NOVEMBER 15, 2022

Financial report of the Consumer Financial Protection Bureau

Fiscal year 2022

cfpb Consumer Financial Protection Bureau

Message from Rohit Chopra

Director

I am pleased to present the Consumer Financial Protection Bureau's (CFPB's) Financial Report for Fiscal Year 2022.

As required by the Dodd-Frank Act, the CFPB prepared comparative financial statements for fiscal years 2022 and 2021. The Government Accountability Office (GAO) rendered an unmodified audit opinion on our financial statements. GAO found that CFPB maintained in all material respects, effective internal control over financial reporting as of September 30, 2022. Also, GAO reported that its test for compliance with provisions of applicable laws, regulations, contracts and grant agreements disclosed no instances of noncompliance for fiscal year 2022.

I want to acknowledge the hard work and dedication of all CFPB staff over the past year to accomplish the overall outcomes reflected in this report. The collective efforts of all CFPB staff help achieve our mandate to monitor market conditions to spot risks, ensure compliance with existing law, and promote competition in order to protect families and honest businesses.

Sincerely,

Rohit Chopra

Rohit Chopra

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1. Management's discussion and analysis

1.1 Overview of the Consumer Financial Protection Bureau

The Consumer Financial Protection Bureau (CFPB or Bureau) was established on July 21, 2010 under Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act Public Law No. 111-203 (Dodd-Frank Act). The CFPB was established as an independent bureau within the Federal Reserve System. The CFPB is an Executive agency as defined in Section 105 of Title 5, United States Code.

The Dodd-Frank Act authorizes the CFPB to exercise its authorities to ensure that, with respect to consumer financial products and services [1]:

1. Consumers are provided with timely and understandable information to make responsible decisions about financial transactions;
2. Consumers are protected from unfair, deceptive, or abusive acts and practices and from discrimination;
3. Outdated, unnecessary, or unduly burdensome regulations are regularly identified and addressed in order to reduce unwarranted regulatory burdens;
4. Federal consumer financial law is enforced consistently in order to promote fair competition; and
5. Markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation.

The CFPB is headed by a sole Director, appointed by the President, by and with the advice and consent of the Senate, to a five-year term. Rohit Chopra was nominated by President Biden and confirmed by the Senate on September 30, 2021.

[1] As set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111 (2010), Section 1021(b).

Funding required to support the CFPB's operations is obtained primarily through transfers from the combined earnings of the Federal Reserve System. Annual transfers to the CFPB may not exceed an amount equal to 12 percent of the Federal Reserve System's total 2009 operating expenses, adjusted annually based on the percentage increase in the employment cost index for total compensation for state and local government workers as specified in the Dodd-Frank Act. The transfer cap for fiscal year 2022 is $734.0 million.

CFPB Mission

To regulate the offering and provision of consumer financial laws and to educate and empower consumers to make better informed financial decsions. [2]

Organizational structure

To accomplish its mission, the CFPB is organized into five primary divisions:

1. **Consumer Education and External Affairs:** provides, through a variety of initiatives and methods, including offices on specific populations, information to consumers to allow them to make financial decisions that are best for them. Additionally, they hear directly from consumers about challenges they face in the marketplace through their complaints, questions, and feedback. The division also manages the CFPB's relationships with external stakeholders and ensures that the CFPB maintains robust dialogue with interested stakeholders to promote understanding, transparency, and accountability.

2. **Supervision, Enforcement and Fair Lending:** ensures compliance with Federal consumer financial laws by supervising market participants and bringing enforcement actions when appropriate.

3. **Research, Markets and Regulations:** conducts research to understand consumer financial markets and consumer behavior, evaluates whether there is a need for regulation, and determines the costs and benefits of potential or existing regulations.

4. **Legal:** ensures the CFPB's compliance with all applicable laws and provides advice to the Director and the CFPB's divisions.

5. **Operations:** builds and sustains the CFPB's operational infrastructure to support the entire organization.

[2] As set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203 (2010), Section 1011(a) and 1013(d).

In addition to the five primary divisions described above, the Office of the Director also includes offices focused on strategy, equal opportunity, civil rights and fairness.

The CFPB workforce is spread across the country with its headquarters in Washington, D.C. The headquarters within Washington, D.C. utilizes space pursuant to an interagency agreement with the Office of the Comptroller of the Currency. In addition to its location within Washington D.C., the CFPB also utilizes space pursuant to occupancy agreements with the General Services Administration (GSA) for the regional offices in New York, Chicago, San Francisco, and Atlanta.

Additional information on the organizational structure and responsibilities of the Bureau is available on the CFPB's website at http://www.consumerfinance.gov/ along with an organization chart at https://www.consumerfinance.gov/about-us/the-bureau/bureau-structure/.

The CFPB established four advisory committees to provide consultation and advice to the Director and senior leadership on a range of issues within the CFPB's authority: the Consumer Advisory Board; the Community Bank Advisory Council; the Credit Union Advisory Council; and the Academic Research Council.

CFPB Positions and Funding Levels

Since its inception through fiscal year 2017, the CFPB experienced continuous growth in its number of employees and funding levels. In fiscal year 2018 staffing and funding levels began to decline, rising again in fiscal year 2020. In fiscal year 2022 CFPB staffing levels increased from 1,591 to 1,632 or 2.6 percent.

The charts below provide a historical depiction of the number of employees and funding levels over the past five fiscal years. The numbers provided below are as of the last pay period of each fiscal year – Pay Period 19.

FIGURE 1: CFPB EMPLOYEES BY FISCAL YEAR

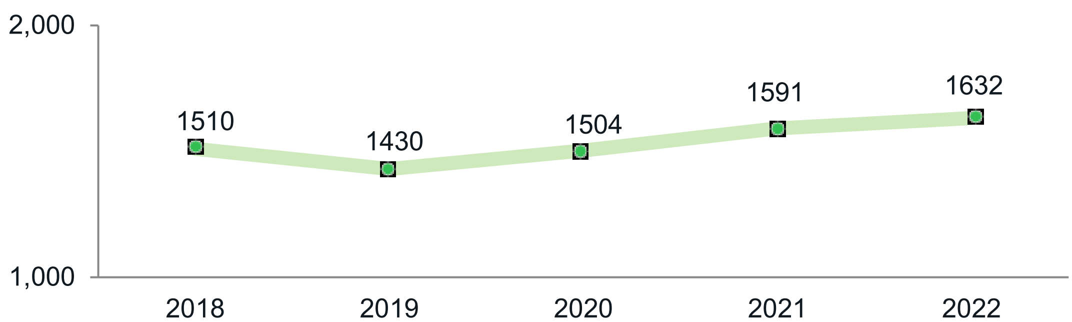
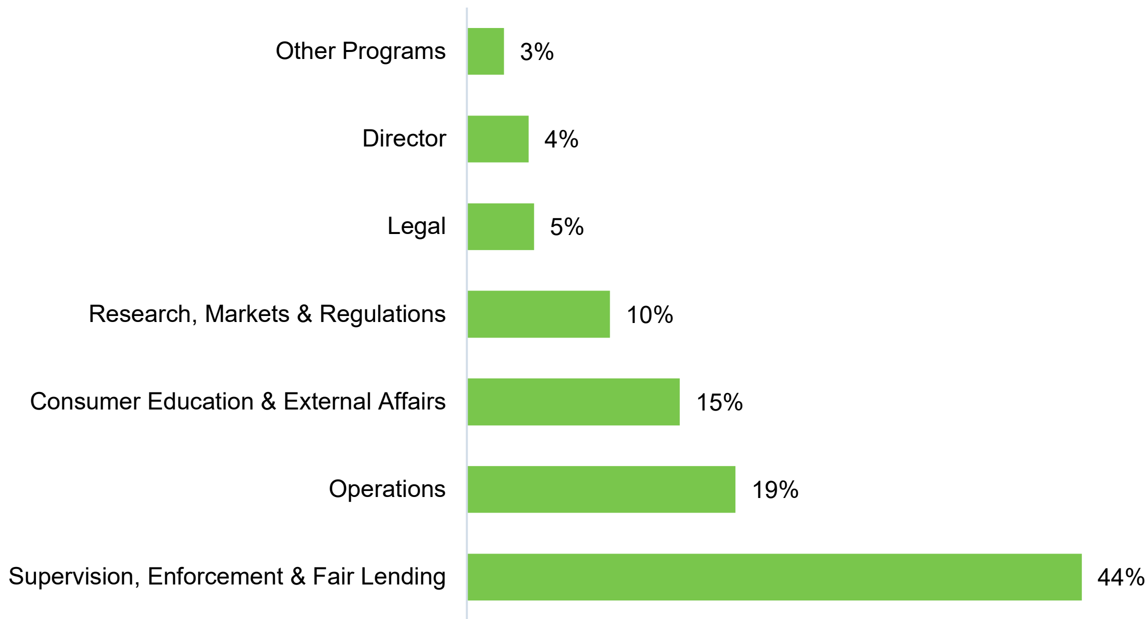
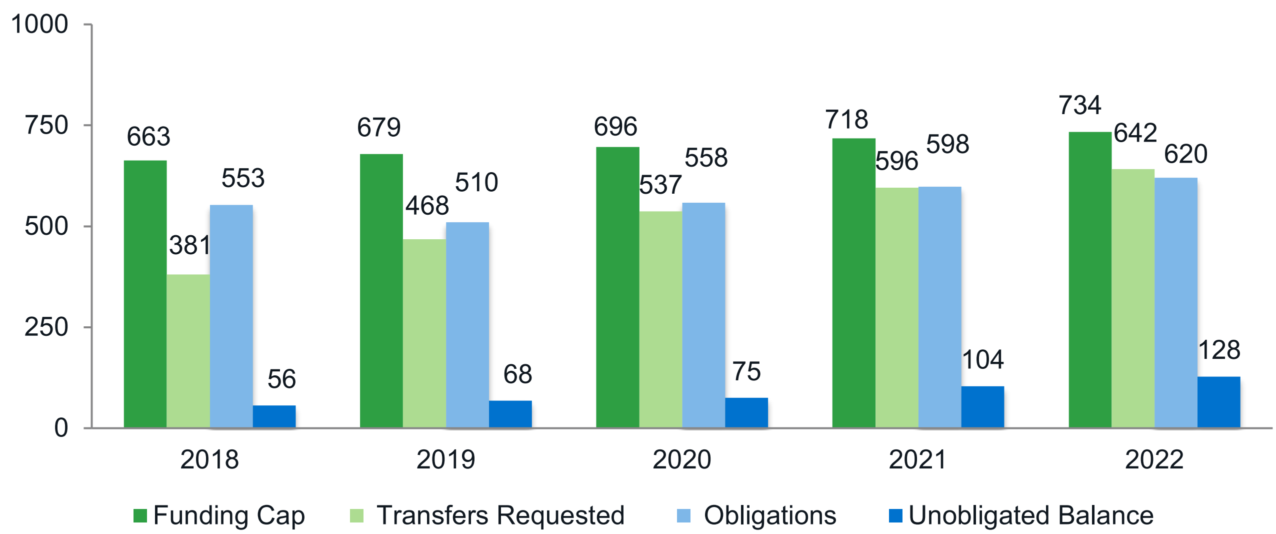


FIGURE 2: OFFICE PERCENTAGE OF TOTAL POSITIONS (AS OF SEPTEMBER 30, 2022)



All percentages provided above are rounded and may not total to 100 % due to the rounding.

FIGURE 3: BUREAU FUND FISCAL YEAR TRANSFERS REQUESTED COMPARED TO THE FUNDING CAP, OBLIGATIONS AND UNOBLIGATED BALANCE ($ MILLIONS)



Additional information on how the CFPB is funded can be found in Section 1.6 Financial Analysis.

1.2 The CFPB performance and results

This section provides a summary of the CFPB's key performance outcomes as well as selected accomplishments that it has achieved this past fiscal year.

The CFPB developed and issued a strategic plan consistent with the Government Performance and Results Act of 1993, as amended (GPRA) and the GPRA Modernization Act of 2010. (see https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_strategic-plan_fy2018-fy2022.pdf). The CFPB published its fiscal years 2018 to 2022 strategic plan in February 2018, which identified three strategic goals and eight associated performance objectives.

The Strategic Plan presents an opportunity to explain to the public how the CFPB intends to fulfill its statutory duties consistent with the strategic vision of its leadership. The Strategic Plan's mission statement is drawn directly from Sections 1011 and 1013 of the Dodd-Frank Act: "to regulate the offering and provisions of consumer financial products or services under the Federal consumer financial laws" and 'to educate and empower consumers to make better informed financial decisions." The CFPB has similarly drawn the strategic plan's first two strategic goals and its five strategic objectives from Section 1021 of the Dodd-Frank Act.

In order to meet the required due date of preparing and issuing this financial report, not all performance measures could be included. However, a full Performance Report will be published in early calendar year 2023 on the CFPB's website. The current Performance report, which was published in calendar year 2022 can be found on the CFPB's website at https://files.consumerfinance.gov/f/documents/cfpb_performance-plan-and-report_fy22.pdf. The report includes the results of all performance objectives, along with an analysis of the CFPB's efforts to achieve its performance goals. Results reported below for the selected measures contained in this report show that the CFPB has met or exceeded 4 of the 6 measures (67 percent).

Performance goal 1.1.1: Help people build the knowledge and skills to make money decisions through direct financial education from the CFPB and through community channels providing other services

The CFPB continues to offer consumers a variety of information, tools, and programs to assist consumers with understanding and asserting their rights, and making financial choices to reach their life goals. For fiscal year 2022, offerings on the web and in print focused on specific money topics, including "Ask CFPB," "Buying a House," "Planning for Retirement," "Paying for College," "Money as You Grow," Disasters and emergencies," and "Find out your financial well-being." The CFPB publishes resources and materials in eight languages to support consumers in languages they are most comfortable.

The CFPB also works to make it easier for people to access financial education in their local communities and to foster a lasting local financial education infrastructure. An important way we do this is by integrating financial education into trusted and established community partners, such as workplaces, social service organizations, classrooms, military services, and government agencies. Major community partnerships in fiscal year 2022 included efforts to engage community partners in equipping their staff and networks to: prevent consumer fraud among older adults; address servicemembers' unique challenges; increase classroom opportunities to build youth financial capabilities; provide translated resources to intermediaries who serve Limited English Proficient consumers; and encourage savings opportunities using tax refunds. The education offered through these partners covers topics consumers frequently seek on our website as well as prevention topics like money management and savings.

Performance measures

TABLE 1: NUMBER OF PEOPLE WHO USE THE CFPB'S EDUCATIONAL RESOURCES ON WEB AND IN PRINT

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Target	8.7M	8.0M	9.0M	10.0M	10.0M
Actual	9.9M	12.3M	16.1M [3]	19.1M	21.2M

Progress update and future action

The CFPB continued to provide people with educational information and tools, via online, in print and through community channels. Its consumer financial education programs are designed to empower people to make better informed financial decisions to serve their own life goals. As the COVID-19 pandemic continued, the CFPB rapidly expanded information and resources for consumers and industry. Of the over 21 million people reached with the CFPB's education resources in fiscal year 2022:

3 Measure updated to incorporate web users of COVID-19 response resources into total count of web users accessing consumer educational resources. In fiscal year 2020 report, the web users accessing COVID-19 response resources were reported separately.

- Over 16 million ConsumerFinance.gov users accessed the CFPB's existing educational tools and resources, an increase of more than 1 million users over fiscal year 2021.
- More than 5 million publications were distributed to consumers, a return to pre-COVID-19 pandemic levels of demand and materials distribution.

