to the authority of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Consumer Financial Protection Bureau (CFPB) performed a review of certain activities at <entity name>. The review began on <Month XX, 20XX>.

The following Supervisory Letter (Letter) summarizes the findings of our review. Any matters of criticism, violations of laws or regulations, and other matters of concern identified within this Letter require prompt attention and corrective action.

The comments and conclusions in this Letter are based on an analysis of information obtained from the entity's records and from other authoritative sources. The CFPB prepared this Letter for supervisory purposes, and you should not consider it an audit report.

*<Select one of the following paragraphs and delete the others.
Use paragraph one or two for Letters that do not contain Matters Requiring Attention (paragraph one is directed at an entity that has a board of directors who should review the letter at its next meeting; paragraph two is directed at an entity that does not have a board).*

Use paragraph three or four for Letters that contain Matters Requiring Attention (paragraph three is directed at an entity that has a board of directors who should review the letter at its next meeting; paragraph four is directed at an entity that does not have a board). If you select paragraph three or four, indicate when a reply is due.>

[(1) Please review the entire Letter at your next meeting and note your review in the minutes of that meeting. You need not prepare or send the CFPB a written response to the Letter.

(2) Please review the entire Letter and retain written documentation confirming your review. You need not prepare or send the CFPB a written response to the Letter.

(3) Please review the entire Letter at your next meeting and send us a copy of excerpts from your minutes stating that you reviewed the Letter. In your response, advise us of what action(s) you took, or will take, regarding each Matter Requiring Attention in this Letter. Please reply within [insert number of days] calendar days from the transmittal of this Letter by sending your response via email to the undersigned at <insert email address>.



Consumer Financial
Protection Bureau

<office>Region
<Address>
<Phone Number>

(4) Please review the entire Letter and send us written confirmation of your review. In your response, advise us of what action(s) you took, or will take, regarding each Matter Requiring Attention in this Letter. Please reply within *[insert number of days]* calendar days from the transmittal of this Letter by sending your response via email to the undersigned at *<insert email address>*.]

If you have any questions, please call me at *[insert phone number]*. If I am unavailable, please call *[insert name and title of alternate]* at *[insert phone number]*.

/s/

<insert name and title>

cc: *<insert individual's name and title, and the prudential agency's and/or state regulator's name>*

consumerfinance.gov



SUPERVISORY LETTER

Review Start Date: [Click here to enter a date.](#)

Entity name: [type]
City, State: [type]

Institution Product Line Reviewed:
Choose an item.
Choose an item.
Choose an item.

Subordinate and Affiliated Organizations Reviewed: *<If examiners reviewed the activities of subordinate or affiliated organizations that fall under the CFPB's jurisdiction, insert the organizations' names – otherwise type "N/A">*

CFPB Region: Choose an item.

CFPB Exam ID Number: *<Use the SES Exam ID Number>*
CFPB Docket Number: [type]

Entity Type: Choose an item.

Review Type: Choose an item.

This document is the property of the Consumer Financial Protection Bureau (CFPB), and the CFPB furnishes this document to the entity for its confidential use. The entity's directors, officers, or employees may not disclose the report or any portion of it except as provided in 12 CFR Part 1070.

If the entity receives a subpoena or other legal process calling for production of, or testimony regarding, this document, notify the Regional Director and the CFPB General Counsel immediately. Advise the party issuing the subpoena and, as appropriate, the court of the above prohibition and refer them to 12 CFR Part 1070.

<Supervisory Letter Template>

<Throughout this template, you will find instructions within angled brackets, "<" and ">.">

<General Instructions:>

The primary purpose of the report is to communicate CFPB findings.

Plain Language

Supervisory letters should follow "plain language" principles:

- *Identify your audience.*
- *Write in active voice (e.g., "identify the doer").*
- *Use strong verbs and the simplest tense possible.*
- *Use simple everyday words except for necessary technical terms.*
- *Avoid jargon, excessive acronyms and abbreviations, multiple negatives, unnecessary qualifiers, and redundancies.*
- *When using acronyms, introduce the formal name first followed by the acronym in parenthesis (e.g., "Consumer Financial Protection Bureau (CFPB)"). Do not use quotation marks around the acronym in the parenthesis.*
- *When referring to a specific bank, after the first usage of the entity's proper name, put "Bank" in parenthesis. Then, in subsequent references, use Bank, capitalizing the "B."*
- *Construct short, concise sentences.*
- *Express parallel ideas in parallel constructions.*

