

# Advisory Board and Councils

Frequently Asked Questions

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# 1. Frequently Asked Questions

## 1.1 General

### What are Advisory Boards or Councils

Advisory boards and councils serve the Bureau, and other government agencies, as formal means to solicit external feedback on a range of topics including consumer engagement, policy development, and research, among others. The CFPB’s Consumer Advisory Board is authorized by §1014(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”). The purpose of the Consumer Advisory Board (“CAB” or “Board”) is “to advise and consult with the Bureau in the exercise of its functions under the Federal consumer financial laws, and to provide information on emerging practices in the consumer financial products or services industry, including regional trends, concerns, and other relevant information.”

The CFPB has organized four advisory boards and councils<sup>1</sup>:

- Consumer Advisory Board
- Community Bank Advisory Council
- Credit Union Advisory Council
- Academic Research Council

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<sup>1</sup> The other committees are described below.

## What is the difference between Federal Advisory Boards and Councils, and Panels?

While CFPB advisory councils and panels aim to accomplish similar goals, they are distinguished by their structural aspects, such as scope, formality, and transparency requirements. An advisory board or council is more formal, more transparent, and addresses a broader scope of issues than a panel. Advisory boards or councils may consult with the agency on a variety of cross-cutting topics, will generally have a life-span of two years or more, will publicly report meetings prospectively, and will provide detailed minutes and/or summaries of the meetings. Panels or roundtables will consult on a single issue or a discrete topic area with interrelated or associated issues, have a life-span of not more than one year, publicly report meetings retrospectively, and provide high-level summaries of meetings.

## Who at the Bureau approves the establishment of an Advisory Board or Council and appoints Members?

Except as provided by statute, regulation, or other Bureau directive, the authority to establish, utilize, renew, abolish, or appoint members to advisory boards or Board or Councils is reserved to the Director of the Bureau (“Director”) and may be exercised only by him. Under the inherent Dodd-Frank Act, which establishes the Consumer Advisory Board, the Director may also establish additional advisory boards and councils and may appoint members to advisory boards and councils.<sup>2</sup> To effectively carry out its mission of protecting consumers, offices within the Consumer Financial Protection Bureau (“CFPB” or the “Bureau”) rely on engagement with external stakeholders to solicit advice about their activities. The Director approves any advisory board, council or panel established to provide advice and consultation to the Bureau.

## How have the advisory groups been used by the Bureau?

Whether we’re writing regulations, redesigning forms to be easier to understand, or following new trends in consumer finance, we count on our advisory groups for advice and insight. In

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<sup>2</sup> See also 41 C.F.R. 102-3.50(d) (Federal Advisory Committee implement regulations recognize that agency head has a general authority under Title 5 to establish advisory committees).

addition to our day-to-day work of gathering input, we also convene these independent groups for formal input on everything from consumer engagement and policy development, to research.

The Consumer Advisory Board is a source of market intelligence and expertise for us, they also advise and consult us on our work. The Community Bank Advisory Council advises us on regulating consumer financial products or services and specifically to share the unique perspectives of community banks.

The Credit Union Advisory Council advises us on regulating consumer financial products or services, specifically to share the unique perspectives of credit unions.

The Academic Research Council advises us on research methodologies, data collection, and analytic strategies and provides feedback about research and strategic planning.

### What does the CFPB Consumer Advisory Board do?

The Consumer Advisory Board (CAB) “advise[s] and consult[s] with the Bureau in the Bureau’s exercise of its functions under the Federal consumer financial protection laws,” and “provide[s] information on emerging practices in the consumer financial products and services industry, including regional trends, concerns, and other relevant information.” The Board’s charter indicates that the function of the Board is to be solely advisory. The Bureau alone will decide what action it will take and policy it will express with respect to the Federal consumer financial laws.

### What does the ARC do?

The Academic Research Council provides advice and feedback on research methodologies, framing research questions, and analytic strategies.

### What does the CBAC do?

The Community Bank Advisory Council advises us on regulating consumer financial products or services, specifically to share the unique perspectives of community banks. They share information, analysis, and recommendations to better inform our policy development, rulemaking, and engagement work.

