

POLICY FOR THE SHARING OF CERTAIN CONFIDENTIAL SUPERVISORY INFORMATION WITH EMPLOYEES IN RESEARCH, MARKETS AND REGULATIONS

These principles are designed to assure that appropriate employees within RMR can obtain access to confidential supervisory information (as defined in 12 CFR 1070.2(i)(1)) that has already been obtained by Supervision during the course of its examination work. This sharing will occur as needed in order both to provide support to Supervision and also to further RMR's mission of informing the public, policy-makers, and the CFPB's own policy-making with data-driven analysis of consumer finance markets and consumer behavior while at the same time protecting the confidential nature of such information. This policy does not address the sharing of confidential supervisory information with other Bureau divisions by Supervision or RMR.

The following policies and procedures will govern the sharing of confidential supervisory information with RMR employees:

1. The Associate Director, Deputy Associate Director, Assistant Directors, Deputy Assistant Directors, Program Managers, and Supervisory Economists within RMR will have access to standardized reports prepared by SPARC, including the institution and product level information. For example, this includes monitoring reports (and the confidential portions thereof), and supervisory prioritization information. Any of those individuals may designate in writing other individuals within their respective Offices who require access to such information to perform their responsibilities either on an ongoing or ad hoc basis. Any individuals with access to this information must undergo training related to confidential supervisory information, per Paragraph 7 below.
2. When providing analytic support in connection with an examination, the economists, analysts, research assistants, and other employees working on the exam will have access to the data obtained in connection with the examination for the duration of the examination process.
3. At the written request of the Associate Director, Deputy Associate Director, Assistant Director, a Supervisory Economist in the Office of Research, a Managing Counsel in the Office of Regulations, or a Program Manager in a Markets Office, the Supervision Deputy Assistant Director for SPARC (or a designee) will provide the employees identified in the request specified data and/or documents needed to undertake research or analysis with respect to a specified purpose such as analysis of a particular market or trends or behaviors across markets. This might include, for example, a request for data secured by Supervision for purposes of risk assessment using the Compliance-ease tool or similar tools. This generally would *not* include examination work papers, draft examination reports and other similar documents. In limited circumstances, this may include certain work papers, such as a work paper consisting of interview notes if, for example, Supervision and RMR are jointly assessing implementation challenges or analyzing costs and benefits in connection with CFPB's regulatory work or if interview notes contain information necessary to enable RMR to interpret data RMR is analyzing. Any individuals with access to this information must undergo training related to

confidential supervisory information, outlined in Paragraph 7 below. Furthermore, any such sharing will be subject to restrictions outlined in Paragraph 8, regarding personally identifiable information.

4. RMR may use such information to prepare white papers and related other public documents or presentations on behalf of the Bureau so long as such white papers and related documents do not identify, either directly or indirectly, any particular person (as defined in 12 CFR 1070.2(n)) to whom the confidential information pertains or discuss the information in such a way that one could infer the identity of the person. Before undertaking work on such a paper or other document, RMR will review its plans for using supervisory information with the Office of Supervision Policy, the SEFL Front Office, and the Legal Division, and any disagreements as to the appropriateness of the plan will be escalated and resolved as appropriate. Such discussion will also include consideration of whether any confidential supervisory information is subject to the terms of a memorandum of understanding, as outlined in Paragraph 9 below. Drafts of white papers and related documents will be reviewed with the Office of Supervision Policy, the SEFL Front Office, and the Legal Division, in the normal course, and any disagreements as to the appropriateness of any publication or any content within a publication will be escalated and resolved as appropriate.
5. Economists in the Office of Research may use supervisory information to prepare independent research papers so long as such papers do not identify, either directly or indirectly, any particular person to whom the confidential information pertains or discuss the information in such a way that one could infer the identity of the person. A Research Paper Review Committee (Committee) with a representative from the Office of Research, the Office of Supervision Policy, the SEFL Front Office and the Legal Division will be created to ensure compliance with this requirement. This committee will discuss whether any confidential supervisory information is subject to the terms of a memorandum of understanding, as outlined in Paragraph 9 below. The Legal Division's participation will be limited to assisting the Committee with applicable federal law and/or the restrictions of applicable information sharing agreements.

Before undertaking work on such a paper, the economist will review his/her plans for using supervisory information with the Committee and concerns about CSI resolved or elevated to the Associate Director for SEFL. Final drafts of the research paper will likewise be cleared by the Committee, solely to assure that the use of the supervisory information is consistent with the research plan and with the limitations on the use of such information (and not to exercise editorial control over the content of independent research). It is incumbent on the economists to identify any CSI used in the paper, including the source of the CSI, to assist the Committee review.

6. To the extent that employees of RMR are conducting aggregation, normalization, and/or analysis of the data, employees of RMR will share the aggregated, normalized, or analyzed data with Supervision in the normal course of business. RMR will identify a point of contact who will facilitate this sharing.

7. In general, any bureau employee who receives CSI must be trained on the proper handling of CSI. Employees receiving supervisory information will have an obligation to adhere to CSI data protection standards and take appropriate measures to protect the information. At a minimum, such measures include complying with specific procedures for safeguarding paper and electronic information (including proper disposal), appropriately labeling confidential information, and reporting any unauthorized use. Employees receiving the information will work with Supervision Examinations and T&I to adopt additional safeguards, if appropriate. Consistent with 12 C.F.R. Sec. 1070.41(a), such employees will not disclose such information to persons outside the Bureau. Similarly, such employees will not disclose confidential information to persons within the Bureau unless the information is relevant to the performance of the other employee's assigned duties, his or her access to the information has been properly requested and approved, and such person is trained in the proper handling of CSI. In instances for which sharing the information is relevant to performance of assigned duties, the RMR employee sharing such confidential information shall obtain written approval from his or her supervisor before doing so.
8. Whenever practicable, any confidential supervisory information that the Office of Supervision Examinations disseminates to RMR shall exclude information that identifies specific consumers, except where the RMR Office determines that access to identifiable data is necessary to data collection planning or to the general role of markets and research personnel to advise Supervision or the Director in understanding the products in question or in assessing risks to consumers. RMR shall not disclose any information that contains any personally identifiable information about specific consumers outside of the Bureau without the approval of the Office of Privacy.
9. To the extent that RMR requests confidential supervisory information that originates from or is the property of another agency, the terms and conditions of any applicable memoranda of understanding or other agreements between the CFPB and the agency will apply to RMR's use of the information. RMR must maintain the identity of the original source of any confidential supervisory information that is used directly or as reference for derivative works for any document that will be made public to allow the reviewers to ensure that the information is being used in accordance with any applicable information sharing agreements.