Definition of Dates used in Supervisory Letters

Completion Due Date: *The date that Matters Requiring Attention are required to be completed. The Completion Due Date is based on the Transmittal Date.*

Review Start Date: *The date the review activity commenced. For all reviews, use the date that time was first charged to the review.*

Preceding Review Date: *The Review Start Date of the prior review.*

Reporting Date: *The date of the first required report from the entity to the CFPB discussing the progress in completing the Matters Requiring Attention. The date could reflect one progress report or periodic reports.*

Review Period: *The period that covers the time period for which the entity's operations were reviewed. Usually this will be the Review Period that is listed on the Information Requests. If the review period changed since the Information Requests were sent, insert the updated Review Period.*

Transmittal Date: *The date that the CFPB emails the letter to the supervised entity.*

Formatting

Use **LEFT JUSTIFICATION** and the font sizes embedded in the template. Always start with a clean template from SES to ensure you are using the current one. For reference, SES includes a PDF file that specifies the font and spacing requirements.>

Table of Contents

<In the Table of Contents, include the page numbers for:

- (a) Executive Summary,
- (b) Matters Requiring Attention,
- (c) Review and Findings, and
- (d) Compliance with Supervisory or Enforcement Actions.>

EXECUTIVE SUMMARY	X
BACKGROUND AND SCOPE OF REVIEW	
CONCLUSIONS AND COMMENTS	

MATTERS REQUIRING ATTENTION	X
-----------------------------	---

REVIEW AND FINDINGS	X
---------------------	---

RISK ASSESSMENT

COMPLIANCE MANAGEMENT REVIEW

AREA REVIEWED: <Insert the Institution Product Line reviewed>

AREA REVIEWED: <Insert the Institution Product Line reviewed>

AREA REVIEWED: <Insert the Institution Product Line reviewed>

AREA REVIEWED: <Insert the Institution Product Line reviewed>

<Insert name of the institution product line reviewed. Repeat "Area Reviewed" for each additional product reviewed. List the name of the institution product line EXACTLY (i.e., word for word) as it appears later in the report for the Area Reviewed(s) sections.

Do not list the modules or the laws reviewed for the institution product line. Instead, list these under the "Scope" discussion.

If, in the course of reviewing an institution product line, examiners reviewed compliance with the Equal Credit Opportunity Act (ECOA), the ECOA review should not be listed in the Table of Contents, but instead should be discussed under Area Reviewed for the institution product line (IPL).

For Fair Lending reviews conducted by examiners, list one of the following for the Area Reviewed:

- *ECOA Baseline Review*
- *ECOA Target Review - <insert IPL>*
- *Regulation C Compliance Review*

COMPLIANCE WITH SUPERVISORY OR ENFORCEMENT ACTIONS	X
--	---

<This entry is required. See instructions under Compliance with Supervisory or Enforcement Actions later in template.>

Executive Summary

Background and Scope of Review

<The Background and Scope Review should include a brief description of the entity and a brief explanation of the review activities undertaken, including, as applicable:

- *the entity's business operations, any affiliated organizations, and any pertinent changes such as new management;*
- *the assessment of risk;*
- *a review of the entity's compliance management system;*
- *the identification of institution product lines reviewed (e.g., credit cards, mortgage origination, mortgage servicing, education lending, auto lending, payday lending, or debt collection);*
- *the size of the institution product line reviewed (e.g., mortgage origination volume (by dollar amount and/or loan amount));*
- *a sentence explaining that the review was simultaneous with a prudential regulator or concurrent with a state regulator (if applicable);*
- *the examination modules used;*
- *if a fair lending review was conducted, the type of review:*
 - *ECOA Baseline Review - <insert modules completed>*
 - *ECOA Target Review - <insert institution product line>*
 - *Regulation C Compliance Review;*
- *the specific Federal consumer financial laws reviewed for compliance. When listing the laws reviewed, include "Federal consumer financial laws" (and related footnote) in the lead-in sentence and choose from the list below, deleting the rest.>*

Examiners reviewed compliance with the following Federal consumer financial laws:¹