What does the CUAC do?

The Credit Union Advisory Council advises us on regulating consumer financial products or services, specifically to share the unique perspectives of credit unions. They share information, analysis, and recommendations to better inform our policy development, rulemaking, and engagement work.

Do any of the groups have sub-committees?

Currently only the CAB has sub-committees; however, each advisory council charter provides for the ability of each group to divide into sub-groups or sub-committees in consultation with the Bureau. The CAB presently has organized four committees: Mortgages, Small dollar and Installment lending, Card and Payments, and Credit Reporting, Debt Collection and Deposits Committee.

## 1.2 Applications and Memberships

Who are the members of the CAB and what qualifications do CAB members need?

CAB members are a diverse group comprised of members of the general public. The Dodd-Frank Act provides specific guidance to the Bureau about who can be a CAB member. Specifically it says, “in appointing the members of the Consumer Advisory Board, 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 depository institutions that primarily serve underserved communities, and representatives of communities that have been significantly impacted by higher-priced mortgage loans, and seek representation of the interests of covered persons and consumers, without regard to party affiliation.” The Director is also dedicated to selecting a CAB membership that is diverse in gender, ethnicity, and geography.

What status will Advisory Board and Council members have with respect to government employment? Will the Advisory Board or Council members represent themselves or the organizations or institutions they are affiliated with?

In general, members of federal advisory boards or councils are designated either as Special Government Employees or as “representatives.” The Bureau’s Advisory Board and Council Members can either be appointed as “Representatives” or “Special Government Employees.” Representatives are specifically appointed to the CAB or other advisory council to provide the board or council with the points of view of nongovernmental entities or of a recognizable group of persons (e.g., an industry sector, consumer group, labor union, etc.) that has interests in the subject matter under the committee’s charge. Special Government Employees are appointed to a committee to exercise their own individual best judgment on behalf of the government. It is also expected that SGEs will discuss and deliberate in a manner that is free from conflicts of interests. In either capacity, CAB or other advisory council members are not authorized to speak on behalf of the Bureau, board or advisory council. Finally, although CAB and advisory council members may discuss information that has not been disclosed to the public, confidential supervisory and enforcement information will not be shared with any advisory board or council.

What are the terms for Advisory Board and Council Members?

Beyond the inaugural appointments, members of the CAB will serve a three year term; members of the CBAC will serve a two year term; members of the CUAC will serve a two year term and members of the ARC will serve two year terms.

Who can apply to serve on an Advisory Board or Council?

Any interested person who meets the qualifications outlined below may apply for membership to an Advisory Board or Advisory Council.

Pursuant to Section 1014(b) of the Dodd-Frank Act, in appointing members to the Board, “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 depository institutions that primarily serve underserved communities, and representatives of communities that have been significantly impacted by higher-priced mortgage loans, and seek representation of the interests of covered persons and consumers, without regard to party affiliation.” The determinants of “expertise” shall depend, in part, on the

constituency, interests, or industry sector the nominee seeks to represent, and where appropriate, shall include significant experience as a direct service provider to consumers.

Pursuant to Section 5 of the Community Bank Advisory Council Charter, 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 community banks 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 current bank 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.

Pursuant to section 5 of the Credit Union Advisory Council Charter 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 current credit union employees (CEOs, compliance officers, government relations officials, etc.) will be considered for membership. Membership is limited to employees of credit unions 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.

Pursuant to Section 11 of the Academic Research Council Charter, the Assistant Director of the Office of Research shall seek to assemble academic experts in various areas of consumer and household finance. In appointing members of the Board, the Office of Research seeks to assemble distinguished scholars, with a strong research and publishing background, and a record of public or academic service. We are seeking prominent experts who are recognized for their professional achievements and objectivity in the following fields: economics, statistics, psychology or behavioral science. In particular, scholars with strong methodological and technical expertise in structural or reduced form econometrics, behavioral economics, field experiments, program evaluation, psychology, financial modeling, and lab testing are desired. The members of the Council will collectively provide a balance of expertise in all of these areas.



