

October 2014

# Charter of the Community Bank Advisory Council



Consumer Financial  
Protection Bureau

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# § 1 Official Title.

Community Bank Advisory Council (“the Advisory Council”)

# § 2 Authority.

Pursuant to the executive and administrative powers conferred on the Consumer Financial Protection Bureau (CFPB or Bureau) by Section 1012 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), the Director established the Community Bank Advisory Council to consult with the Bureau in the exercise of its functions under the federal consumer financial laws as they pertain to community banks with total assets of \$10 billion or less.

# § 3 Purpose, Objectives, and Scope.

- a) The CFPB supervises depository institutions and credit unions with total assets of more than \$10 billion and their respective affiliates, but other than the limited authority conferred by § 1026 of the Dodd-Frank Act, the CFPB does not have supervisory authority regarding credit unions and depository institutions with total assets of \$10 billion or less. As a result, the CFPB does not have regular contact with these institutions, and it would therefore be beneficial to create a mechanism to ensure that their unique perspectives are shared with the Bureau. Small Business Regulatory Enforcement Fairness Act (SBREFA) panels provide one avenue to gather this input, but participants from community banks must possess no more than \$175 million in assets, which precludes the participation of many.
- b) The Advisory Council shall fill this gap by providing an interactive dialogue and exchange of ideas and experiences between community bankers and Bureau staff.
- c) The Advisory Council shall advise generally on the Bureau’s regulation of consumer financial products or services and other topics assigned to it by the Director. To carry out the Advisory Council’s purpose, the scope of its activities shall include providing information, analysis, and recommendations to the Bureau. The output of Advisory Council meetings should serve to better inform the CFPB’s policy development, rulemaking, and engagement functions.

## § 4 Duties.

The duties of the Advisory Council are solely advisory and shall extend only to the submission of advice and recommendations to the Bureau, which shall be non-binding on the Bureau. No determination of fact or policy will be made by the Advisory Council. The Advisory Council will also advise and consult with the Director and the Bureau on other matters related to the Bureau's functions under the Dodd-Frank Act.

## § 5 Reports.

The Advisory Council reports to the Director.

## § 6 Support.

The Bureau will support the Advisory Council's activities to the extent permitted by law and subject to the availability of resources.

## § 7 Governance, Staffing, and Budget.

### a) Governance

- 1) Staff Director. The Director shall designate a Staff Director, who shall be an employee of the Bureau, and who shall have the following responsibilities:
  - a. Serve as principal advisor to the Advisory Council; exercise control and supervision over the establishment, procedures, and accomplishments of the Council; and provide Bureau staff to perform such other necessary functions in order for the Advisory Council to accomplish its purpose and objectives;
  - b. Attend all meetings of the Advisory Council and the committees of the Council;
  - c. Assemble and maintain the reports, records, and other papers of the Advisory Council and its committees;
  - d. Estimate cost of Bureau staff support;
  - e. Carry out, on behalf of the Bureau, the provisions of the Freedom of

Information Act, 5 U.S.C. 552, as amended, with respect to such reports, records, and other papers of the Council; and

f. Other responsibilities as further delegated by the Director.

b) Staffing

1) Staff Secretary. The Staff Director shall designate a member of the Bureau's staff to act as secretary of the Advisory Council (the "Staff Secretary").

a. The Staff Secretary shall record and maintain minutes of the meetings of the Advisory Council and shall certify to the accuracy of the minutes of the meetings.

c) Budget

To the extent permitted by law and subject to the availability of resources, the Bureau shall provide the funding and administrative support necessary, as determined by the Director, to operate the Advisory Council for the Charter Term (as defined in § 10 Duration and § 11 Termination). The annual operating costs are presently estimated to be \$300,000 for FY 2015 and \$300,000 for FY 2016.

## § 8 Designated Federal Officer.

The Designated Federal Officer ("DFO") is the Advisory Boards and Councils Office Staff Director ("Staff Director"), who shall ensure that the Advisory Council operates in accordance with the terms of the charter. The Staff Director, or his or her designee, will approve or call all of the Advisory Council and Advisory Council committee meetings, if any, prepare and approve all meeting agendas, attend all Advisory Council and Advisory Board committee meetings, adjourn any meeting when determined to be in the public interest, and chair meetings when directed by the Bureau Director.