- Consumer Leasing Act (Regulation M)
- Electronic Fund Transfer Act (Regulation E)
- Equal Credit Opportunity Act (Regulation B)
- Fair Credit Reporting Act (Regulation V)
- Fair Debt Collection Practices Act
- Privacy of Consumer Financial Information (Regulation P)
<Do not only list "Privacy" since there are other regulations covering privacy requirements. Do not include "Information Sharing" in the title since there are also information sharing requirements under the Fair Credit Reporting Act.>
- Home Mortgage Disclosure Act (Regulation C)
- Homeowners Protection Act
- Real Estate Settlement Procedures Act (Regulation X)
- Secure and Fair Enforcement for Mortgage Licensing Act (Regulation G)
- Truth in Lending Act (Regulation Z)
- Truth in Savings Act (Regulation DD)

¹ Federal consumer financial law is defined by Section 1002(14) of title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (12 USC 5481(14)).

Examiners also reviewed whether the entity was engaging in unfair, deceptive, or abusive acts or practices (UDAAP).²

Include the dates of the review period using the following sentence:

The review period for the review was <insert start of review period>, through <insert end of review period.>

[type]

Conclusions and Comments

<The Conclusion and Comments must contain an overall conclusion, followed by a concise summary of the findings. The conclusion should match the tone and language of the findings. This section should:

- *include both positive and negative conclusions;*
- *be concise, constructive, and direct; and*
- *focus on those matters that support the overall conclusion and are important to convey to the entity's leadership (and not necessarily cover every area reviewed during an review).>*

[type]

<The Examiner-in-Charge (EIC) will sign the supervisory letter. If an examiner is acting as the EIC for professional development purposes (EIC-in-training), a Field Manager (FM) or a commissioned examiner must review the EIC-in-training's work and sign the letter.>

/s/ <EIC signature>
<Insert typed EIC name.>
Examiner-in-Charge

/s/ <FM signature or commissioned examiner>
< Insert the title, Field Manager, or the title of the commissioned examiner>

² 12 USC 5531 and 5536.

<Matters Requiring Attention - Instructions

Matters Requiring Attention (MRAs) describe corrective actions for the supervised entity to take to address violations or weaknesses discussed in the letter. In addition, the supervised entity must report back to the CFPB in writing on its progress in addressing these “matters requiring attention.”

Communicate specific expected actions

- *Write the MRA in a manner that clearly connects the MRA to the related issues discussed in the relevant Area Reviewed (under Comments and Supporting Analysis).*
- *Use the lead-in sentences in the template as appropriate for the specific review. See Detailed Instructions that follow.*
- *Describe the MRA in a manner that allows:*
 - *the entity to clearly understand what corrective action(s) need to be taken; and*
 - *examiners to clearly evaluate when a specific corrective action is complete.*

For example, compare:

- *Improve compliance with the Equal Credit Opportunity Act and its implementing Regulation B.*

to the preferred:

- *Provide staff training on the Regulation B’s requirements for adverse actions, including the requirement to provide a reason for denial in written notices.*
 - *Incorporate into the Bank’s internal audit program a review of adverse actions for compliance with Regulation B requirements.*
- *To the extent possible, do not combine together MRAs that might be completed at different points in time. The separation of such corrective actions will facilitate an examiner’s determination that a specific MRA is complete and an examiner’s recording in SES that a specific MRA is complete.*
 - *If management completed an MRA during the course of the review, after the incomplete MRAs, list the completed MRAs and then indicate that they were completed during the review.*

Communicate specific time frames.

MRA descriptions include two types of dates, both specified as calendar days:

1. **Completion due date:** *when we expect the entity to finish implementing the actions; and*
2. **Reporting date:** *when we expect the entity to report to the CFPB on progress and/or completion.*

Depending on the expected action, the completion due date and the reporting date may be the same. Alternatively, the completion date may be some time in the future, with interim progress reports.

When designating time frames:

- *ensure that time frames are reasonable;*
- *be clear about time frames, particularly if an action will take time to implement;*
- *if we expect periodic progress reports, specify how often the entity must submit reports; and*
- *base the Completion Due Date on the “Transmittal Date.” Include a footnote that states: The Transmittal Date is the date that the CFPB emails the Letter to the supervised entity.>*

Detailed Instructions

<Step 1. Select one of the following lead-in sentences.>

This supervisory letter includes no matters requiring attention.

<Stop here. Do not proceed to the following steps.>

<or>

This review found the following matters that require a written response to the CFPB.