While continuing to provide resources to consumers affected by the COVID-19 pandemic, the CFPB expanded community engagement to understand and respond to consumers' needs, including engagement with rural and urban communities as well as limited English proficient consumers.

Performance goal 1.3.6: Publish research relating to consumer financial markets, including consumers' decisions and outcomes in these markets.

The CFPB conducts research on consumer decision-making, consumer financial products and markets, and the effects of consumer financial regulations and policies. The CFPB publishes its research, including informational white papers, non-annual reports to Congress, "Data Point" reports, and blogs. Additionally, the CFPB is statutorily required to research, analyze, and report on six topic areas related to consumer finance[4]:

- Developments in markets for consumer financial products or services, including market areas of alternative consumer financial products or services with high growth rates and areas of risk to consumers;
- Access to fair and affordable credit for traditionally underserved communities;
- Consumer awareness, understanding, and use of disclosures and communications regarding consumer financial products or services;
- Consumer awareness and understanding of costs, risks, and benefits of consumer financial products or services;
- Consumer behavior with respect to consumer financial products or services, including performance on mortgage loans; and

[4]As set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203 (2010), Dodd-Frank 1013(b).

- Experiences of traditionally underserved consumers, including un-banked and underbanked consumers.

Performance measures

TABLE 2: NUMBER OF PUBLISHED REPORTS AND RESEARCH PUBLICATIONS

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Target	6	7	10	10	15
Actual	10	13	17	24	25

Progress update and future action

Below is a selection of the 25 CFPB research reports and blogs published during Fiscal Year 2022.

Overdraft/ Non-Sufficient Funds (NSF) Fee Reliance Since 2015 – Evidence from Bank Call Reports

The CFPB released two Data Points about overdraft. The first Data Point shows that banks' revenues from overdraft and NSF fees have been stable, especially before the COVID-19 pandemic. From the beginning of reporting in 2015, aggregate overdraft and NSF fee revenues reported in Call Reports for banks with assets over $1 billion saw a small but steady annual increase of around 1.7% per year to $11.97 billion in 2019. Complementing the Call Report data with data on small institutions, Office of Research (OR) researchers estimate that the overall market revenue from overdraft and NSF fees was $15.47 billion in 2019.

Checking Account Overdraft at Financial Institutions Served by Core Processors

The second Data Point, provides the most detailed and wide-ranging quantitative data the CFPB or others have collected on overdraft policies, practices, and outcomes at small financial institutions. OR researchers report that 92.9% of smaller banks and 60.9% of credit unions had an overdraft program, making such programs less common at these institutions than among large banks.

Consumer Financial Status during the Pandemic: Insights from Making Ends Meet (MEM) (December 21)

This report focuses on three "waves" of the MEM survey and its match to credit bureau data from our Consumer Credit Panel dataset to understand how consumers have managed during the pandemic. Among other observations, the team notes that despite a massive increase in unemployment starting in March 2020, consumers' average financial situation improved in the first several months of the pandemic and continued to improve through June 2021. We are continuing to field the MEM survey and the fifth wave is currently underway.

The Impacts of Medical Debt on Consumers (March 1)

The CFPB released a report highlighting the complicated and burdensome nature of the medical billing system in the United States. The report highlights difficulties in the U.S. healthcare system, including a billing, payments, collections, and credit reporting infrastructure where mistakes are common, and where patients often have difficulty getting these errors corrected or resolved.

New Data on the Characteristics of Mortgage Borrowers During the COVID-19 Pandemic (March 23)

In this publication, CFPB researchers used data from the National Mortgage Database to report on the characteristics of mortgage borrowers during the COVID-19 pandemic based on the account status of borrowers reported through March 2021. The focus of this latest report is to understand the mortgage characteristics and demographics of borrowers who remained in forbearance in January 2022.

Data Point: Credit Card Late Fees (March 29)

In this report, researchers find that the credit card market continues to rely on revenue from late fees disproportionately paid by economically vulnerable consumers. Cardholders with subprime and deep subprime scores are far more likely to incur repeat late fees in a given year than those in higher credit score tiers. Credit card late fees disproportionately burden consumers in low-income and majority-Black neighborhoods. Furthermore, these penalty fees can represent a surcharge of 24 percent annualized on top of assessed interest.

Credit Card Interest Rate Blog (August 12)

As credit card profitability increases, a new analysis looks at why credit card interest rates continue to rise despite historically low charge-offs and cost of funds alongside a stable share of subprime accounts. We plan to evaluate whether trends, like increasing rewards and high switching costs, explain the industry’s persistently high interest rates or if anti-competitive practices, such as those that prevent consumers from receiving better offers, have driven issuers’ profits at cardholders’ expense.

Consumer Finances in Rural Appalachia (September 1)

The first in a series of reports focusing on the finances of consumers living in rural areas, this report focuses on rural Appalachians who tend to earn less than consumers in other rural areas and have higher rates of subprime credit. One of the findings note that nearly 24 percent of rural

Appalachians have a medical debt in collections, compared to just 17 percent nationally. Moreover, rural Appalachians with medical debt collections have over double the rates of delinquency for other credit products compared to those without medical debt collections in each category.

Buy Now, Pay Later Report (September 15)

Using the findings from industry data, this CFPB report shows that industry grew rapidly during the pandemic, but borrowers may receive uneven disclosures and protections. The five firms surveyed in this report originated 180 million loans totaling over $24 billion in 2021, a near tenfold increase from 2019.

Data Point: 2021 Mortgage Market Activity and Trends (September 19)

This Data Point is the fifth in an annual series of CFPB Data Point articles describing mortgage market activity over time based on data reported under the Home Mortgage Disclosure Act (HMDA). It focuses on mortgage trends from 2018 to 2021, when the new and revised HMDA data became available under the 2015 HMDA Rule.

Performance goal 2.2.8: Successfully resolve the enforcement cases the CFPB files in court and administrative adjudicative proceedings whether by litigation, settlement, issuance of a default judgment, or other means.

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

Performance measures

TABLE 3: PERCENTAGE OF ALL CASES, INCLUDING FAIR LENDING, CONCLUDED BY THE CFPB'S ENFORCEMENT PERSONNEL THAT WERE SUCCESSFULLY RESOLVED THROUGH LITIGATION, A SETTLEMENT, OR ISSUANCE OF A DEFAULT JUDGMENT

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Target	N/A	75%	75%	75%	75%
Actual	88%	100%	100%	100%	100%

Progress update and future action

During fiscal year 2022, the CFPB concluded 20 public enforcement actions through litigation, a settlement, or issuance of a default judgment. The CFPB successfully resolved 100 percent of these actions.

Performance goal 2.2.2: Issue examination reports or letters within the CFPB's established time periods following the close of examinations

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

Performance measures

TABLE 4: ISSUE EXAMINATION REPORTS OR LETTERS WITHIN THE CFPB'S ESTABLISHED TIME PERIODS FOLLOWING THE FINALIZATION OF EXAM ANALYSIS

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Target	70%	70%	70%	70%	70%
Actual	71%	92%	92%	94%	93%

Progress update and future action

The CFPB will continue to focus on issuing high-quality examination reports and supervisory letters in a timely manner. Supervision will monitor and assess the quality and the timeliness of examination reports and supervisory letters issued.

The CFPB will review and analyze its processes to determine methods of improvement and increased effectiveness and efficiency. The CFPB intends to remain transparent about the goals of its supervision program and the steps being taken to achieve those goals, while protecting the confidentiality of the underlying financial institution-specific information.

Performance goal 3.1.1: Improve comprehensive cybersecurity protection of CFPB information and resources.

Federal Information Security Modernization Act of 2014 (FISMA) Maturity Model: FISMA mandates the reporting of the information security posture for federal agencies through an annual audit conducted by the Office of the Inspector General (OIG). In fiscal year 2015, the Office of Management and Budget, the Department of Homeland Security, and the Council of the Inspectors General on Integrity and Efficiency established a maturation rating methodology to score the maturity and effectiveness of federal information security functions. These scores range from low to high with Level-1 (A*d-hoc*), Level-2 (*Defined*), Level-3 (*Consistently Implemented*), Level-4 (*Managed and Measurable*) and Level-5 (*Optimized*). The OIG, since fiscal year 2017, has assessed the maturation of the CFPB's information security policies, procedures, and practices across five security domains, (Identify, Protect, Detect, Respond, and Recover) based on the National Institute of Standards and Technology (NIST) Cybersecurity Framework in this rating model. In fiscal year 2022, the OIG added a new security function, Supply Chain Risk Management, which impacted the scoring of the Identify security domain.

Performance measures

TABLE 5: ACHIEVE OIG MATURITY MODEL RATINGS OF LEVEL 4 (MANAGED & MEASURABLE) ACROSS THE FIVE CYBERSECURITY DOMAINS

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022[5]
Target	N/A	2 of 5	3 of 5	4 of 5	5 of 5
Actual	N/A	3 of 5	3 of 5	3 of 5	3 of 5

Progress update and future action

In fiscal year 2022, the CFPB's Information Security Program maintained an effective overall rating measured at the Level-4 (Managed and Measurable) maturity. The Office of Technology and Innovation (T&I) in coordination with stakeholders in the Operations Division have made improvements in the implementation of multi-factor authentication and risk management, cybersecurity training, contingency planning, and continuous monitoring programs.

[5] The OIG added a sixth security domain, Supply Chain Risk Management, in FY 2022.

In fiscal year 2023, T&I will coordinate with stakeholders across the Operations Division to implement multi-factor authentication and make improvements in the areas of cybersecurity supply chain risk management, software asset management, data encryption and business impact analysis policies, processes, and procedures.

Performance goal 3.2.1: Maintain high-performing, diverse employees with the right skills and abilities

The CFPB assesses progress and performance on this goal by measuring management training outcomes, and employee perceptions of the technical competence of the workforce and diversity and inclusion. Strategies to improve in these areas target organizational effectiveness, talent development and diversity and inclusion initiatives.

One of the measures that the CFPB uses to assess progress on this goal is the extent to which managers are able to apply the skills they have learned from management training to their day-to-day management responsibilities. The CFPB has developed a metric that combines feedback from several training assessment surveys. This metric provides the CFPB with information that is used to evaluate and improve management training opportunities. This metric, along with 19 other data sources, is used to determine the effectiveness of current management training, assess the resources needed to promote and facilitate training, and identify the type of management training needed in the future.

Performance measures

TABLE 6: MANAGEMENT TRAINING SURVEY RATING ON APPLYING LEARNED SKILLS TO JOB RESPONSIBILITES (AGGREGATE OF THREE QUESTIONS ON 7-POINT SCALE)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Target	5.75	5.75	5.75	5.00	5.75
Actual	6.41	6.50	6.34	6.26	5.70

Progress update and future action

The CFPB offered the following courses which have contributed to this metric for fiscal year 2022:

Course Name	Duration	Number of Deliveries
CFPB Supervisor Development Seminar	3 days	2
CFPB Supervisor Development Seminar Refresher	1 day	0
Leadership Excellence Seminars 1 & 2	2 days	2
Leadership Excellence Seminars 3 & 4	2 days	4
Leadership Excellence Seminars 5	2 days	2

In fiscal year 2022, the CFPB continued to prioritize delivery of management training solutions which meet Federal mandates. This was achieved through live virtual training deliveries while working in a maximum telework environment in response to COVID-19. The CFPB prioritized the continuation of converting existing training from in-person classroom delivery to effective live distance-based virtual training delivery for curriculum design and development. Additionally, in fiscal year 2022 the CFPB completed the development and production of a new course: Coaching Skills for CFPB Leaders. This course will debut in Q1 of fiscal year 2023 and will be offered to all levels of CFPB leaders (supervisors, managers, and senior leaders) throughout the fiscal year.

1.3 Civil Penalty Fund annual report

Section 1055(a) of the Dodd-Frank Act authorizes the CFPB to obtain any appropriate legal or equitable relief for violations of Federal consumer financial laws. That relief may include civil penalties. Section 1017(d) of the Dodd-Frank Act further establishes the Consumer Financial Civil Penalty Fund (Civil Penalty Fund), a victims relief fund, into which the CFPB deposits civil penalties it collects in judicial and administrative actions under Federal consumer financial laws.

Under the Act, funds in the Civil Penalty Fund may be used for payments to the victims of activities for which civil penalties have been imposed under the Federal consumer financial laws. To the extent that such victims cannot be located, or such payments are otherwise not practicable, the CFPB may use funds in the Civil Penalty Fund for the purpose of consumer education and financial literacy programs.

On May 7, 2013, the CFPB published the Civil Penalty Fund rule, 12 C.F.R. part 1075, a final rule governing the CFPB's use of the funds in the Civil Penalty Fund. That rule requires the CFPB to issue regular reports on the Civil Penalty Fund. Included in this Annual Report is a summary of the Civil Penalty Fund activity since inception through September 30, 2022, a description of Civil Penalty Fund collections in fiscal year 2022, a description of Civil Penalty Fund allocations in fiscal year 2022 and the basis for those allocations, and an overview of the distribution of those funds.

Additional background information on the Civil Penalty Fund can be found at: https://www.consumerfinance.gov/about-us/payments-harmed-consumers/

As of September 30, 2022, the Civil Penalty Fund had an unallocated balance of $481.8 million in funds that have been collected and are not otherwise allocated or set aside for administrative purposes. Table 7 below summarizes significant activity of the fund from inception through September 30, 2022:

TABLE 7: CIVIL PENALTY FUND SIGNIFICANT ACTIVITY

Activity	Amount	Total
Cash Collections:		
FY 2012-2020	$1,254,892,403	
FY 2021	61,411,211	
FY 2022	172,520,004	
Total Cash Collections		$1,488,823,618
Amounts Unallocated and Returned to the Fund:[6]		
FY 2017-2020	$39,092,885	
FY 2021	49,641,249	
FY 2022	10,327,494	
Total Returned		$99,061,628
Less Allocations:		
Victim Compensation		
FY 2013-2020	($683,021,407)	
FY 2021	(207,089,843)	
FY 2022	(177,081,630)	
Subtotal: Allocations to Victim Compensation		($1,067,192,880)
Consumer Education and Financial Literacy Programs		
FY 2013-2016	($28,812,809)	
Subtotal: Allocations to Consumer Education and Financial Literacy Programs		($28,812,809)
Total Allocations		($1,096,005,689)
Less Administrative Set-aside:		

[6] This amount includes funds that were unallocated and returned to the Fund following the completion of distributions to victims or in situations where the allocation to a victim class was reduced.

Activity	Amount	Total
FY 2013-2020	($6,073,322)	
FY 2021	(4,000,000)	
FY 2022	0	
Total Administrative Set-aside		($10,073,322)
Total Unallocated Balance		$481,806,235[7]

Civil Penalty Fund collections

TABLE 8: FISCAL YEAR 2022 COLLECTIONS

Defendant Name	Civil Penalty Imposed	Civil Penalty Collected	Collection Date
JPay, LLC	$2,000,000	$2,000,000	October 29, 2021
Trustmark National Bank	$5,000,000[8]	$1,000,000	October 29, 2021
Fair Collections & Outsourcing, Inc., et al.	$850,000	$850,000	November 4, 2021
American Advisors Group	$1,100,000	$1,100,000	November 4, 2021
Access Funding, LLC, et al. – Charles Smith	$10,000	$10,000	November 23, 2021
Alder Holdings, LLC	$600,000[9]	$500,000	December 2, 2021

[7] This total includes $10,283,886 collected in fiscal year 2018 and $409,686 collected in fiscal year 2020 pursuant to 2 orders that are under appeal and thus are not yet "final orders" as defined in 12 C.F.R. § 1075.101. Those funds therefore are not available for allocation. The total also includes $9,833,640 that was subject to sequestration in fiscal year 2022. These funds were not available for allocation in fiscal year 2022 but will be available to the CFPB in fiscal year 2023. The total also includes $3,500,439 that was subject to sequestration in fiscal year 2021 and subsequently became available to the CFPB in fiscal year 2022.