I know what the CAB does, what do the other advisory bodies – the Community Bank, Credit Union, and/or Academic Research Advisory Councils - do?

In addition to the CAB, the CFPB has also organized additional advisory councils which will provide the Bureau with feedback and recommendations to inform its policy development, research, rulemaking, and engagement functions. These groups are: the Credit Union Advisory Council (CUAC); the Community Banks Advisory Council (CBAC); and the Academic Research Council (ARC). The Dodd-Frank Act gives the CFPB authority to create advisory councils as an additional way to reach out to stakeholders with an interest in the CFPB's activities.

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.

The CBAC and CUAC shall fill this gap by providing an interactive dialogue and exchange of ideas and experiences between community bankers, credit unions and Bureau staff. These councils will advise generally on the Bureau's regulation of consumer financial products or services and may provide information, analysis, and recommendations to the Bureau. Members of the CBAC and the CUAC are appointed by the CFPB Director and must be employed by a company with total assets of \$10 billion or less that is not an affiliate of a credit union or community bank with total assets of more than \$10 billion. The CBAC and CUAC will convene publicly and provide public summaries or reports of their meetings. Members on both councils will serve two-year terms; they are not eligible for reappointment.

The CFPB conducts research, performs analysis, and reports on topics relating to the Bureau's mission, including developments in markets for consumer financial products and services, consumer awareness, and consumer behavior. To support the Bureau's commitment to fact-based policy development, the CFPB established the Academic Research Council, a consultative body comprised of scholars with relevant subject matter expertise. The ARC advises the CFPB on research methodologies, data collection, and analytic strategies and provides feedback regarding the Bureau's research work and strategic planning process. The ARC will meet in-person once annually and maintain ongoing communications throughout the year.

## What is the time commitment to serve on a Board or Council?

Generally, service on a Board or Council will vary for each group. The CAB meets three times per year, for usually two full business days; the ARC meets once per year for one business day, the CBAC and CUAC meet four times a year, twice in person and twice by conference call. The in-person meetings last a full day.

## After I submit my application, when will I learn whether I have been selected?

CFPB anticipates that the selection process may last several months. After an application has been received by the Bureau, applicants will be regularly updated on the status of the process and their application. The Bureau will not review applications and will not answer questions from internal or external parties regarding applications until the application period has closed.

## I applied for membership to the CAB last year, do I need to reapply? If I applied to serve on the CAB previously may I use the same application materials on different applications?

Yes you will need to reapply to serve on the CAB or any Bureau advisory group. Instructions for how to apply can be found <http://www.consumerfinance.gov/blog/accepting-applications-for-our-advisory-board-and-councils-2015/>.

## I know someone who I think would make a great candidate for a Board or Council can I just nominate that person?

You may provide a written letter of recommendation in support of someone applying for membership to the CAB or any Bureau advisory group. If you know someone who you think should apply, please share our application materials with them. A complete application should include a letter of recommendation – which you may provide – a completed [http://files.consumerfinance.gov/f/201501\\_cfpb\\_application-to-serve-on-advisory-committee-board.pdf](http://files.consumerfinance.gov/f/201501_cfpb_application-to-serve-on-advisory-committee-board.pdf) and a resume.

## After I submit my application, what are the next steps?

After you submit your completed application packet, applicants will receive an email from the Bureau confirming receipt of the application. At the end of the application materials, the Bureau will begin reviewing submitted materials. The Bureau will periodically notify candidates

on the status of the process. At the end of the process when selections have been made, all applicants will be notified.

I'm having trouble printing my application, where (on the application) do I go to Print?

If you are having troubles with printing, please follow answers below;  
Use the "Print as image" option. Click the Advanced button in the Print dialog box.

How do visually impaired applicants access the application materials?

The Bureau provides access to machine readable application materials to members of the public that are visually impaired. The readable application can be accessed by clicking [http://files.consumerfinance.gov/f/201501\\_cfpb\\_application-to-serve-on-advisory-committee-board.pdf](http://files.consumerfinance.gov/f/201501_cfpb_application-to-serve-on-advisory-committee-board.pdf).