Step 2. Reporting date: <Insert when report(s) are due to the CFPB. See example language on the next page.>

Step 3. Insert the area reviewed as written in the Table of Contents and in the body of the letter after the title “Area Reviewed.” List all Matters Requiring Attention for that Area Reviewed.

Step 4. List each MRA, numbering each for ease of reference.

Step 5. Under each MRA, indicate the Completion due date.

See example of MRA layout on the next page.

Matters Requiring Attention

<Select one of the following sentences:

This supervisory letter includes no matters requiring attention.

or

<The review found matters that require a written response to the CFPB.>

Reporting date: <insert # of days> calendar days from the transmittal³ of this Letter (and every <insert # of days> calendar days thereafter until the MRA completion date), provide the CFPB progress reports on fulfilling the following MRAs.

Area Reviewed: <insert name of Institution Product Line>

1. <insert MRA>
 - **Completion due date:** <insert # of days> calendar days from the transmittal of this letter.
2. <insert MRA>
 - **Completion due date:** <insert # of days> calendar days from the transmittal of this letter.

Area Reviewed: <insert name of Institution Product Line>

1. <insert MRA>
 - **Completion due date:** <insert # of days> calendar days from transmittal of this letter.

³ The Transmittal Date is the date that the CFPB emails the Letter to the supervised entity.

Review and Findings

Risk Assessment

<Include the Risk Assessment only if one was completed as part of the review (if not, delete this subsection). Fill in the risk assessment chart below. Follow it with a narrative explanation of the review. For the risk assessment findings, the supporting documentation and analysis should be documented in the Risk Assessment template found in SES and included in the review workpapers. The Current date should be the Review Start Date. The Preceding date should be the Review Start Date of the prior Review (enter "N/A" if there was no preceding CFPB Review Start Date).>

THE DESCRIPTIONS IN THE DROP DOWN LISTS BELOW ARE THE ONLY DESCRIPTIONS THAT MAY BE USED.>

Element	Current Click here to enter a date.	Preceding Click here to enter a date.
Inherent Risk	Choose an item.	Choose an item.
Quality of Risk Controls and Mitigation	Choose an item.	Choose an item.
Overall Risk to Consumers*	Choose an item.	Choose an item.

Expected Change/Direction of Risk	Choose an item.
Last Change in Direction	Click here to enter a date. Choose an item.

**The inherent risk identified in a particular business line or supervised entity, mitigated or amplified by the strength or weakness of the controls to address those risks.*

Conclusion

<At a minimum, the Conclusion section should state the Overall Risk to Consumers and the Expected Change in the Direction of Risk. Conclusions on the Inherent Risk and Quality of Risk Controls and Mitigation also may be summarized. All components should be more fully explained under Comments and Supporting Analysis.>

[type]

Comments and Supporting Analysis

<In the Comments and Supporting Analysis, cover the four distinct areas listed below. Begin the discussion of each area with a sentence that includes the conclusion in the chart above (e.g.,

Inherent risk is moderate due to the). For each write up, provide the supporting details, facts, and/or analysis.

Inherent Risk

Quality of Risk Controls and Mitigation

NOTE: Under “Quality of Risk Controls and Mitigation,” examiners should summarize their findings after reviewing the compliance management systems. Generally, a paragraph or two will be sufficient with a statement that more information on the Quality of Risk Controls and Mitigation can be found under the section on Compliance Management Review.

Overall Risk to Consumers

Expected Change in Risk>

Inherent Risk

[type]

Quality of Risk Controls and Mitigation

[type]

Overall Risk to Consumers

[type]

Expected Change in Risk

[type]

Compliance Management Review

<After completing the procedures and template for a Compliance Management Review, provide the results of the review in this section.>

Conclusion

<The conclusion must contain an overall Conclusion about the effectiveness of the supervised entity’s strategy for identifying and managing inherent risks to consumers and managing its consumer compliance responsibilities with respect to the area(s) reviewed. Use the descriptors “strong,” “adequate,” or “weak.”>

Include a brief summary of facts that support the conclusion, including a summary of material deficiencies. Provide details supporting the conclusion in the Comments and Supporting Analysis section.

Do not include any Matters Requiring Attention language in the conclusion.