[8] The amount Trustmark was required to pay to the CFPB was reduced by $4,000,000 upon Trustmark's satisfaction of its obligation to pay that amount in penalties to the Office of the Comptroller of the Currency for related conduct.

[9] The amount Alder was required to pay to the CFPB was reduced by $100,000 upon Alder's payment of that amount as a penalty to the State of Arkansas for related conduct in a separate matter.

Defendant Name	Civil Penalty Imposed	Civil Penalty Collected	Collection Date
Access Funding, LLC, et al. – Access Funding Defendants	$10,000	$10,000	December 27, 2021
LendUp Loans, LLC	$100,000	$100,000	January 10, 2022
BrightSpeed Solutions, Inc.	$500,000	$500,000	January 31, 2022
Universal Debt & Payment Solutions, LLC; et al. – Defendants Marcus Brown, Sarita Brown, and WNY Account Solutions, LLC	$516,000	$10,000	March 23, 2022 July 25, 2022
Consumer Advocacy Center, Inc., d/b/a Premier Student Loan Center, et al. – Defendant TAS 2019 LLC	$1	$1	March 28, 2022
Edfinancial Services, LLC	$1,000,000	$1,000,000	April 8, 2022
BounceBack, Inc. and Gale Krieg	$30,000	$30,000	April 26, 2022 May 20, 2022 June 14, 2022 July 12, 2022 August 8, 2022 September 12, 2022
Performance SLC, LLC, Performance Settlement, LLC, and Daniel Crenshaw	$30,002	$30,002	May 12, 2022
Bank of America, N.A. (Garnishment matter)	$10,000,000	$10,000,000	May 18, 2022
RAM Payment, LLC, also d/b/a Reliant; Account Management Systems, LLC,; Gregory Winters; and Stephen Chaya	$3,000,000	$3,000,000	May 20, 2022 July 8, 2022

Defendant Name	Civil Penalty Imposed	Civil Penalty Collected	Collection Date
Access Funding, LLC, et al. – Michael Borkowski	$5,000	$5,000	May 20, 2022
JPL Recovery Solutions, LLC, et al.	$2,000,000	$2,000,000	May 26, 2022 August 24, 2022
Frank Ronald Gebase, Jr.	$175,000	$175,000	June 22, 2022 September 7, 2022
Consumer Advocacy Center, Inc., d/b/a Premier Student Loan Center, et al. – Defendant Albert Kim	$1	$1	July 6, 2022
Bank of America, N.A. (Prepaid matter)	$100,000,000	$100,000,000	July 27, 2022
U.S. Bank National Association	$37,500,000	$37,500,000	August 2, 2022
Hyundai Capital America	$6,000,000	$6,000,000	August 4, 2022
Hello Digit, LLC	$2,700,000	$2,700,000	August 12, 2022
Trident Mortgage Company LP	$4,000,000	$4,000,000	September 19, 2022
Total	**$177,126,004**	**$172,520,004**	

In fiscal year 2022, the CFPB collected civil penalties totaling $172.5 million pursuant to 25 orders.

Allocations from the Civil Penalty Fund

Under the Civil Penalty Fund rule, the Civil Penalty Fund Administrator allocates funds in the Civil Penalty Fund to classes of victims of violations for which civil penalties have been imposed under the Federal consumer financial laws and, to the extent that such victims cannot be located or such payments are otherwise not practicable, to consumer education and financial literacy programs. The Fund Administrator makes these allocations according to a schedule published in accordance with the rule. That schedule established six-month periods and provides that an allocation will be made within 60 days of the end of each period. The Fund Administrator may allocate only those funds that were available as of the end of the six-month period and may allocate funds to a class of victims only if that class had uncompensated harm as of the end of the six-month period.

Allocations in fiscal year 2022

Period 18: April 1, 2021 – September 30, 2021

On November 29, 2021, the CFPB made its eighteenth allocation from the Civil Penalty Fund. As of September 30, 2021, the Civil Penalty Fund contained an unallocated balance of $465,346,795.[10] This amount was available for allocation.

TABLE 9: PERIOD 18: CASES IN WHICH A CIVIL PENALTY WAS IMPOSED

Defendant Name	Date of Final Order[11]
Yorba Capital Management, LLC and Daniel Portilla, Jr.	April 6, 2021
Nationwide Equities Corporation	April 27, 2021
Chou Team Realty, LLC, et al. – Lend Tech Loans, Inc.	May 4, 2021
Chou Team Realty, LLC, et al. – David Sklar	May 4, 2021
Chou Team Realty, LLC, et al. – Docs Done Right, Inc., Docs Done Right, LP, and Eduardo Martinez	May 11, 2021
Chou Team Realty, LLC, et al. – Frank Anthony Sebreros	May 11, 2021
DMB Financial, LLC	May 19, 2021
3rd Generation, Inc., dba California Auto Finance	May 21, 2021
Future Income Payments, LLC, et al.	May 24, 2021

[10] The unallocated balance amount does not include $10,693,572 in funds that were collected pursuant to two orders that were pending appeal and were thus not yet “final orders” as defined in 12 C.F.R. § 1075.101. Those funds were therefore not available for allocation under 12 C.F.R. § 1075.105(c). The amount includes $3,500,439 that was sequestered during fiscal year 2021. The sequestration amount was not available for allocation during fiscal year 2021 but was available to the Bureau in fiscal year 2022.

[11] The Civil Penalty Fund rule defines the term “final order” as a consent order or settlement issued by a court or by the CFPB, or an appealable order issued by a court or by the CFPB as to which the time for filing an appeal has expired and no appeals are pending.

Defendant Name	Date of Final Order[11]
Driver Loan, LLC, and Angelo Jose Sarjeant	June 1, 2021
Burlington Financial Group, LLC; Richard W. Burnham; Sang Yi; and Katherine Ray Burnham	June 29, 2021
SettleIt, Inc.	July 2, 2021
Chou Team Realty, LLC, et al. – Student Loan Debt Relief Companies	July 6, 2021
Chou Team Realty, LLC, et al. – Bilal Abdelfattah a/k/a Belal Abdelfattah a/k/a Bill Abdel	July 6, 2021
GreenSky, LLC	July 12, 2021
Consumer Advocacy Center, Inc., d/b/a Premier Student Loan Center, et al. – Consumer Advocacy Center, Inc.	July 14, 2021
Alder Holdings, LLC	August 4, 2021
College Financial Advisory	August 23, 2021

Civil penalties were imposed in 13 cases with 18 final orders from Period 18. Of those 13 cases, five had classes of eligible victims with uncompensated harm that was compensable from the Civil Penalty Fund. Four of those cases received an allocation during this period.

The allocations for each case are as follows:

- The College Financial Advisory case received an allocation of $4,738,028 from the Civil Penalty Fund. The class of victims who have received an allocation are consumers who purchased the Defendants' student loan program based on the misrepresentations in Defendants' solicitation letters.
- The Yorba Capital Management, LLC, et al., case received an allocation of $860,000 from the Civil Penalty Fund. The class of victims who have received an allocation are consumers from whom Yorba Capital attempted to collect or collected debt using the Defendants' deceptive notices between January 1, 2017 and April 6, 2021.
- The Burlington Financial Group, LLC, et al. case received an allocation of $30,406,599 from the Civil Penalty Fund. The class of victims who have received an allocation are consumers who paid advance fees for Burlington's debt-relief and credit-repair services from January 2016 through June 29, 2021.
- The Chou Team Realty, et al. case received an allocation of $18,833,119 from the Civil Penalty Fund. The allocation covers final orders from periods 16 and 18. The class of

victims who have received an allocation are consumers who were charged fees by the Defendants.

The Fund Administrator exercised discretion and deferred allocations to classes of consumers in one Period 18 matter, Future Income Payments, and two prior period matters, Think Finance, LLC, and Northern Resolution Group (Gray). In the Future Income Payments case the CFPB is pursuing data and determining eligible consumer harm. In the Think Finance case, there are related actions which may result in compensation to eligible victims in this matter. In the Northern Resolution Group (Gray) case, the victim allocation is deferred while the CFPB pursues data and determines victim eligibility in a related matter. Each of these cases was reviewed as part of the Period 19 allocation.

As of the time of this allocation, aside from the Think Finance and Northern Resolution Group (Gray) cases which have been addressed above, there were no prior period victim classes with uncompensated harm that is compensable from the Civil Penalty Fund.

During Period 18, $0 were allocated for Consumer Education and Financial Literacy purposes.

The total allocation for Period 18 was $54,837,746.

TABLE 10: PERIOD 18 ALLOCATION SUMMARY

Case Name	Allocation Amount
College Financial Advisory	$4,738,028
Yorba Capital Management, LLC, et al.	$860,000
Burlington Financial Group, LLC, et al.	$30,406,599
Chou Team Realty, et al.	$18,833,119
Total	**$54,837,746**

Period 19: October 1, 2021 – March 31, 2022

On May 27, 2022, the CFPB made its nineteenth allocation from the Civil Penalty Fund. As of March 31, 2022, the Civil Penalty Fund contained an unallocated balance of $416,234,003.[12] This amount was available for allocation.

TABLE 11: PERIOD 19: CASES IN WHICH A CIVIL PENALTY WAS IMPOSED

Defendant Name	Date of Final Order
JPay, LLC	October 19, 2021
American Advisors Group	October 25, 2021
Trustmark National Bank	October 27, 2021
Fair Collections & Outsourcing, Inc., et al.	October 27, 2021
BounceBack, Inc.	November 1, 2021
Access Funding, LLC, et al. – Charles Smith	November 18, 2021
Universal Debt & Payment Solutions, LLC, et al. – Marcus Brown, Sarita Brown, and WNY Account Solutions, LLC	November 20, 2021
Universal Debt & Payment Solutions, LLC, et al. – Check & Credit Recovery, LLC, Credit Power, LLC, Universal Debt & Payment Solutions, LLC, Universal Debt Solutions, LLC, and WNY Solutions Group, LLC	November 20, 2021
Access Funding, LLC, et al. – Access Funding, LLC; Access Holding, LLC; Lee Jundanian; and Raffi Boghosian	December 17, 2021
LendUp Loans, LLC	December 30, 2021
BrightSpeed Solutions, Inc., and Kevin Howard	January 19, 2022
Consumer Advocacy Center, Inc., d/b/a Premier Student Loan Center, et al. – TAS 2019 LLC	March 22, 2022
Edfinancial Services, LLC	March 30, 2022

[12] The unallocated balance does not include $10,693,572 in funds that were collected pursuant to two orders that were pending appeal and were thus not yet "final orders" as defined in 12 C.F.R. § 1075.101. Those funds were therefore not available for allocation under 12 C.F.R. § 1075.105(c). The amount also does not include $346,047 that was subject to sequestration during fiscal year 2022.

Civil penalties were imposed in 11 cases with 13 final orders in Period 19. Of those 11 cases, three had classes of eligible victims with uncompensated harm that is compensable from the Civil Penalty Fund. All three cases received an allocation during Period 19.

The allocations for each case are as follows:

- The Access Funding, LLC, et al. case received an allocation of $28,409,957 from the Civil Penalty Fund. The class of victims who have received an allocation are certain Access Funding consumers whose structured-settlement transfers were approved by a court between December 1, 2012, and November 21, 2016.
- The LendUp Loans, LLC case received an allocation of $39,833,927 from the Civil Penalty Fund. The class of victims who have received an allocation are consumers to whom LendUp extended a Subject Loan from October 1, 2016, to August 10, 2021.
- The BrightSpeed Solutions, Inc., et al. case received an allocation of $54,000,000 from the Civil Penalty Fund. The class of victims who have received an allocation are consumers for whom BrightSpeed processed a remotely-created check for the purchase of products or services from certain merchant clients between January 1, 2016 through January 1, 2019.

The Fund Administrator exercised discretion and deferred allocations to classes of consumers in three prior matters, Future Income Payments, Think Finance, LLC, and Northern Resolution Group (Gray). In the Future Income Payments case the CFPB is pursing data and determining eligible consumer harm. In the Think Finance case, there are related actions which may result in compensation to eligible victims in this matter. In the Northern Resolution Group (Gray) case, the victim allocation is deferred while the CFPB pursues data and determines victim eligibility in a related matter. Each of these cases will be reviewed as part of the Period 20 allocation.

As of the time of this allocation, aside from the Future Income Payments, Think Finance, LLC, and Northern Resolution Group (Gray) cases which have been addressed above, there were no prior period victim classes with uncompensated harm that is compensable from the Civil Penalty Fund.

During Period 19, $0 were allocated for Consumer Education and Financial Literacy purposes.

The total allocation for Period 19 was $122,243,884.

TABLE 12: PERIOD 19 ALLOCATION SUMMARY

Case Name	Allocation Amount
Access Funding, et al.	$28,409,957
LendUp Loans, LLC	$39,833,927
BrightSpeed Solutions, Inc.	$54,000,000
Total	**$122,243,884**

Fiscal year 2022 cases eligible for allocation in fiscal year 2023

On or before November 29, 2022, the CFPB will make its twentieth allocation from the Civil Penalty Fund. Civil penalties were imposed in 14 final orders from Period 20. The final orders relate to 14 cases from Period 20 and they will be considered for allocation along with three prior-period cases, for a total of 17 cases. As of September 30, 2022, the Civil Penalty Fund had an unallocated balance of $481.8 million. Of this amount, $471.1 million is available for allocation pursuant to 12 C.F.R. § 1075.105(c) (see Table 7 above for more information).

Civil Penalty Fund distributions

In fiscal year 2022, Civil Penalty Fund distributions began for six cases.

TABLE 13: CIVIL PENALTY FUND DISTRIBUTIONS INITIATED IN FISCAL YEAR 2022

Defendant	Period	Amount Allocated	Amount Distributed	Number of Checks Mailed	Year & Quarter of Initial Distribution
Main Street Personal Finance, Inc., et al.	16	$1,540,517	$1,540,485	752	FY22 Q1
Omni Financial of Nevada, Inc.	17	$79,437,227	$79,435,149	58,070	FY22 Q2
Nationstar Mortgage LLC	17	$1,211	$1,211	2	FY22 Q2
SMART Payment Plan, LLC	17	$6,000,000	$5,735,440	71,639	FY22 Q3
U.S. Equity Advantage, Inc.	17	$8,400,000	$8,399,724	109,448	FY22 Q4
Yorba Capital Management, LLC, et al.	18	$860,000	$859,923	8,410	FY22 Q4
Total		**$96,238,955**	**$95,971,932**	**248,321**	

The table above identifies cases for which distributions of Civil Penalty Fund monies to harmed consumers began in fiscal year 2022. It reflects the period(s) in which an allocation was made to victims in the case, the total amount allocated, the total dollar amount that has been mailed to harmed consumers, the number of consumers to whom initial checks were mailed, and when distributions began. More information about active distributions is available at https://www.consumerfinance.gov/enforcement/payments-harmed-consumers/.