## § 9 Meetings.

- a) The Advisory Council shall meet in person from time to time at the call of the Director or the Director's designee, but at a minimum, shall meet at least two times in each year.
- b) Agenda. Each meeting of the Advisory Council shall be conducted in accordance with an agenda formulated or approved by the Staff Director.
- c) Bureau representation. Each meeting of the Advisory Council shall be attended by a representative of the Bureau as designated by the Director or Staff Director who shall have authority to approve or call all meetings, prepare all agendas, attend all meetings, adjourn any meeting when determined to be in the public interest, and chair meetings when directed by the Director.

d) Public nature.

- 1) Each meeting of the full Advisory Council shall be open to public observation, to the extent that a facility is available to accommodate the public, unless the Bureau, in accordance with paragraph 4 of this section, determines that the meeting shall be closed. The Bureau also will make reasonable efforts to make the meetings available to the public through live web streaming or other methods.
- 2) Notice of the time, place and purpose of each meeting, as well as a summary of the proposed agenda, shall be published in the Federal Register not more than 45 or less than 15 days prior to the scheduled meeting date. Shorter notice may be given when the Bureau determines that the Council's business so requires; in such event, the public will be given notice at the earliest practicable time.
- 3) Minutes of meetings, records, reports, studies, and agendas of the Advisory Council shall be posted on the Bureau's Web site ([www.consumerfinance.gov](http://www.consumerfinance.gov)).
- 4) The Bureau may close to the public a portion of any meeting, for confidential discussion. If the Bureau closes a meeting or any portion of a meeting, the Bureau will issue, at least annually, a summary of the Council's activities during such closed meetings or portions of meetings.

## § 10 Duration.

This is a continuing Advisory Council and will operate in accordance with this charter which will be effective when signed by the Director of the Consumer Financial Protection Bureau, and the term of which expires pursuant to section 11.

## § 11 Termination.

This Charter will terminate two years after the date that this Charter is filed unless renewed prior to termination (the "Charter Term").

## § 12 Membership.

- a) Qualifications and background. The Director shall appoint the members of the Advisory Council. In appointing members to the Advisory Council, the Director shall seek to assemble experts in consumer protection, financial services, community development, fair lending and civil rights, and consumer financial products or services and representatives of credit unions that primarily serve underserved communities, and representatives of communities that have been significantly impacted by higher-priced mortgage loans, and shall strive to have diversity in terms of points of view. Only gbank or thrift employees (CEOs, compliance officers, government relations officials, etc.) will be considered for

membership. Membership is limited to employees of banks and thrifts with total assets of \$10 billion or less that are not affiliates of depository institutions or credit unions with total assets of more than \$10 billion.

- b) Number. The total number of members will be a minimum of 15 and a maximum of 20. All members shall serve at the pleasure of the Director. The Director shall select the Advisory Council's Chairperson from the total membership. All members appointed by the Director shall serve at the pleasure of the Director.
- c) Resignation. Any member may resign at any time by giving notice to the Bureau. Any such resignation shall take effect upon its acceptance by the Director or the Staff Director. The Director shall have the authority to remove Advisory Council members and to appoint persons to fill vacancies on the Advisory Council as the vacancies occur.

## § 13 Committees.

The Advisory Council may establish and dissolve committees, in consultation with the Bureau. Any committees shall report back to the Advisory Council. Committees may include as participants individuals who are members of the Advisory Council and/or staff of the Bureau. Committees may, from time to time, call on individuals who are not members of the Advisory Council or staff of the Bureau, for the sole purpose of providing specific domain expertise and knowledge. The committees, if any, may not provide advice or work products directly to the Bureau.

## § 14 Reports to the Bureau.

- a) The Staff Director will provide the Director with an annual report that summarizes the activities and progress of the Advisory Council and any committees thereof during the prior period.
- b) The Advisory Council's report may also include, when available, recommendations to the Bureau relating to the purpose and objectives of the Advisory Council as set forth in sections 3 and 4, as well as recommendations for potential improvements in the structure and process of the Advisory Council.
- c) The report will not require a vote by the Advisory Council. All Advisory Council members will be given the opportunity to provide a separate written statement relating to the report.

## § 15 Recordkeeping.

The records of the Advisory Council and any committees thereof will be handled in accordance with General Records Schedule. The records will be available for public inspection and copying, subject to the Freedom of Information Act, 5 U.S.C. 552.

## § 16 Filing Date.

The filing date of this Charter is \_\_\_\_\_

Submitted by:



**Delicia Hand**  
Staff Director  
Office of Boards and Councils  
Consumer Financial Protection Bureau

Dated:

**January, 2015**

Approved by:



**Richard Cordray**  
Director  
Consumer Financial Protection Bureau

Dated:

**January, 2015**