The facts discussed here under Conclusion and below under Comments and Supporting Analysis should be written in a manner to clearly connect the two discussions.>

[type]

Comments and Supporting Analysis

<In this section, examiners should provide the facts and analysis that led to the Conclusion. Summarize what was reviewed and the time period reviewed, as applicable. For example, briefly discuss policies and procedures reviewed and/or other activities conducted such as interviews with loan officers and senior management.

Discuss the following components of a compliance management system.

Board of Directors and Management Oversight

Compliance Program

- *Policies and Procedures*
- *Training*
- *Monitoring and Corrective Action*

Consumer Complaint Response

Compliance Audit

Begin the discussion of each component with a sentence that describes the component as “strong,” “adequate,” or “weak.” Avoid using the adverb “generally.”

Discuss positive findings as well as deficiencies of each component of a compliance management system, as applicable. If examiners reviewed the oversight of service providers, include comments on the review and the supporting analysis.

Do not discuss what the supervised entity must do to correct deficiencies. Include that information under Matters Requiring Attention section at the beginning of the letter. However, the discussion under Comments and Supporting Analysis should be written in such a way that it supports any Matter Requiring Attention.

Board of Directors and Management Oversight

<Begin the discussion with a sentence that describes Board of Directors and Management Oversight as “strong,” “adequate,” or “weak.” Avoid using the adverb “generally.”>
[type]

Compliance Program

<Discuss overall summary of compliance program as a lead-in to the discussion below of policies and procedures, training, and monitoring and corrective action. Begin the discussion with a sentence that describes the Compliance Program as “strong,” “adequate,” or “weak.” Avoid using the adverb “generally.”>
[type]

Policies and Procedures

[type]

Training

[type]

Monitoring and Corrective Action

[type]

Consumer Complaint Response

<Begin the discussion with a sentence that describes the Consumer Complaint Response as “strong,” “adequate,” or “weak.” Avoid using the adverb “generally.”>

[type]

Compliance Audit

<Begin the discussion with a sentence that describes the Compliance Audit as “strong,” “adequate,” or “weak.” Avoid using the adverb “generally.”>

[type]

Area Reviewed: [insert name of Institution Product Line]

<The Area Reviewed Section (with subsections on Conclusion, and Comments and Supporting Analysis) should be repeated as many times as necessary to cover reviews of different Institution Product Lines conducted during the review. For example, if examiners reviewed Mortgage Origination, then an Area Reviewed for Mortgage Origination should include subsections of Conclusion, and Comments and Supporting Analysis that focus on mortgage origination and any statutory or regulatory issues identified for the area reviewed. Further, if, for example, at the same review, examiners reviewed Debt Collections, then a separate Area Reviewed (and subsections of Conclusion and Comments and Supporting Analysis) should focus on debt collections.

Within each Area Reviewed, the discussion may be organized by the examination modules reviewed. If several laws were reviewed for an Institution Product Line (IPL), the discussion may include subsections for each law reviewed or the discussion of compliance with several laws may be grouped together. The choice depends on whether certain conclusions merit a separate discussion. Either the subsections or the overall IPL discussion must discuss Conclusions and Comments and Supporting Analysis for each law reviewed.

If examiners conducted a type of fair lending review, the Area Reviewed should name the type of review conducted:

- *ECOA Baseline Review - <insert modules reviewed>*
- *ECOA Target Review - <insert Institution Product Line>*
- *Regulation C Compliance Review>*

Conclusion

<The conclusion must contain an overall conclusion about the area reviewed and summary details or facts supporting the conclusion, including a summary of material deficiencies. Provide details supporting the conclusion in the Comments and Supporting Analysis section.

If violations of law are identified, include:

- *the citation for the violation, and*
- *a phrase describing the requirement.*

For example, state:

The Bank violated Regulation M's requirements for disclosing payment calculation (12 CFR 1013.4(f)).

The entity violated the Fair Credit Reporting Act's requirement to establish and follow procedures when notified of identity theft-related information (15 USC 1681s-2(a)(5)).

Do not state that an entity is "in compliance with Federal consumer financial laws" since this implies that examiners conducted a comprehensive review of all legal requirements. Instead, in a risk-focused review, after summarizing the scope of a review, state the results of the review.

For example, state:

The examiners reviewed policies and procedures, interviewed loan officers, and sampled 30 mortgage origination files. The examiners found no violations of the Federal consumer financial laws.

Do not include any MRA in the conclusion.