Additional funds were also mailed to consumers in the Siringoringo matter, for which the distribution was initiated in the fourth quarter of fiscal year 2020. Specifically, $1,381,273 was distributed to consumers in the first quarter of fiscal year 2022 and $81,575 was distributed to consumers in the fourth quarter of fiscal year 2022. This brings total distributions in the Siringoringo matter through the end of fiscal year 2022 to $2,273,904.

Distributions are expected to begin in fiscal year 2023 for the Howard Law; Mark Corbett; Andrew Gamber, et al.; Edmiston Marketing, LLC, d/b/a Easy Military Travel; Universal Debt & Payment Solutions, LLC, et al.; Certified Forensic Loan Auditors, LLC, et al.; Timemark Solutions, Inc., et al.; GST Factoring, Inc., et al.; Premier Student Loan Center, et al.; Katharine Snyder, et al.; College Financial Advisory; Burlington Financial Group, LLC, et al.; Chou Team Realty, et al.; Access Funding, et al.; LendUp Loans, LLC; and BrightSpeed Solutions, Inc. cases.

TABLE 14: CIVIL PENALTY FUND DISTRIBUTIONS CONCLUDED IN FISCAL YEAR 2022

Defendant	Amount Allocated	Amount Distributed	Number of Checks Mailed	Percent of Distributed Funds Cashed	Year & Quarter of Distribution Conclusion
Morgan Drexen Inc. and Walter Ledda	$132,382,488	$114,759,385	59,059	93%	FY22 Q1
Nationstar Mortgage LLC	$1,211	$1,211	2	100%	FY22 Q2
Total	**$132,383,699**	**$114,760,596**	**59,061**		

The table above reflects the cases where a distribution concluded in fiscal year 2022. For each case, it displays the amount allocated from the Civil Penalty Fund, the total dollar amount that was mailed to harmed consumers, the number of consumers to whom checks were mailed, the percent of the distributed funds that were claimed, and when the distribution concluded.

In fiscal year 2022, the CFPB distributed $2,688.28 in direct payments to consumers in the Global Client Solutions case out of the Civil Penalty Fund. The distribution by the CFPB's third-party administrator in the Global Client Solutions case concluded in fiscal year 2019. Unclaimed funds were returned to the CFPB and a portion of those funds remain allocated to the case. The CFPB subsequently made direct payments to victims who requested reissued payments.

1.4 Bureau-administered redress

Dodd-Frank Act Section 1055 authorizes a court in a judicial action, or the CFPB in an administrative proceeding, to grant any appropriate legal or equitable relief for a violation of Federal consumer financial law. Such relief may include redress for victims of the violations, including refunds, restitution, and damages. Relief that is intended to compensate victims is treated as fiduciary funds and deposited into the "Legal or Equitable Relief Fund" established at the Department of the Treasury. The CFPB refers to these collections as Bureau-Administered Redress.

TABLE 15: COLLECTIONS IN FISCAL YEAR 2022

Defendant	Amount Collected	Date of Collection
U.S. Equity Advantage, Inc., and Robert M. Steenbergh	$240,000[13]	October 15, 2021 November 15, 2021 December 16, 2021 January 14, 2022
JPay, LLC	$4,000,000	October 29, 2021
DMB Financial, LLC	$465,136	January 18, 2022 May 17, 2022
Consumer Advocacy Center, Inc., d/b/a Premier Student Loan Center, et al. – Defendant TAS 2019 LLC	$2,866,314	March 28, 2022
Performance SLC, LLC, Performance Settlement, LLC, and Daniel Crenshaw	$202,000	May 12, 2022
Consumer Advocacy Center, Inc., d/b/a Premier Student Loan Center, et al. – Relief Defendant Sarah Kim	$145,925	May 31, 2022
Consumer Advocacy Center, Inc., d/b/a Premier Student Loan Center, et al. – Defendant Albert Kim	$17,118	July 18, 2022 July 20, 2022
Total	**$7,936,493**	

[13] Full payment of the $9,300,000 judgment for redress was suspended upon respondents' payment of $900,000 in 15 monthly installments of $60,000 each, with the final payment on January 14, 2022. Respondents paid $660,000 in fiscal year 2021 in accordance with the order. The remaining $240,000 was paid in fiscal year 2022.

In fiscal year 2022, the CFPB collected $7.9 million in Bureau-Administered Redress funds in seven matters. Funds are distributed in accordance with the terms of the final order for the case.

Bureau-administered redress distributions

In fiscal year 2022, distributions of Bureau-Administered redress began for four cases.

TABLE 16: BUREAU-ADMINISTERED REDRESS DISBURSEMENTS INITIATED IN FISCAL YEAR 2022

Defendant	Year & Quarter of Initial Distribution	Amount Distributed	Number of Checks Mailed
Main Street Personal Finance, Inc., et al.	FY22 Q1	$2,000,000	3,347
Fay Servicing, LLC	FY22 Q2	$108,340	739
SMART Payment Plan, LLC	FY22 Q3	$1,500,000	18,750
U.S. Equity Advantage, Inc.	FY22 Q4	$900,000	11,785
Total		**$4,508,340**	**34,621**

The table above reflects matters for which redress funds were collected, the time period when distributions began, the total dollar amount that has been mailed to harmed consumers, and the number of consumers to whom checks were mailed. More information about active distributions is available at https://www.consumerfinance.gov/enforcement/payments-harmed-consumers/.

One Bureau-Administered Redress distribution concluded in fiscal year 2022. In this case, unclaimed funds will be treated in accordance with the terms of the final order.

TABLE 17: BUREAU-ADMINISTERED REDRESS DISBURSEMENTS CONCLUDED IN FISCAL YEAR 2022

Defendant	Year & Quarter of Distribution Conclusion	Amount Distributed	Number of Checks Mailed	Percentage of Funds Cashed
Morgan Drexen Inc. and Walter Ledda	FY22 Q1	$499,983.91	282	92%
Total		**$499,983.91**	**282**	

The table above reflects the case in which a distribution concluded in fiscal year 2022. For this case, it displays when the distribution concluded, the total dollar amount that was mailed to harmed consumers, the number of consumers to whom checks were mailed, and the percent of the distributed funds that were claimed.

In fiscal year 2022 the CFPB distributed $12,633 in direct payments to consumers in the Flagstar Bank, Corinthian Colleges, Gordon, RPM Mortgage, and Student Financial Aid Services cases. The distributions to consumers by the CFPB's third-party administrators in these cases concluded in prior fiscal years and unclaimed funds were returned to the CFPB. The CFPB subsequently made direct payments to victims who requested reissued payments.

1.5 Management assurances and audit results

Statement of Management Assurance

Fiscal Year 2022, November 10, 2022

The management of the Consumer Financial Protection Bureau (CFPB) is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act of 1982 (FMFIA). Continuous monitoring and periodic evaluations provide the basis for the annual assessment and report on management's controls, as required by FMFIA. CFPB is leveraging the established OMB Circular A-123 and the FMFIA assessment methodologies to assist in assessing the applicable entity-wide controls, documenting the applicable processes, and identifying and testing the key controls. Based on the results of these ongoing evaluations, CFPB can provide reasonable assurance that internal control over the effectiveness and efficiency of operations and compliance with applicable laws and regulations meet the objectives of FMFIA, and no material weaknesses were found in the design or operation of the internal controls as of September 30, 2022.

Section 1017(a)(4)(D) of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires CFPB to provide a management assertion as to the effectiveness of CFPB's internal control over financial reporting. CFPB conducted its assessment of the effectiveness of internal control over financial reporting based on the criteria established under 31 U.S.C. Sec. 3512(c) and applicable sections of OMB Circular A-123. Based on the results of this evaluation, CFPB can provide reasonable assurance that its internal control over financial reporting as of September 30, 2022 was operating effectively and no material weaknesses were found in the design or operation of the internal control over financial reporting.

Section 1017(a)(4)(C) of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires CFPB to maintain financial management systems that comply substantially with Federal financial management systems requirements and applicable Federal accounting standards. CFPB utilizes financial management systems that substantially comply with the requirements for Federal financial management systems and applicable Federal accounting standards.

Rohit Chopra

Director
Consumer Financial Protection Bureau

Federal Managers' Financial Integrity Act

The Consumer Financial Protection Bureau was established as an independent bureau in the Federal Reserve System under the Dodd-Frank Act Section 1011 (a). As an independent, non-appropriated bureau, CFPB recognizes the importance of Federal laws associated with implementing effective risk management, including the Federal Managers' Financial Integrity Act. This includes ensuring that CFPB operations and programs are effective and efficient and that internal controls are sufficient to minimize exposure to waste and mismanagement.

In fiscal year 2022, the CFPB performed an evaluation of its risks and systems of internal controls. Based on the results of those evaluations, the CFPB is able to provide a reasonable statement of assurance that the internal control over the effectiveness and efficiency of operations, and compliance with applicable laws and regulations meet the objectives of FMFIA, and no material weaknesses were found in the design or operation of the internal controls as of September 30, 2022. While there were no material weaknesses identified, the CFPB continues to remediate one (1) significant deficiency that is listed below. The CFPB is committed to continuously enhancing and improving its systems of internal control and realizing more effective and efficient ways to accomplish its mission; as well as taking appropriate steps to implement timely corrective actions.

Information Technology Controls (*Significant Deficiency*)

In fiscal year 2016, the CFPB identified a significant deficiency in the operational effectiveness of certain information technology controls. In fiscal year 2022, the CFPB continued to implement corrective actions to mitigate the risks of this deficiency. During fiscal year 2023, the CFPB will continue to implement and improve these information technology processes to enhance internal control and improve operational effectiveness.

Federal financial management systems requirements

Section 1017(a)(4)(C) of the Dodd-Frank Act requires the CFPB to implement and maintain financial management systems that substantially comply with Federal financial management systems requirements and applicable Federal accounting standards. The CFPB performs or is subject to a number of other assessments in order to further support compliance with the requirement set forth within the Dodd Frank Act requiring the CFPB to implement and maintain financial management systems that comply substantially with the Federal financial management systems requirements and applicable accounting standards. Assessments include but are not limited to:

- Internal Control over Financial Reporting (ICOFR)
- Federal Information Security Management Act (FISMA)

- Improper Payments
- Federal Managers' Financial Integrity Act of 1982 (FMFIA)

Based on the results of these assessments, the CFPB provided reasonable assurance that as of September 30, 2022, the CFPB financial management systems substantially comply with the requirements for Federal financial management systems and applicable Federal accounting standards.

Additionally, as discussed in the section on Financial Management System Strategy below, the CFPB has entered into an agreement with the Bureau of the Fiscal Service, Administrative Resource Center (BFS/ARC) for the cross-servicing of the CFPB's core financial management system needs. As such, BFS/ARC has provided assurances to the CFPB that BFS/ARC's system is in compliance with the Federal Financial Management Improvement Act (FFMIA) whereby the system is substantially compliant with:

- Federal financial management system requirements,
- Applicable federal accounting standards, and
- The United States Standard General Ledger at the transaction level.

BFS/ARC has reported that its system substantially complies with these three requirements of FFMIA and recently completed a System and Organization Controls (SOC) 1, Type 2 report in accordance with Statements on Standards for Attestation Engagements No. 18, AT-C Section 320, *Report on an Examination of Controls at a Service Organization Relevant to User Entities' Internal Control Over Financial Reporting*. The independent auditors opined in the SOC 1, Type 2 report that BFS/ARC's controls were suitably designed and operating effectively to provide reasonable assurance that control objectives would be achieved if customer agencies applied the complementary customer agency controls. The CFPB determined that the scope of the SOC 1, Type 2 report was sufficient to support its assessment of internal control over financial reporting.

The CFPB evaluated its internal controls over the processing of transactions between the CFPB and BFS/ARC. The CFPB has determined it has adequate complementary customer controls in place.

Financial statement audit and audit of internal control over financial reporting

Sections 1017(a)(4)(B) and (D) of the Dodd-Frank Act require the CFPB to prepare and submit to GAO annual financial statements and an assertion of the effectiveness of the internal control over financial reporting. Section 1017(a)(5)(A) and (B) of the Dodd-Frank Act also require GAO to audit those financial statements and report their results to the CFPB, Congress and the President. The CFPB prepared comparative financial statements for fiscal years 2022 and 2021.

GAO issued an unmodified audit opinion on the CFPB's fiscal years 2022 and 2021 financial statements. GAO opined that the CFPB maintained, in all material respects effective internal control over financial reporting as of September 30, 2022. Also, GAO reported that its tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2022 that would be reported under U.S. generally accepted government auditing standards.

Financial management systems strategy

The CFPB recognized during its initial years of operation that it needed to leverage from other federal agencies existing financial management resources, systems and information technology platforms. The CFPB continues to maintain an agreement with the BFS/ARC for the cross-servicing of a commercial off-the-shelf core financial management system designed and configured to meet generally accepted accounting principles (GAAP) for Federal entities. In addition to the core financial management system, BFS/ARC provides services that include transactional processing, financial reporting, human resource services, procurement services, and travel services. The CFPB's goal is to continue providing an effective strategy that supports our financial management systems.

The CFPB recognizes the importance of financial management systems and oversight as a part of the capital planning and investment control process. Accordingly, the CFPB relies on its Investment Review Board (IRB) as the executive advisory body responsible for ensuring that business and technology investments are aligned to the CFPB's mission, vision, strategic goals and initiatives, and utilize program management best practices to achieve the maximum return on investments. The IRB, which is chaired by the Chief Financial Officer (CFO), reviews investments over $1.0 million.

Federal Information Security Management Act

The Federal Information Security Management Act (FISMA) requires Federal agencies to develop, document, and implement an agency-wide program to provide security for the information and information systems that support the operations and assets of the agency. The CFPB has developed a Cyber Security Program in accordance with FISMA that is grounded in a foundation of well-documented policies, standards and processes. The CFPB relies on the soundness of this program to conduct reviews of its third-party service organizations including other federal entities with whom we have cross servicing agreements that enable us to leverage their existing information technology and platforms. As the CFPB continues to mature and grow, the security program will adjust as well to ensure the safety and protection of the CFPB's data and assets.

Improper payments

The Payment Information Integrity Act of 2019 (PIIA) requires agencies to review their programs and activities annually to identify those susceptible to significant improper payments. While the CFPB's Bureau Fund is not subject to the PIIA, it was determined that the CFPB's Civil Penalty Fund is subject to the PIIA. The Office of Finance and Procurement (OFP) conducted a review and risk assessment of the Civil Penalty Fund for fiscal year 2022 and conducted a program risk assessment of the Civil Penalty Fund during fiscal year 2021 and determined that the program is low risk and not susceptible to significant improper payments. The Office of Management and Budget's (OMB) guidance only requires an agency to conduct a program risk assessment once every three years if a prior risk assessment determined the program to be low risk. Additionally, the OFP determined that the Civil Penalty Fund did not meet the reporting threshold for fiscal years 2022 and 2021.

Fraud reduction report

The PIIA requires OMB to establish guidelines for federal agencies to establish financial and administrative controls to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments. These guidelines are intended to incorporate the leading practices identified in the report published by the Government Accountability Office on July 28, 2015, entitled "Framework for Managing Fraud Risks in Federal Programs." While the Bureau is not obligated to comply with the OMB-issued guidance, the CFPB views the guidance as a best practice.