Should I send additional material other than what is requested with my submission?

A complete application packet is sufficient; no additional materials are required and need be submitted. The CFPB will only consider information provided in the resume, completed application and letter of recommendation.

What criteria does the Bureau use to evaluate and then appoint candidates to a board or council?

In considering membership to any board and council the Bureau will look to statutory guidelines in the case of the CAB and Charter language in the cases of the CBAC, CUAC and ARC. Additionally, the Bureau will consider its priorities and mission as outlined in its Unified Agenda and its Strategic Plan in selecting members of the CAB, CBAC and CUAC.

## 1.3 Process

What is required before an Advisory Board or Council can meet?

The advisory board or council will not meet or take any action until a charter has been filed with the standing Board or Councils of the Senate and House of Representatives that have legislative

jurisdiction over the Consumer Financial Protection Bureau. Charters must be filed upon establishment or renewal of advisory Board or Councils.

Is there Charter or organizing documents for these groups that I can review?

Yes, each advisory group has an organizing charter which explains the scope, structure and function of each group. Advisory Board and Council charters are renewed every two years and are available to view <http://www.consumerfinance.gov/advisory-groups/>.

What does a Charter contain and how often is it renewed?

The purpose of a charter is to specify the advisory group's mission or charge, specific duties, and general operational characteristics.

All advisory boards or councils require re-chartering by the filing of a new charter every 2 years. Charters will contain the following information:

- the Board or Council's official designation;
- the Board or Council's objectives and the scope of its activity;
- the period of time necessary for the Board or Council to carry out its purposes;
- the agency or official to whom the Board or Council reports;
- the agency responsible for providing the necessary support for the Board or Council;
- a description of the duties for which the Board or Council is responsible, and, if such duties are not solely advisory, a specification of the authority for such functions;
- the estimated number and frequency of Board or Council meetings;
- the budget for the Advisory Board or Council;
- the Board or Council's termination date, if less than two years from the date of the Board or Council's establishment; and
- the date the charter is filed.

How are Boards or Councils organized? Is there a Chair/Vice Chair? Are there Committees?

Each Board and Council has a distinct governance structure outlined in their respective charters. Additionally, each group may adopt bylaws to operationalize this structure. Each Advisory body has a Chairperson and Vice Chairperson which is appointed by the Director. The Chairperson and Vice Chairperson is selected from among the members of the Board, and serves at the pleasure of the Director.

Except for the ARC, the Board and Councils may establish and dissolve committees, in consultation with the Bureau. All committees shall report to the Board or Council and not directly to the Bureau. Committees may include as participants individuals who are members of the Board and/or Councils and/or staff of the Bureau. Committees may, from time to time, call on individuals who are not members of the Board or staff of the Bureau, for the sole purpose of providing specific domain expertise and knowledge.

How will I know what the Advisory Boards and Councils have discussed? Does the CFPB maintain meeting minutes for its Advisory Boards and Councils?

Although not required to comply with FACA, the Bureau complies with the spirit of FACA by providing transparency into the discussions of each advisory group. Information for each Board and Council meeting is posted to <http://www.consumerfinance.gov/advisory-groups/advisory-groups-meeting-details/> regularly. Specifically,

- Meeting summaries
- Membership Rosters
- Meeting agendas
- CAB Annual report

How often does each Advisory group meet?

Generally, service on a Board or Council will vary for each group. The CAB meets three times per year, for usually two full business days; the ARC meets once per year for one business day, the CBAC and CUAC meet four times a year, twice in person and twice by conference call. The in-person meetings last a full day.

How can I find out what was discussed during a Board or Council meeting?

Minutes of meetings, records, reports, studies, and agenda of the Consumer Advisory Board shall be posted on the Bureau's Web site <http://www.consumerfinance.gov/advisory-groups/advisory-groups-meeting-details/>. Unlike the Consumer Advisory Board, the Advisory Councils will not provide written reports or consensus suggestions, meeting minutes will include, when available, recommendations from individual Advisory Council members to the Bureau relating to the purpose and objectives of the Advisory Council as well as recommendations of possible improvements in the structure and process of the Advisory Council.