The facts discussed here under Conclusion and below under Comments and Supporting Analysis should be written in a manner to clearly connect the two discussions.>

[type]

Comments and Supporting Analysis

Summarize what was reviewed, including the sample size, the universe size, and the time period reviewed, as applicable. In addition, the summary may include other activities conducted such as interviewing loan officers or listening to recorded calls with consumers.

Discuss the facts found at the supervised entity for the Area Reviewed.

Discuss positive findings as well as deficiencies.

If violations of law are cited:

- a. Describe what you reviewed and the violations found (include the statutory or regulatory cite).*
- b. Describe in detail the statutory or regulatory requirements (you may copy the statutory or regulatory language).*
- c. Describe what the supervised entity was or was not doing; make a clear connection that the practice was not adhering to the law.*
- d. Describe the cause or source of the violations. In particular, connect the occurrence of the violation(s) to weaknesses in the compliance management system. For example, was the cause human error that could have been prevented by better procedures or a monitoring and corrective action process?*
- e. Describe management's response, including whether they agreed with the findings, as applicable.*

Avoid using the word “technical” before violation(s) or requirement(s). Instead, be specific and explain the violation or requirement. For example, state:

Examiners found violations of Regulation DD’s requirement to use the full term “annual percentage yield” in an advertisement that stated a rate of return (12 CFR 1030.8(b)).

Do not discuss what the supervised entity must do to correct deficiencies. Include that information in the Matters Requiring Attention section.

The facts discussed here under Comments and Supporting Analysis and in the Matters Requiring Attention section should be written in a manner to clearly connect the two discussions.>

[type]

Compliance with Supervisory or Enforcement Actions

<THIS SECTION MUST BE INCLUDED IN THE LETTER.

In the chart below, list any existing consumer financial protection-related supervisory or enforcement action(s) in place from the CFPB or the entity’s prudential or state supervisor that covers an area under the CFPB’s jurisdiction. For example, include actions related to mortgage servicing or mortgage lending (and related laws) but do not include actions related to anti-money laundering or safety and soundness. In addition, list all existing consumer financial protection-related actions even if they do not pertain to the area(s) reviewed during the current examination.

NOTE: Supervisory actions are non-public agreements such as Board of Directors Resolutions or Memoranda of Understanding. Enforcement Actions include public orders to Cease and Desist or to pay Civil Money Penalties.

Use this section to document conclusions and supporting analysis concerning the supervised entity’s compliance with any such actions. Generally, if the supervised entity has failed to comply with any requirements, this should be addressed as a Matter Requiring Attention (MRA) in the MRA section at the beginning of the letter.

Do not discuss supervisory actions that are no longer in place or enforcement actions that are no longer in effect. However, if relevant, discussions of completed actions may be discussed under the applicable Area Reviewed.

If there are no existing or previous consumer financial protection-related supervisory or enforcement action(s), insert “N/A” under “Compliance with Supervisory or Enforcement Actions” and delete the Conclusion and Comments and Supporting Analysis subsection.>

Conclusion

<Entity’s name> is currently under the following supervisory or enforcement action relating to compliance with Federal consumer financial laws:

<u>Federal or State Agency</u>	<u>Date of Action</u>	<u>Type of Action</u>
Choose an Agency or type	Click here to enter a date.	[type]
Choose an Agency or type	Click here to enter a date.	[type]

*<Briefly state whether the entity is complying with the terms of the supervisory or enforcement action based on the examiner’s review. If the entity is **not** in compliance, include an MRA in the MRA section outlining the actions to be taken to ensure compliance.>*

[type]

If examiners did not review compliance with any (or all) of the existing supervisory or enforcement action(s) listed in the chart above, specifically state the following:

Examiners did not review compliance with <specify the actions in the chart that were not

reviewed> during this review.>

Comments and Supporting Analysis

<Discuss the facts reviewed to determine whether the entity was complying with the terms of the supervisory or enforcement action. The summary may include the sample size, the universe size, and the time period reviewed, as applicable. In addition, the summary may include other activities conducted such as interviewing loan officers or listening to recorded calls with consumers. Discuss positive findings as well as deficiencies.>

If examiners did not review compliance with a supervisory or enforcement action, but the responsible state or federal supervisor did, summarize the supervisor’s review for compliance. If neither reviewed, insert “N/A.”>
[type]