During fiscal year 2022, the CFPB continued to raise awareness of fraud risks and fraud risk management requirements under the PIIA. As part of the CFPB's annual internal control assessment, the CFPB evaluated the maturity of its fraud risk management activities and to what extent fraud controls have been implemented into the CFPB's overall internal control framework. This was a multi-year endeavor. To perform the evaluation, the CFPB conducted a survey centered on the PIIA's requirements to include five areas related to fraud risk management: (1) Fraud Risk Governance, (2) Fraud Risk Management, (3) Fraud Control Activities, (4) Fraud Investigation and Corrective Action, and (5) Fraud Monitoring Activities to determine enhancements to the CFPB's fraud risk management activities. The results of the survey highlighted areas of focus for the CFPB as it continues its efforts to develop a framework of anti-fraud practices.

Limitations of the financial statements

The financial statements contained in this report have been prepared to present the financial position and results of operations of the CFPB pursuant to the requirements of the Dodd-Frank Act Section 1017(a)(4)(B). While the statements have been prepared from the books and records of the CFPB, in accordance with generally accepted accounting principles for the Federal Government, and follow the general presentation guidance provided by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared using the same books and records. The financial and performance data in this report are reliable and complete. The statements should be read with the understanding that they are for a component of the U.S. Government, a sovereign entity.

1.6 Financial analysis

Analysis of fiscal year 2022 Financial Condition and Results

The data provided in Table 18 below report on significant financial changes between fiscal years 2022 and 2021.

TABLE 18: SUMMARY OF FINANCIAL INFORMATION

(In Dollars)	Percentage Change	Fiscal Year 2022	Fiscal Year 2021
Total Assets	14%	$1,456,881,553	$1,281,834,970
Total Liabilities	74%	$762,400,769	$437,043,123
Total Net Position	-18%	$694,480,784	$844,791,847
Total Net Cost of Operations	45%	$1,029,787,742	$708,094,414
Total Budgetary Resources	8%	$1,709,271,989	$1,588,234,175
Total New Obligations and Upward Adjustments	4%	$727,251,054	$699,617,210
Total Outlays	4%	$686,493,722	$658,998,331

Total Assets are $1,456.9 million as of September 30, 2022, an increase of $175.0 million (or 14 percent) over fiscal year 2021. The main factors contributing to the increase were a $109.6 million increase in the Fund Balance with Treasury and a $56.3 million increase in Investments.

Total Liabilities are $762.4 million as of September 30, 2022, an increase of $325.4 million (or 74 percent) over fiscal year 2021. The CFPB's liabilities generally represent the resources due to others such as benefits owed to employees and payments owed to vendors and Federal agencies for goods and services provided. Liabilities also include victim compensation amounts allocated from the Civil Penalty Fund (net of distributions to date). The increase in total liabilities is primarily associated with the net increase of $325.0 million in the Civil Penalty Fund liability for anticipated future payments to harmed consumers.

Total Net Position at the end of fiscal year 2022 decreased by $150.3 million (or -18 percent) from fiscal year 2021. This is primarily due to an increase in Net Cost of Operations of $321.7 million offset by an increase in transfers from the Board of Governors of the Federal Reserve System of $45.6 million and an increase in Civil Penalties of $160.2 million from fiscal year 2021 to fiscal year 2022.

Total Net Cost of Operations increased from $708.1 million in fiscal year 2021 to $1,029.8 million in fiscal year 2022 (an increase of $321.7 million or 45 percent). This rise is primarily due to an increase of $264.0 million in the year end accrual for potential allocations from fiscal year 2021 to fiscal year 2022. In addition, salary and benefit costs rose by $25.2 million due to an increase in staffing levels and annual pay increase from 2021 to 2022.

Total New Obligations and Upward Adjustments increased from $699.6 million in fiscal year 2021 to $727.3 million in fiscal year 2022 (an increase of $27.6 million or 4 percent). The $727.3 million of obligations and upward adjustments in fiscal year 2022 can be broken out by the two primary funds of the CFPB – the Bureau Fund had $622.2 million of new obligations and upward adjustments and the Civil Penalty Fund had $105.1 million of new obligations and upward adjustments. Further, the total new obligations and upward adjustments amount of $727.3 million, includes $8.0 million in upward adjustments to prior year obligations, and $719.3 million associated with the new obligations in fiscal year 2022.

How the CFPB is funded and other sources of revenue and collections

TABLE 19: OVERALL SUMMARY OF CFPB RECEIPTS BY TYPE AND FISCAL YEAR

Fiscal Year	Transfers Requested	Civil Penalty Fund Receipts	Fiduciary Receipts	Custodial Receipts
2022	$641,500,000	$172,520,004	$2,706,938	$17,590,732
2021	$595,900,000	$61,411,211	$15,621,752	$13,412,373

Bureau fund

Under the Dodd-Frank Act, the CFPB is funded principally by transfers from the Board of Governors of the Federal Reserve System up to a limit set forth in the statute. The CFPB requests transfers from the Board of Governors in amounts that are reasonably necessary to carry out its mission. Funding is capped at a pre-set percentage of the total 2009 operating expenses of the Federal Reserve System, subject to an annual adjustment. Specifically, the Bureau fund transfers are capped as follows:

- In fiscal year 2011, up to 10 percent of these Federal Reserve System expenses (or approximately $498.0 million),
- In fiscal year 2012, up to 11 percent of these expenses (or approximately $547.8 million),
- In fiscal year 2013, up to 12 percent of these expenses (or approximately $597.6 million), and
- In fiscal year 2014 and beyond, the cap remains at 12 percent but will be adjusted annually based on the percentage increase in the employment cost index for total compensation for State and local government workers published by the federal government.

The Dodd-Frank Act requires the CFPB to maintain an account with the Federal Reserve – "Consumer Financial Protection Bureau Fund" (Bureau Fund). Funds requested from the Board of Governors are transferred into the Bureau Fund. Bureau funds determined not to be needed to meet the current needs of the CFPB are invested in Treasury securities on the open market. Earnings from the investments are also deposited into this fund. During fiscal year 2022 four transfers totaling $641.5 million were received from the Board of Governors. The amount transferred from the Board of Governors to the CFPB was $92.5 million less than the funding cap of $734.0 million for fiscal year 2022.

The Dodd-Frank Act explicitly provides that Bureau funds obtained by or transferred to the CFPB are not government funds or appropriated funds.

Civil Penalty Fund

As discussed previously in Section 1.3 of this report entitled, "Civil Penalty Fund Annual Report," the CFPB collected civil penalties from judicial or administrative actions in the amount of $172.5 million for fiscal year 2022 and $61.4 million for fiscal year 2021.

Other collections

During fiscal year 2022, the CFPB collected $83,700 compared to $91,100 collected in fiscal year 2021 in filing fees pursuant to the Interstate Land Sales Full Disclosure Act of 1968. The fees were deposited into an account maintained by the Department of the Treasury and are retained and available until expended for the purpose of covering all or part of the costs that the CFPB incurs to operate the Interstate Land Sales program.

Fiduciary activity and custodial revenue

Section 1055 of the Dodd-Frank Act authorizes a court in a judicial action, or the CFPB in an administrative proceeding, to grant any appropriate legal or equitable relief for a violation of Federal consumer financial law. Such relief may include redress for victims of the violations, including refunds, restitution, and damages. Relief that is intended to compensate victims is treated as fiduciary funds and deposited into the "Legal or Equitable Relief Fund" established at the Department of the Treasury. Fiduciary assets are not assets of the CFPB and are not recognized on the balance sheet. During fiscal year 2022, the CFPB collected approximately $2.7 million in redress to be administered by the Bureau. Further information is contained in our financial statements at Note 19 entitled, "Fiduciary Activities."

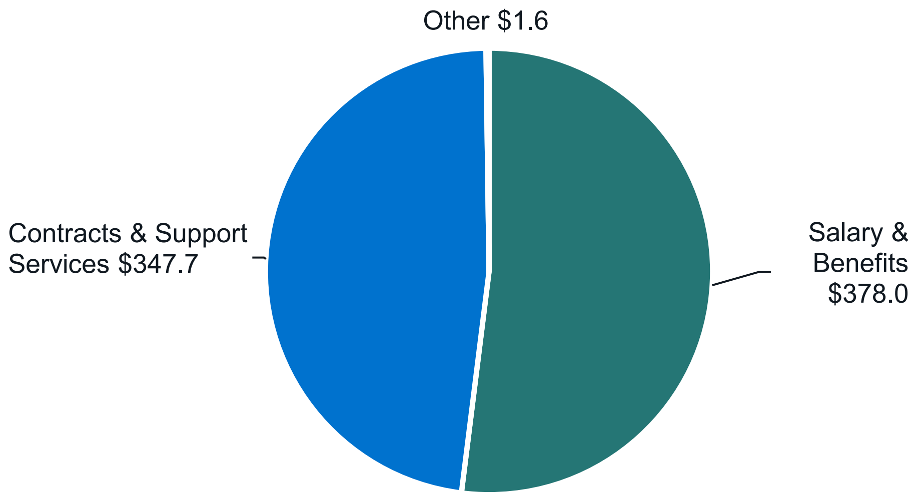
Further, section 1055 of the Act provides that the CFPB may obtain the remedy of disgorgement for a violation of Federal consumer law. Disgorgement paid by the defendant is treated by the CFPB as custodial revenue and maintained in the Miscellaneous Receipts Fund of the U.S. Treasury. The CFPB reported fiscal year 2022 disgorged deposits of approximately $17.6 million and any other miscellaneous funds collected or receivable on the Statement of Custodial Activity – a statement that displays all custodial revenue for fiscal years 2022 and 2021.

What the CFPB has funded

The CFPB's fiscal year 2022 obligations related to resources essential to operations and activities such as personnel, information technology, mission-specific and human capital support, and other general support service activities. The CFPB's new obligations and upward adjustments for fiscal year 2022 were $727.3 million – $378.0 million in Salary & Benefits, $347.7 million in Contracts & Support Services [14], and $1.6 million in All Other.

[14] Includes $84.6 million of interagency agreements (IAA) the Bureau entered into with other Federal agencies and other Federal payments made to Federal Agencies. IAA's are not reported in USASpending.gov

FIGURE 4: FISCAL YEAR 2022 NEW OBLIGATIONS AND UPWARD ADJUSTMENTS ($ IN MILLIONS)



Examples of some of the larger obligations incurred for the CFPB's fiscal year 2022 activities included in the $347.7 million for contracts and support services include:

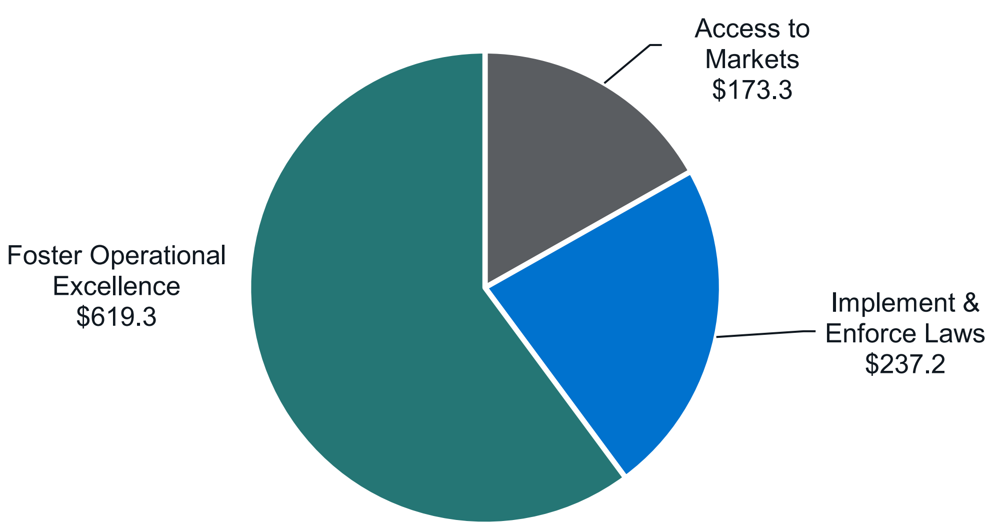
- $18.1 million for enterprise-wide cloud hosting infrastructure, system administration and related IT support services;
- $14.1 million to the Board of Governors of the Federal Reserve System for services provided by the Office of the Inspector General of the Board of Governors of the Federal Reserve System and the Consumer Financial Protection Bureau.
- $13.9 million for Case and Customer relationship management system tools and services for stakeholder engagement, legal case and matter management, enforcement case and matter management, and supervision and examination support.
- $12.2 million for cybersecurity program management, support, monitoring and incident response services.
- $10.2 million to continue to fulfill the Dodd-Frank requirement to facilitate the centralized collection, monitoring and response to consumer complaints, as well as maintain a toll-free consumer hotline.
- $5.8 million for software development support.
- $5.7 million for legal technology software and support.
- $5.4 million for IT service desk and customer support services.

- $5.3 million for miscellaneous IT equipment, hardware and software.
- $5.2 million for identity, credential and technology access management services.

Net costs of the CFPB's operations

The Statement of Net Cost presents the CFPB net cost for its three strategic goals: (1) Ensure that all consumers have access to markets for consumer financial products and services; (2) Implement and enforce the law consistently to ensure that markets for consumer financial products and services are fair, transparent, and competitive; and, (3) Foster operational excellence through efficient and effective processes, governance, and security of resources and information. Net program costs for fiscal year 2022 total $1,029.8 million and are displayed in the chart below.

FIGURE 5: FISCAL YEAR 2022 NET PROGRAM COSTS ($ IN MILLIONS)



1.7 Possible future risks and uncertainties

Possible future impact on financial services environment

It is anticipated that markets in both U.S. and foreign financial services sectors will evolve to address different and ever-changing risk factors based on their programs, unique business mixes, and organizational structures. These future external challenges must be monitored, as they will impact the work of the CFPB in protecting financial consumers and addressing a continually changing financial environment. It is also anticipated that as CFPB continues to exercise its authorities and regulate the financial services markets, the financial institutions in those markets will continue to contest the CFPB's rules, regulations, and authorities. These contests may also impact the work of the CFPB.

2. Financial statements and note disclosures

Message from Dana James

Acting Chief Financial Officer of the CFPB

I am pleased to join Director Chopra in presenting the CFPB's Financial Report for fiscal year 2022. The Financial Report is the CFPB's principal statement of accountability to the American people, the United States Congress, and the President of the United States. Our commitment to transparency and accountability is evident in the CFPB earning its twelfth consecutive unmodified audit opinion on our comparative financial statements for fiscal years 2022 and 2021.

Financial Results for 2022

The CFPB continues to be a responsible steward of agency funds and remains dedicated to sound financial management practices. In 2022, the Bureau Fund obligations totaled approximately $622.2 million, which represents an increase of $24.1 million (4 percent) from 2021. Outlays totaled approximately $590.7 million. The CFPB's staffing increased from 1,591 in fiscal year 2021 to 1,632 in fiscal year 2022.

The unobligated balance held in the Bureau Fund was $128.2 million as of September 30, 2022. During 2022, the CFPB requested a total of $641.5 million from the Board of Governors to fund CFPB operations. The unobligated balance held in the Consumer Financial Civil Penalty Fund was $853.8 million as of September 30, 2022. This amount primarily represents the funding available for harmed consumers who are eligible for full or partial relief from illegal actions taken by financial institutions.