Are Advisory Board or Council Meetings open to the public?

Each meeting of the Consumer Advisory Board 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 the CAB Charter, 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. Advisory Council meetings are currently not open to the public.

Are Advisory Board or Council members compensated?

Advisory Board and Council members are not compensated though in the case of the CAB the Dodd Frank Act does provide that provides that CAB members shall be entitled to compensation and also travel expenses.

## 1.4 Regulation of Advisory Bodies

What is the Federal Advisory Committee Act (FACA) and does it apply to the CAB and other Advisory Councils?

FACA was enacted in 1972 (and then amended in 1977) to control the growth and operation of the "numerous committees, board, commissions, councils, and similar groups which have been established to advise officers and agencies in the executive branch of the Federal Government." 5 U.S.C. App. 1, § 2(a). FACA is the legal foundation defining how federal advisory committees operate. The law has special emphasis on open meetings, chartering, public involvement, and reporting. 5 U.S.C., App.

FACA assigns the General Services Administration (GSA) responsibility for government oversight of advisory committees. GSA's Implementing Regulations for FACA are found at 41 CFR 102-3, *et. seq.*

As part of its responsibility under FACA, GSA issues government-wide guidelines and regulations for Federal Advisory Committee Management.

FACA does not apply to the Bureau's CAB and other advisory councils, *see* Federal Advisory Committee Act, 5 U.S.C. app. § 4(b)(2); however, the Bureau's Advisory Boards and Councils are organized to be transparent organized to be transparent and operate in the spirit of the principles that underlie the FACA. For example,

- a. FACA requires that a charter be approved by the head of the agency and filed with both GSA and Congress before the Advisory Committee may convene.

The Bureau's advisory boards and councils all have charters which have been approved by the Director and filed with Congress. Additionally, the Bureau's board and council charters follow FACA requirements and include:

- i. The committee's official designation
- ii. The committee's objectives and the scope of its activity
- iii. The period of time necessary for the committee to carry out its purpose
- iv. The agency or official to whom the committee reports
- v. The agency responsible for providing the necessary support for the committee
- vi. A description of the duties for which the committee is responsible and, if such duties are not solely advisory, a specification of the authority for such functions
- vii. The estimated number and frequency of committee meetings
- viii. The charter's termination date, if less than two years from the date of the committee's establishment
- ix. A description of the committee's membership and other membership provisions
- x. The name of the designated federal officer to chair or attend each meeting of the advisory committee
- xi. If the committee is to be composed of formal subcommittees or subgroups, and if so, their identity and function
- xii. The specific statutory authority for the committee
- xiii. The date the charter is filed

- b. FACA requires open meetings, noticed in the Federal Register, recorded and archived.

This requirement is consistent with the CFPB vision and the CFPB board and council charters contemplate public access to meetings, which will be noticed in the Federal Register, recorded and archived. CBAC, CUAC, and ARC will not hold meetings at which the public will be present.

- c. FACA requires balanced representation

Section 1014 of the Dodd-Frank Act requires representation on the CAB of a broad array of interests and viewpoints regarding consumer financial products. In selecting CAB and other council members, the Bureau developed standards for ensuring the diversity outlined in the statute before the selection process for the Advisory Board and Councils began.

Are CAB or advisory council members subject to any standards of conduct or ethics? How does the Bureau manage board or council members and conflicts of interests?

Executive branch ethics provisions apply to SGEs (and “regular” employees) who serve as Board or Council members, but do not apply to Board or Council members who serve as “representatives” or who are independent contractors. CAB and advisory council members will be advised of the standards of conduct for employees and encouraged to be aware of these standards and abide by them.

The GAO has issued several reports stressing the importance of financial conflicts review for advisory committee members. Those reports have strongly encouraged use of the SGE mechanism to appoint federal advisory committee members. The Bureau’s appointment mechanism for board and council appointment included financial disclosure review and a criminal background check for all members.