The CFPB continues to make progress in providing compensation to consumers who have been harmed by violations of federal consumer financial protection law. During fiscal year 2022, our enforcement actions resulted or will result in financial institutions, businesses, and individuals providing more than $193.2 million in monetary relief to consumers. We collected over $172.5 million in civil penalties from financial institutions, businesses, and individuals for various violations of consumer financial protection laws ordered in fiscal year 2022. Additionally, the CFPB collected approximately $17.6 million in disgorgement paid to the U.S. Department of the Treasury.

Provided herein are the CFPB's financial statements as an integral part of the fiscal year 2022 Financial Report. Our statements provide the combined financial activity of the

Bureau Fund and the Civil Penalty Fund for reporting purposes. For fiscal year 2022, GAO issued an unmodified audit opinion on the CFPB's fiscal years 2022 and 2021 financial statements. GAO opined that the CFPB maintained, in all material respects, effective internal control over financial reporting as of September 30, 2022. Also, GAO reported that its tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2022 that would be reported under U.S. generally accepted government auditing standards.

Sincerely,

Dana M. James

Dana M. James

2.1 U.S. Government Accountability Office auditor's report

U.S. GOVERNMENT ACCOUNTABILITY OFFICE
441 G St. N.W.
Washington, DC 20548

Independent Auditor's Report

To the Director of the Consumer Financial Protection Bureau

In our audits of the fiscal years 2022 and 2021 financial statements of the Consumer Financial Protection Bureau (CFPB),[1] we found

- CFPB's financial statements as of and for the fiscal years ended September 30, 2022, and 2021, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- CFPB maintained, in all material respects, effective internal control over financial reporting as of September 30, 2022; and
- no reportable noncompliance for fiscal year 2022 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

The following sections discuss in more detail (1) our report on the financial statements and on internal control over financial reporting, which includes required supplementary information (RSI)[2] and other information included with the financial statements;[3] (2) our report on compliance with laws, regulations, contracts, and grant agreements; and (3) agency comments.

Report on the Financial Statements and on Internal Control over Financial Reporting

Opinion on the Financial Statements

In accordance with title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act[4] and the Full-Year Continuing Appropriations Act, 2011,[5] we have audited CFPB's financial statements. CFPB's financial statements comprise the balance sheets as of September 30, 2022, and 2021; the related statements of net cost, changes in net position, budgetary resources, and custodial activity for the fiscal years then ended; and the related notes to the financial statements. In our opinion, CFPB's financial statements present fairly, in all material respects, CFPB's financial position as of September 30, 2022, and 2021, and its net cost of operations, changes in net position, budgetary resources, and custodial activity for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

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[1]The Consumer Financial Protection Act of 2010 established the Bureau of Consumer Financial Protection, also known as the Consumer Financial Protection Bureau. Pub. L. No. 111-203, title X, 1011, 124 Stat. 1955, 1964, *classified at* 12 U.S.C. § 5491.

[2]The RSI consists of Management's Discussion and Analysis, which is included with the financial statements.

[3]Other information consists of information included with the financial statements, other than the RSI and the auditor's report.

[4]Pub. L. No. 111-203, title X, § 1017(a)(4)(B), (a)(5), 124 Stat. 1376, 1976-77 (2010), *classified at* 12 U.S.C. § 5497(a)(4)(B), (a)(5).

[5]Pub. L. No. 112-10, div. B, title V, § 1573(a), 125 Stat 38, 138 (2011), *classified at* 12 U.S.C. § 5496a.

Opinion on Internal Control over Financial Reporting

We also have audited CFPB's internal control over financial reporting as of September 30, 2022, based on criteria established under 31 U.S.C. § 3512(c), commonly known as the Federal Managers' Financial Integrity Act of 1982 (FMFIA), and applicable sections of the Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. In our opinion, CFPB maintained, in all material respects, effective internal control over financial reporting as of September 30, 2022, based on criteria established under FMFIA and applicable sections of OMB Circular A-123.

During our 2022 audit, we identified deficiencies in CFPB's internal control over financial reporting that we do not consider to be material weaknesses or significant deficiencies.[6] Nonetheless, these deficiencies warrant CFPB management's attention. We have communicated these matters to CFPB management.

Basis for Opinions

We conducted our audits in accordance with U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements and Internal Control over Financial Reporting section of our report. We are required to be independent of CFPB and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements and Internal Control over Financial Reporting

Management is responsible for (1) the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles; (2) preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles; (3) preparing and presenting other information included in CFPB's financial report, and ensuring the consistency of that information with the audited financial statements and the RSI; (4) designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; (5) assessing the effectiveness of internal control over financial reporting based on the criteria established under FMFIA and applicable sections of OMB Circular A-123; and (6) its assessment about the effectiveness of internal control over financial reporting as of September 30, 2022, included in the accompanying Management's Report on Internal Control over Financial Reporting in appendix I.

[6] A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Auditor’s Responsibilities for the Audits of the Financial Statements and Internal Control over Financial Reporting

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and about whether effective internal control over financial reporting was maintained in all material respects, and to issue an auditor’s report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements or an audit of internal control over financial reporting conducted in accordance with U.S. generally accepted government auditing standards will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit of financial statements and an audit of internal control over financial reporting in accordance with U.S. generally accepted government auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements in order to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain an understanding of internal control relevant to our audit of the financial statements in order to design audit procedures that are appropriate in the circumstances.

- Obtain an understanding of internal control relevant to our audit of internal control over financial reporting, assess the risks that a material weakness exists, and test and evaluate the design and operating effectiveness of internal control over financial reporting based on the assessed risk. Our audit of internal control also considered CFPB’s process for evaluating and reporting on internal control over financial reporting based on criteria established under FMFIA and applicable sections of OMB Circular A-123. We did not evaluate all internal controls relevant to operating objectives as broadly established under FMFIA and applicable sections of OMB Circular A-123, such as those controls relevant to preparing performance information and ensuring efficient operations. We limited our internal control testing to testing controls over financial reporting. Our internal control testing was for the purpose of expressing an opinion on whether effective internal control over financial reporting was maintained, in all material respects. Consequently, our audit may not identify all deficiencies in internal control over financial reporting that are less severe than a material weakness.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the financial statement audit.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority; regulations; contracts; and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error. We also caution that projecting any evaluation of effectiveness to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Required Supplementary Information

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the RSI be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB, which considers it to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards, which consisted of inquiries of management about the methods of preparing the RSI and comparing the information for consistency with management's responses to the auditor's inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

CFPB's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in CFPB's financial report. The other information comprises a table of federal civil penalties inflation adjustment amounts but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or if the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

In connection with our audits of CFPB's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibilities discussed below.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2022 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to CFPB. Accordingly, we do not express such an opinion.

Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for Tests of Compliance section below.

Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

CFPB management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to CFPB.

Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our responsibility is to test compliance with selected provisions of laws, regulations, contracts, and grant agreements applicable to CFPB that have a direct effect on the determination of material amounts and disclosures in CFPB's financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to CFPB. We caution that noncompliance may occur and not be detected by these tests.

Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

Agency Comments

In commenting on a draft of this report, CFPB stated that it was pleased to receive an unmodified audit opinion on its fiscal years 2022 and 2021 financial statements and on its internal control over financial reporting. In addition, CFPB stated that it will continue to work to enhance its system of internal control and ensure the reliability of its financial reporting.

The complete text of CFPB's response is reprinted in appendix II.

James R. Dalkin
Director
Financial Management and Assurance

November 10, 2022

APPENDIX I

Management's report on internal control over financial reporting

Consumer Financial Protection Bureau

1700 G Street NW, Washington, D.C. 20552

November 10, 2022

Mr. Gene Dodaro
Comptroller General of the United States
441 G Street, NW Washington, DC 20548

Dear Mr. Dodaro,

As required by Section 1017 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, 12 U.S.C. Section 5497(a)(4)(D), the Bureau of Consumer Financial Protection, known as the Consumer Financial Protection Bureau (CFPB) provides this management assertion regarding the effectiveness of internal control that apply to financial reporting by CFPB based on criteria established in Section 3512(c) of Title 31, United States Code (commonly known as the Federal Managers' Financial Integrity Act) and applicable sections of Office of Management and Budget (OMB) Circular A-123.

CFPB's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition; and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority; regulations; contracts; and grant agreements, noncompliance with which could have a material effect on the financial statements.

CFPB management is responsible for maintaining effective internal control over financial reporting, including the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. CFPB management evaluated the effectiveness of CFPB's internal control over financial reporting as of September 30, 2022, based on the criteria established under 31 U.S.C. 3512(c) (commonly known as the Federal Managers' Financial Integrity Act) and applicable sections of OMB Circular A-123.

Based on that assessment, we conclude that, as of September 30, 2022, CFPB's internal control over financial reporting was effective.

Sincerely,

Rohit Chopra

Rohit Chopra, Director
Consumer Financial Protection Bureau

Dana M James

Dana James, Acting Chief Financial Officer
Consumer Financial Protection Bureau

APPENDIX II

Management’s response to the auditor’s report

Consumer Financial Protection Bureau

1700 G Street NW, Washington, D.C. 20552

November 10, 2022

Mr. James Dalkin
Director, Financial Management and Assurance
U.S. Government Accountability Office
441 G Street, N.W., Room 5Q24
Washington, DC 20548

Dear Mr. Dalkin:

I appreciate the opportunity to respond to the Government Accountability Office's (GAO) draft audit report titled, *Financial Audit: Consumer Financial Protection Bureau's FY 2022 and FY 2021 Financial Statements (GAO-23-105879)* and want to thank you and your staff for your dedicated efforts and collaboration to meet the audit requirements.

We are pleased that GAO's auditors rendered an unmodified or "clean" audit opinion, meaning GAO found that the Consumer Financial Protection Bureau's (CFPB) financial statements are presented fairly, in all material respects, and in conformity with U.S. generally accepted accounting principles, the CFPB maintained, in all material respects, effective internal control over financial reporting, and that there were no instances of reportable noncompliance with laws and regulations tested by GAO. Maintaining an unmodified or "clean" audit opinion on the CFPB's comparative financial statements for fiscal years 2022 and 2021 is a significant accomplishment.

We will continue to work to enhance our system of internal control and ensure the reliability of the CFPB's financial reporting. The CFPB looks forward to working with GAO in future audits and truly appreciates GAO's work over the past fiscal year.

If you have any questions relating to this response, please contact Dana James, Acting Chief Financial Officer at Dana.James@cfpb.gov.

Rohit Chopra

Rohit Chopra
Director
Consumer Financial Protection Bureau

consumerfinance.gov

2.2 Financial statements and notes

CONSUMER FINANCIAL PROTECTION BUREAU
BALANCE SHEET
As of September 30, 2022 and 2021
(In Dollars)

	2022	2021
Assets:		
Intragovernmental		
Fund Balance with Treasury (Note 2)	$ 133,003,137	$ 23,421,716
Investments, Net (Note 3)	338,881,864	282,593,672
Accounts Receivable, Net (Note 5)	566,417	583,667
Advances and Prepayments (Note 7)	3,427,614	3,256,635
Total Intragovernmental	475,879,032	309,855,690
With the Public		
Cash and Other Monetary Assets		
Cash in the Bureau Fund (Note 4)	336,867	335,275
Cash in the Civil Penalty Fund (Note 4)	753,023,852	788,495,281
Accounts Receivable, Net (Note 5)	50,099,170	775,190
Property, Equipment, and Software, Net (Note 6)	169,131,760	175,370,820
Advances and Prepayments (Note 7)	8,410,872	7,002,714
Total With the Public	981,002,521	971,979,280
Total Assets	$ 1,456,881,553	$ 1,281,834,970
Liabilities (Note 11):		
Intragovernmental		
Accounts Payable	$ 2,842,577	$ 4,737,162
Advances from Others and Deferred Revenue (Note 8)	764,318	1,979,570
Other Liabilities		
Benefits Contributions Payable	2,938,626	3,234,492
Custodial Liability	2,426	8,412
Other (Note 9)	872,356	761,844
Total Intragovernmental	7,420,303	10,721,480
With the Public		
Accounts Payable	24,758,955	20,112,473
Federal Employee Benefits Payable		
Employer Benefits Contributions	6,920,891	10,640,790
Unfunded Leave (Note 11)	34,571,623	33,763,338
Other Liabilities		
Civil Penalty Fund Liability (Note 10)	673,924,436	348,878,297
Accrued Funded Payroll	14,756,857	12,878,730
Other (Note 9)	47,704	48,015
Total With the Public	754,980,466	426,321,643
Total Liabilities	$ 762,400,769	$ 437,043,123
Commitments and Contingencies (Note 12)		
Net Position:		
Cumulative Results of Operations - Funds From Dedicated Collections (Consolidated Totals) (Note 14)	694,480,784	844,791,847
Total Liabilities and Net Position	$ 1,456,881,553	$ 1,281,834,970

The accompanying notes are an integral part of these financial statements.

CONSUMER FINANCIAL PROTECTION BUREAU
STATEMENT OF NET COST
For the Years Ended September 30, 2022 and 2021
(In Dollars)

	2022	2021
Gross Program Costs:		
Ensure that all consumers have access to markets for consumer financial products and services		
Gross Costs	$ 177,180,478	$ 157,411,133
Less: Earned Revenue	(3,899,524)	(3,673,534)
Net Ensure that all consumers have access to markets for consumer financial products and services	$ 173,280,954	$ 153,737,599
Implement and enforce the law consistently to ensure that markets for consumer financial products and services are fair, transparent, and competitive		
Gross Costs	237,215,135	202,747,071
Less: Earned Revenue	(236)	-
Net Implement and enforce the law consistently to ensure that markets for consumer financial products and services are fair, transparent, and competitive	$ 237,214,899	$ 202,747,071
Foster operational excellence through efficient and effective processes, governance and security of resources and information		
Gross Costs	619,292,054	351,609,744
Less: Earned Revenue	(165)	-
Net Foster operational excellence through efficient and effective processes, governance and security of resources and information	$ 619,291,889	$ 351,609,744
Total Gross Program Costs	1,033,687,667	711,767,948
Less: Total Earned Revenue	(3,899,925)	(3,673,534)
Net Cost of Operations	$ 1,029,787,742	$ 708,094,414

The accompanying notes are an integral part of these financial statements.

CONSUMER FINANCIAL PROTECTION BUREAU
STATEMENT OF CHANGES IN NET POSITION
For the Years Ended September 30, 2022 and 2021
(In Dollars)

	2022	2021
Cumulative Results of Operations:		
Beginning Balances	$ 844,791,847	$ 882,676,113
Nonexchange Revenue		
Transfers from the Board of Governors of the Federal Reserve System	641,500,000	595,900,000
Civil Penalties	221,844,262	61,631,710
Interstate Land Sales Fees	83,700	95,100
Interest from Investments	2,878,794	218,530
Total Nonexchange Revenue	866,306,756	657,845,340
Imputed Financing	13,259,482	12,359,886
Other	(89,559)	4,922
Net Cost of Operations	(1,029,787,742)	(708,094,414)
Net Change in Cumulative Results of Operations	(150,311,063)	(37,884,266)
Cumulative Results of Operations: Ending - Funds from Dedicated Collections (consolidated totals) (Note 14)	$ 694,480,784	$ 844,791,847
Net Position	**$ 694,480,784**	**$ 844,791,847**

The accompanying notes are an integral part of these financial statements.

CONSUMER FINANCIAL PROTECTION BUREAU
STATEMENT OF BUDGETARY RESOURCES
For the Years Ended September 30, 2022 and 2021
(In Dollars)

	2022	2021
Budgetary Resources:		
Unobligated Balance From Prior Year Budget Authority, Net (Note 15)	$ 933,777,913	$ 929,337,058
Funds Available for Obligation	772,661,992	656,176,559
Spending Authority from Offsetting Collections	2,832,084	2,720,558
Total Budgetary Resources	$ 1,709,271,989	$ 1,588,234,175
Status of Budgetary Resources:		
New Obligations and Upward Adjustments (Total)	$ 727,251,054	$ 699,617,210
Unobligated Balance, End of Year:		
Exempt from Apportionment, Unexpired Accounts	982,020,935	888,616,965
Total Budgetary Resources	$ 1,709,271,989	$ 1,588,234,175
Outlays, Net:		
Outlays, Net (Total)	686,493,722	658,998,331
Agency Outlays, Net	$ 686,493,722	$ 658,998,331

The accompanying notes are an integral part of these financial statements.

CONSUMER FINANCIAL PROTECTION BUREAU
STATEMENT OF CUSTODIAL ACTIVITY
For the Years Ended September 30, 2022 and 2021
(In Dollars)

	2022	2021
Total Custodial Revenue:		
Sources of Cash Collections:		
Disgorgement	$ 17,590,732	$ 13,412,373
Miscellaneous	375	151
Total Cash Collections	17,591,107	13,412,524
Accrual Adjustments	1,235	(5,286,786)
Total Custodial Revenue	17,592,342	8,125,738
Disposition of Collections:		
Amounts Transferred to the Department of Treasury	17,591,107	13,412,524
Increase/(Decrease) in Amounts Yet to be Transferred	1,235	(5,286,786)
Total Disposition of Collections	17,592,342	8,125,738
Net Custodial Activity	$ -	$ -

The accompanying notes are an integral part of these financial statements.

Note 1: Summary of significant accounting policies

A. Reporting entity

The Consumer Financial Protection Bureau (CFPB) was established on July 21, 2010 under Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act Public Law No. 111-203 (Dodd-Frank Act). The CFPB was established as an independent bureau within the Federal Reserve System. The CFPB is an Executive agency as defined in section 105 of Title 5, United States Code. Section 1017 of the Dodd-Frank Act provides that the CFPB financial statements are not to be consolidated with the financial statements of either the Board of Governors (BOG) of the Federal Reserve or the Federal Reserve System.

The Dodd-Frank Act authorizes the CFPB to exercise its authorities to ensure that, with respect to consumer financial products and services:

a. Consumers are provided with timely and understandable information to make responsible decisions about financial transactions;

b. Consumers are protected from unfair, deceptive, or abusive acts and practices and from discrimination;

c. Outdated, unnecessary, or unduly burdensome regulations are regularly identified and addressed in order to reduce unwarranted regulatory burdens;

d. Federal consumer financial law is enforced consistently in order to promote fair competition; and

e. Markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation.

Under the Dodd-Frank Act, on the designated transfer date, July 21, 2011, certain authorities and functions of several agencies relating to Federal consumer financial law were transferred to the CFPB in order to accomplish the above objectives. These authorities were transferred from the BOG, Comptroller of the Currency (OCC), Office of Thrift Supervision (OTS), Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), and the Department of Housing and Urban Development (HUD). In addition, the Dodd-Frank Act vested the CFPB with authority to enforce in certain circumstances the Federal Trade Commission's (FTC) Telemarketing Sales Rule and its rules under the FTC Act, although the FTC retains full authority over these rules. The Dodd-Frank Act also provided the CFPB with certain other federal consumer financial regulatory authorities in addition to these transferred authorities.

To accomplish its mission, the CFPB is organized into five primary divisions:

1. **Consumer Education and External Affairs:** provides, through a variety of initiatives and methods, including offices on specific populations, information to consumers to allow them to make financial decisions that are best for them. Additionally, they hear directly from consumers about challenges they face in the marketplace through their complaints, questions, and feedback. The division also manages the CFPB's relationships with external stakeholders and ensures that the CFPB maintains robust dialogue with interested stakeholders to promote understanding, transparency, and accountability.

2. **Supervision, Enforcement and Fair Lending:** ensures compliance with Federal consumer financial laws by supervising market participants and bringing enforcement actions when appropriate.

3. **Research, Markets and Regulations:** conducts research to understand consumer financial markets and consumer behavior, evaluates whether there is a need for regulation, and determines the costs and benefits of potential or existing regulations.

4. **Legal:** ensures the CFPB's compliance with all applicable laws and provides advice to the Director and the CFPB's divisions.

5. **Operations:** builds and sustains the CFPB's operational infrastructure to support the entire organization.

In addition to the five primary divisions described above, the Office of the Director also includes offices focused on strategy equal opportunity, civil rights and fairness.

The CFPB workforce is spread across the country with its headquarters in Washington, D.C. The CFPB's headquarters is located at 1700 G Street, N.W., Washington, D.C., utilizing space pursuant to an interagency agreement with the Office of the Comptroller of the Currency. The CFPB also utilizes space pursuant to occupancy agreements with GSA for the regional offices in New York, Chicago, San Francisco, and Atlanta.

Additional information on the organizational structure and responsibilities of the CFPB is available on the CFPB's website at http://www.consumerfinance.gov/.

B. Basis of presentation

The CFPB's principal statements were prepared from its official financial records and general ledger in conformity with GAAP and, while not required to comply with all OMB guidance such as OMB Circular A-136, *Financial Reporting Requirements,* the CFPB generally tracks the general presentation guidance established by OMB Circular A-136, as revised. The CFPB changed the presentation of the liabilities on the balance sheet to align with OMB Circular A-136 (Revised June 3, 2022) and the fiscal year 2021 balances were also realigned accordingly. The financial statements are a requirement of the Dodd-Frank Act. The financial statements are in addition to the financial reports prepared by the CFPB, which are used to monitor and control budgetary resources. The financial statements have been prepared to report the financial position, net cost of operations, changes in net position, the status and availability of budgetary resources, and the custodial activities of the CFPB. Financial statements are presented on a comparative basis. During fiscal year 2018, the CFPB prepared and issued a five-year strategic plan for fiscal years 2018 through 2022 that contains three strategic goals and associated performance metrics. The five-year strategic plan was designed to meet the objectives of the Government Performance and Results Act and help the CFPB measure its performance in fulfilling its responsibilities under the Dodd-Frank Act.

C. Basis of accounting

Transactions are recorded on both an accrual accounting basis and a budgetary basis. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when incurred, without regard to receipt or payment of cash. Budgetary accounting facilitates compliance with legal requirements and controls over the use of funds. The Statement of Custodial Activity is presented on the modified cash basis of accounting. Cash collections and amounts transferred to Treasury are reported on a cash basis. The change in receivables is reported on an accrual basis. The CFPB conforms to GAAP for federal entities as prescribed by the standards set forth by the Federal Accounting Standards Advisory Board (FASAB). FASAB is recognized by the American Institute of Certified Public Accountants as the body designated to establish GAAP for federal government entities.

Certain assets, liabilities and costs have been classified as intragovernmental throughout the financial statements and notes. Intragovernmental assets and liabilities are those due from or to other federal entities. Intragovernmental costs are payments or accruals due to other federal entities. Accounting transactions with the Federal Financial Institutions Examination Council (FFIEC) are classified as intragovernmental whereas accounting transactions with the Federal Reserve System, which includes both the BOG and the Federal Banks, are classified as with the public.

The CFPB has rights and ownership of all assets, except for custodial or non-entity assets, reported in these financial statements. Custodial/Non-entity assets can result from the CFPB enforcement actions that require the defendant to pay disgorgement as well as from the collection of Freedom of Information Act (FOIA) fees. Disgorgement is an equitable remedy that a court or the CFPB can impose in a judicial or administrative action to deprive defendants of their ill-gotten gains and to deter violations of Federal consumer financial laws. In addition, as further discussed in Note 1.S. and Note 19 the CFPB also administers certain funds in a fiduciary capacity.

D. Funding sources

The CFPB's funding is obtained primarily through transfers from the BOG, interest earned on investments, and penalties and fees collected. The Dodd-Frank Act requires the CFPB to maintain an account with the Federal Reserve – the "Consumer Financial Protection Bureau Fund" (Bureau Fund). The Director of the CFPB, or the Director's designee, requests transfers from the BOG in amounts necessary to carry out the authorities and operations of the CFPB. The BOG transfers the funds into the Bureau Fund, which is maintained at the Federal Reserve Bank of New York (FRBNY). CFPB funds determined not needed to meet the current needs of the CFPB are invested in Treasury securities on the open market. Earnings from the investments are also deposited into this fund. The CFPB requests funds on a quarterly basis. The funds maintained at the FRBNY are reported in the financial statements and related notes and represent budget authority for the CFPB.

The CFPB funding requests for the Bureau Fund are capped as follows:

The amount that shall be transferred to the CFPB in each fiscal year shall not exceed a fixed percentage of the total operating expenses ($4.98 billion) of the Federal Reserve System, subject to an annual inflation adjustment, as reported in the Annual Report, 2009, of the BOG, equal to:

- In fiscal year 2011, up to 10 percent of these Federal Reserve System expenses (or approximately $498.0 million),
- In fiscal year 2012, up to 11 percent of these expenses (or approximately $547.8 million),
- In fiscal year 2013, up to 12 percent of these expenses (or approximately $597.6 million), and
- In fiscal year 2014 and beyond, the cap remains at 12 percent but will be adjusted annually based on the percentage increase in the employment cost index for total compensation for State and local government workers published by the federal government.

The Dodd-Frank Act explicitly provides that CFPB funds obtained by or transferred to the Bureau Fund are not government funds or appropriated funds.

The CFPB also collects filing fees from developers under the Interstate Land Sales Full Disclosure Act (ILSA). ILSA protects consumers from fraud and abuse in the sale or lease of land. On July 21, 2011, the responsibility for administering ILSA was transferred to the CFPB from HUD pursuant to the Dodd-Frank Act. The Dodd-Frank Act requires land developers to register subdivisions of 100 or more non-exempt lots and to provide each purchaser with a disclosure document called a Property Report. Developers must pay a fee when they register such subdivisions. While the CFPB continues to administer the legislation with respect to the transfer of these functions under the ILSA, and collect the fees, the fees are currently being deposited into a separate subaccount. The fees collected may be retained and are available until expended for the purpose of covering all or part of the costs that the CFPB incurs for ILSA program operations.

The CFPB also collected, during calendar years 2016, 2017, and 2018, advances from the FFIEC[15] member agencies and HUD for the development of the system to collect data per authority under the Home Mortgage Development Act (HMDA). Through a Memoranda of Understanding (MOU) an agreement was reached on the funding needed to develop a new HMDA system. The amounts collected represent a liability for advances from others and deferred revenue. A further discussion can be found in Note 1. Q and Note 8.

Pursuant to the Dodd-Frank Act, the CFPB is also authorized to obtain civil penalties for violations of Federal consumer financial laws. The Act requires the CFPB to maintain a separate fund, known as the Consumer Financial Civil Penalty Fund (Civil Penalty Fund). Civil penalties are deposited into the Civil Penalty Fund (CPF) established and maintained at the FRBNY. The Act authorizes the CFPB to use the CPF for payment to the victims of activities for which civil penalties have been imposed and, in certain circumstances, for consumer education and financial literacy programs. Amounts in the CPF are available "without fiscal year limitation."

The CFPB sequesters new budget authority in both the Bureau Fund and CPF in the current fiscal year. The sequestered funds are not available for obligation in the Bureau Fund or allocation in the CPF in the year collected but will become available for obligation or allocation in the following fiscal year. The amount of funds sequestered can be found in Note 2 and in the

[15] The FFIEC member agencies with HMDA responsibilities and party to the MOU for the design and development of the new HMDA system are: Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the Consumer Financial Protection Bureau.

President's Budget, which is scheduled for publication in February of each year, at the OMB Web site: http://www.whitehouse.gov/omb/. See additional discussion in Note 4.

Goods and services are received from other federal entities at no cost or at a cost less than the full cost to the providing federal entity. Consistent with accounting standards, certain costs of the providing entity that are not fully reimbursed by the CFPB are recognized as imputed cost in the CFPB's Statement of Net Cost and are offset by an imputed financing source in the CFPB's Statement of Changes in Net Position. The CFPB recognizes as an imputed financing source the amount of pension and post-retirement benefit expenses for current employees that OCC and the Office of Personnel Management (OPM) has or will pay on the CFPB's behalf. Further, the CFPB recognizes earned revenue for reimbursable activity of the CFPB staff detailed to either intragovernmental or public entities. However, unreimbursed costs of goods and services other than those identified above are not included in our financial statements.

E. Use of estimates

The CFPB has made certain estimates and assumptions relating to the reporting of assets, liabilities, revenues, expenses, accruals, and the disclosure of contingent liabilities to prepare these financial statements. The estimates are based on current conditions that may change in the future. Actual results could differ from these estimates. Some of the significant transactions subject to estimates include accruals, costs regarding benefit plans for the CFPB employees that are administered by OPM, OCC and the Federal Reserve System, costs regarding payments to victims from the CPF, and cost allocations among the programs on the Statement of Net Cost.

F. Funds from dedicated collections

FASAB's Statement of Federal Financial Accounting Standards (SFFAS) No. 27, as amended by SFFAS 43, contains three requirements for funds to be considered funds from dedicated collections: (1) A statute committing the federal government to use specifically identified revenues and/or other financing sources that are originally provided to the federal government by a non-federal source only for designated activities, benefits or purposes; (2) Explicit authority for the fund to retain revenues and/or other financing sources not used in the current period for future use to finance the designated activities, benefits, or purposes; and (3) A requirement to account for and report on the receipt, use and retention of the revenues and/or other financing sources that distinguishes the fund from the federal government's general revenues.

Based on the standard's criteria, the CFPB has determined that the Bureau Fund is a fund from dedicated collections due to its meeting the three required criteria – source of funds are from a non-federal source, explicit authority to retain funds for future use, to finance designated activities, benefits, or purposes, and a requirement to account for and report on the funds receipt, use and retention separate from the federal government's general revenues. Further, the CFPB has determined based on the criteria of SFFAS 27 & 43 that the CPF is also a fund from dedicated collections and has established a separate special fund to account for its activity. These funds, which also qualify as special funds, are discussed further in Note 1.H. below. See additional disclosure in Note 14 "Funds from Dedicated Collections."

G. Entity and non-entity assets

Entity assets are assets that the CFPB may use in its operations. This includes amounts where the CFPB management has the authority to decide how funds will be used. Non-Entity Assets are those assets that an agency holds on behalf of another Federal agency or on behalf of a third party and are not available for the agency's use. The CFPB's non-entity assets include accounts receivable and cash from disgorgement payments made by defendants and other miscellaneous fees collected and recorded in the Statement of Custodial Activity (See Note 5 "Accounts receivable, net"). FOIA non-entity fees collected are reported on the Statement of Changes in Net Position and the Statement of Net Cost.

H. Fund balance with Treasury

The U.S. Treasury holds funds in the Treasury General Account for the CFPB which are available to pay agency liabilities and to finance authorized purchase obligations. Treasury processes cash receipts, such as fees collected from the ILSA program, and makes disbursements on the CFPB's behalf. As discussed in Note 1.D. above, the CFPB also maintains an account with the FRBNY known as the Bureau Fund. During the year, increases to the Bureau Fund are generally comprised of fund transfers from the BOG and investment interest. These funds are available for transfer to the CFPB's Fund Balance with Treasury. Also, as discussed above in Note 1.D., the CFPB maintains an additional account at the FRBNY for the CPF. These funds are also available for transfer to the CFPB's Fund Balance with Treasury under a separate fund symbol from the Bureau Fund. The CFPB's Fund Balances with Treasury for all funds described above are maintained as special funds. A special fund is established where the law requires collections to be used for a specific purpose, and the law neither authorizes the fund to conduct a cycle of business-type operations (making it a revolving fund) nor designates it as a trust fund.

The CFPB also receives non-entity assets, custodial revenues and fiduciary activity that are maintained in the Miscellaneous Receipts Fund of the U.S. Treasury, and a deposit fund respectively. The Miscellaneous Receipts fund holds non-entity receipts that the CFPB cannot deposit into funds under its control. This fund includes disgorgement deposits and any other miscellaneous funds collected (e.g., FOIA fees) that will be sent to the U.S. Treasury General Fund upon collection. Enforcement activity can result in the CFPB receiving redress funds that are maintained in a deposit fund. Redress funds are held in a fiduciary capacity until the CFPB can make payment directly to the harmed individuals or entities.

I. Investments

The CFPB has the authority to invest the funds in the Bureau Fund account that are not required to meet the current needs of the CFPB. The CFPB invests solely in U.S. Treasury securities purchased at a discount on the open market, which are normally held to maturity and carried at cost. The CFPB selects investments with maturities suitable to its needs, currently three-month Treasury bills. Investments are adjusted for discounts. In accordance with GAAP, the CFPB records the value of its investments in U.S. Treasury securities at cost and amortizes the discount on a straight-line basis over the term of the respective issues. Results under the straight-line method approximate results under the interest method. Interest is credited to the Bureau Fund.

J. Accounts receivable

Accounts receivable consists of amounts owed to the CFPB. An allowance for uncollectible accounts receivable from the public is established when either (1) management determines that collection is unlikely to occur after a review of outstanding accounts and the failure of all collection efforts, or (2) an account for which no allowance has been established is submitted to Treasury for collection, which generally takes place when it becomes 120 days delinquent.

K. Property, Equipment, and Software, Net

Property, Equipment, and Software is recorded at historical cost. It consists of tangible assets and software. Under the CFPB's property management policy, equipment acquisitions of $50,000 or more are capitalized and depreciated using the straight-line method (using a half year convention for the year assets are placed into service) over the estimated useful life of the asset. Similarly, internal use software, software purchased or developed to facilitate the operation of an entity's programs, is capitalized for software of $750,000 or more and depreciated using the straight-line method (using a half year convention) over the estimated useful life of the asset. Additionally, for bulk purchases of similar items, which individually do not meet the capitalization threshold, the acquisition is capitalized and depreciated if the depreciated basis of the bulk purchase is $500,000 or more. Applicable standard governmental guidelines regulate the disposal and convertibility of agency property and equipment.

The useful life classifications for capitalized assets are as follows:

TABLE 20: TABLE OF PROPERTY, EQUIPMENT, AND SOFTWARE CATEGORY USEFUL LIVES

Property, Equipment, and Software Category	Useful Lives (years)
Laptop/Desktop Computers	3
Internal Use Software	5
Mainframe Computer System	7
Servers	7
Telecommunications Equipment	7
Furniture	8
Other Equipment	10
Leasehold (Capital) Improvement	See Note[16]

The CFPB has no real property holdings or stewardship or heritage assets. Other property items, normal repairs, and maintenance are charged to expense as incurred.

L. Advances and Prepaid Charges

Advances and prepayments may occur because of reimbursable agreements, subscriptions, payments to contractors and employees, and payments to entities administering benefit programs for the CFPB employees. Payments made in advance of the receipt of goods and services are recorded as advances or prepaid charges at the time of prepayment and recognized as expenses when the related goods and services are received.

M. Liabilities

Liabilities represent the amount of monies likely to be paid by the CFPB because of transactions or events that have already occurred. Liabilities may be intragovernmental (claims against the CFPB by other Federal agencies) or with the public (claims against the CFPB by an entity or person that is not a Federal agency). However, no liability can be paid if there is no funding. Liabilities for which funds are not available are classified as not covered by budgetary resources.

[16] A leasehold (capital) improvement's useful life is equal to the remaining occupancy agreement term or the estimated useful life of the improvement, whichever is shorter.

There is no certainty that the funding will be received. Additionally, the government, acting in its sovereign capacity, can abrogate liabilities. Liabilities not covered by budgetary resources on the Balance Sheet are equivalent to amounts reported as components of Net Cost that are not part of Net Outlays on the Reconciliation of Net Cost to Net Outlays in Note 17.

CIVIL PENALTY FUND

The CFPB has determined that for the funds collected and deposited into the CPF, victims do not have ownership rights to those funds that the Federal government must uphold. Of the funds deposited into the CPF, the CPF Administrator allocates funds to classes of victims of violations for which civil penalties have been imposed under the Federal consumer financial laws and, to the extent that such victims cannot be located or such payments are otherwise not practicable, to consumer education and financial literacy programs. The amount allocated by the Fund Administrator may differ from the amount of uncompensated harm initially estimated based on the court order, settlement agreement, or documentation provided by the Office of Enforcement due to additional research and documentation obtained after the initial estimate was calculated. The measurement of the liability for consumer education and financial literacy programs is based on the services provided under the applicable contracts and any year end accruals. The measurement of the liability for potential payments to harmed consumers is based on the results of the defined allocation process and any year end accruals. The year-end accruals are based on documentation from the Office of Enforcement regarding the potential uncompensated harm of closed cases as of September 30th of each year. Please see Note 10 for additional information on the amounts accrued in the financial statements for these cases.

N. Annual, Sick, and Other Leave

Annual leave, compensatory time, and credit hours earned by the CFPB's employees, but not yet used, are reported as accrued liabilities. The accrued balance is adjusted annually to current pay rates. The accrued leave, for which funding is not available, is recorded as an unfunded liability. Sick and other leave are expensed as taken.

O. Employee Benefits

The CFPB's employees may enroll in some benefit programs administered by OPM and have the option to enroll in non-Title 5 benefit programs sponsored by the CFPB in addition to, or in lieu of, OPM programs. For those employees participating in OPM's benefit programs, the CFPB records the employer's contribution to those programs. For those employees participating in the CFPB's non-Title 5 benefit programs, the CFPB directly contracts with vendors to provide those services. The CFPB recognizes the employer's contributions for these benefits as the benefits are earned. All of these costs are reflected as expenses in the CFPB's financial statements.

P. Pension costs and other retirement benefits

The CFPB's employees are enrolled in several retirement and pension programs and post-employment benefits in accordance with the Dodd-Frank Act.

EMPLOYEES TRANSFERRED FROM THE FEDERAL RESERVE, OCC, OTS, FDIC, AND HUD

The Dodd-Frank Act allowed employees transferred from OCC, OTS, FDIC, and HUD to continue participating in the pension or retirement plans in which they were enrolled at their transferring agency or to affirmatively elect, between January 21, 2012 and January 20, 2013, to join the Federal Reserve System Retirement Plan and the Federal Reserve System Thrift Plan. Many transferee employees from these agencies are in the traditional Title 5 retirement plans (Federal Employees Retirement System (FERS), Civil Service Retirement System (CSRS), or CSRS Offset); however, a few transferees from OTS are in a non-Title 5 plan (i.e., Pentegra Defined Benefit Plan). Transferees from the Federal Reserve were allowed to remain in the Federal Reserve System retirement program or to affirmatively elect into the appropriate Title 5 retirement plan during that same timeframe. For those employees who elected to enroll in an alternative retirement plan, the enrollment became effective in January 2013.

The CFPB does not report on its financial statements' information pertaining to the retirement plans covering its employees. Reporting amounts such as plan assets, accumulated plan benefits, and related unfunded liabilities, if any, is the responsibility of the Federal Reserve System, OCC, or OPM as the administrator of their respective plans. In all cases, the CFPB pays any employer contributions required by the plans. Refer to the chart below for information on which agency administers each of the retirement plans for the CFPB employees.

OCC, OTS, and FDIC also offered other agency-only savings plans to employees. Any transferees who participated in such plans are allowed to continue their participation as long as they remain enrolled in their current retirement plans. In such cases, the CFPB pays any employer contributions. Employees who elect to enroll in the Federal Reserve System retirement plan will not be allowed to continue their participation in either the Title 5 Thrift Savings Plan or the OCC, OTS, and FDIC agency savings plans.

The CFPB has also reimbursed the transferring agencies for administrative costs pursuant to MOU with the transferring agencies. These costs are reflected as expenses in the CFPB's financial statements.

ALL OTHER EMPLOYEES OF THE CFPB

Employees hired with prior Title 5 Federal Retirement System coverage who are not transferees under the Dodd Frank Act may remain enrolled in the appropriate retirement programs administered by OPM – CSRS, CSRS Offset, or FERS. These employees alternatively have the option to enroll in the Federal Reserve System retirement plans (FRSRP). The CFPB began providing these new employees the opportunity to enroll in the Federal Reserve retirement system plans beginning in November 2011. For those employees electing to enroll in the Federal Reserve System's retirement plans, the enrollment becomes effective at the beginning of the pay period following receipt of their written election decision. New employees with no previous coverage under a Title 5 retirement plan are automatically enrolled in the Federal Reserve System's retirement plans. The CFPB pays the employer's contribution into those plans.

TABLE 21: PENSION/RETIREMENT PLANS FOR CFPB EMPLOYEES

Name	Administering Agency
Federal Reserve System Retirement Plan (FRSRP)	Federal Reserve System
Federal Reserve System Thrift Plan	Federal Reserve System
Pension Enhancement Plan for Officers of the Board of Governors of the Federal Reserve System	Federal Reserve System
Retirement Plan for Employees of the Federal Reserve System Benefits Equalization Plan	Federal Reserve System
Retirement Plan for Employees of the Federal Reserve System Benefits Equalization Plan for Section 415 Excess Benefits	Federal Reserve System
Thrift Plan for Employees of the Federal Reserve System Benefits Equalization Plan	Federal Reserve System
Civil Service Retirement System (CSRS)	OPM
CSRS Offset	OPM
Federal Employees Retirement System (FERS)	OPM
Thrift Savings Plan	Federal Retirement Thrift Investment Board
Federal Deposit Insurance Corporation (FDIC) Savings Plan	FDIC
Office of the Comptroller of the Currency (OCC) 401(k)	OCC
Office of Thrifty Supervision (OTS) 401(k)	OCC
OTS Deferred Compensation Plan	OCC
Pentegra Defined Benefit Plan (OTS)	OCC (administration is through Pentegra)

The CFPB does not have a separate pension or retirement plan distinct from the plans described above. The CFPB expenses its contributions to the retirement plans of covered employees as the expenses are incurred. The CFPB reports imputed costs (not paid by the CFPB) with respect to retirement plans (OPM-administered), health benefits and life insurance pursuant to guidance received from OPM. These costs are paid by OPM. Disclosure is intended to provide information regarding the full cost of the CFPB's program in conformity with GAAP.

The CFPB recognizes the employer's contributions for the retirement plans administered by the Federal Reserve. The CFPB is responsible for transferring to the Federal Reserve both the employer's contributions and the employee's contributions that the CFPB has collected from employees. Under section 1013(a)(3)(C) of the Dodd-Frank Act, the CFPB is required to pay an employer contribution to the FRSRP in an amount established by the employer contribution under the Federal Employees Retirement System – for fiscal year 2022 it was 18.4 percent of salary. For fiscal years 2022 and 2021 those amounts were $42.5 million and $35.8 million, respectively.

Consistent with the disclosures in the financial statements of the BOG, the FRSRP provides retirement benefits to employees of the Board, the Federal Reserve Banks and certain employees of the CFPB. The FRBNY, on behalf of the Federal Reserve System, recognizes the net assets and costs associated with the System Plan in its financial statements. Consistent with provisions of a single-employer plan, costs associated with the System Plan are aggregated by the FRBNY on behalf of the Federal Reserve Systems and were not redistributed to individual entities (e.g., CFPB). Accordingly, the CFPB cannot report the full cost of the plan benefits applicable to the CFPB employees. Please see the Federal Reserve Banks Combined Financial Statements for the net assets and costs associated with the System Plan.
(https://www.federalreserve.gov/aboutthefed/fed-financial-statements.htm)

Q. Advances from Others and Deferred Revenue

Through a MOU with the FFIEC, the FFIEC members[17] and HUD, an agreement was reached on the funding needed to develop a new HMDA system. During the design and development of the system, the CFPB treated the receipt of payments made by FFIEC members and HUD as advances and recorded the collections as advances from others and deferred revenue. Once the system became operational and made available, the associated portion of the CFPB's advances started being liquidated to earned exchange revenue over the useful life of the asset. On an annual basis, the FFIEC members and HUD contribute to the ongoing operations and maintenance costs of the system. HUD pays their portion up-front for the full year. The

[17] The FFIEC member agencies with HMDA responsibilities and party to the MOU for the design and development of the new HMDA system are: Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the Consumer Financial Protection Bureau.

collection of HUD's payment is also recorded as advances from others and deferred revenue and liquidated over the calendar year. See Note 8 for additional information.

R. Commitments and Contingencies

Commitments reflect binding agreements that may result in the future expenditure of financial resources that are not recognized or not fully recognized on the Balance Sheet. See Note 13, "Rental payments for space" and see Note 16, "Undelivered orders at the end of the period".

A contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible gain or loss to an entity that will ultimately be resolved when one or more future events occur or fail to occur. Liabilities are deemed contingent when the existence or amount of the liability cannot be determined with certainty pending the outcome of future events. Contingencies are recognized on the balance sheet and statement of net cost when the future outflow or sacrifice of resources is probable and can be reasonably estimated. Contingencies are disclosed in the notes to the financial statements when there is a reasonable possibility of a loss from the outcome of future events or when there is a probable loss that cannot be reasonably estimated. See Note 12 for additional information.

S. Fiduciary activities

The Dodd-Frank Act, section 1055 authorizes the court in a judicial action or the CFPB in an administrative proceeding to grant any appropriate legal or equitable relief for a violation of Federal consumer financial law. Such relief may include redress for victims of the violations, including refunds, restitution, and damages. Relief that is intended to compensate victims is treated as fiduciary funds and deposited into the "Legal or Equitable Relief Fund" established at the Department of the Treasury. Fiduciary assets are not assets of the CFPB and are not recognized on the balance sheet. See Note 19, Fiduciary Activities.

T. Custodial activities

Under section 1055 of the Dodd-Frank Act, the CFPB may obtain disgorgement for violations of Federal consumer law. Disgorgement paid by the defendant is treated by the CFPB as a custodial activity. The CFPB will report those disgorged deposits and any other miscellaneous funds collected on the Statement of Custodial Activity.

U. Classified activities

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

Note 2: Fund balance with Treasury

Fund Balance with Treasury account balances as of September 30, 2022 and September 30, 2021 were as follows:

		2022		2021
Status of Fund Balance With Treasury:				
Unobligated Balance				
Available	$	982,020,934	$	888,616,965
Unavailable		46,568,002		3,500,440
Obligated Balances Not Yet Disbursed		195,467,303		202,703,000
Investments at Cost		(337,692,383)		(282,568,133)
Cash Held Outside of Treasury (Note 4)		(753,360,719)		(788,830,556)
Total Fund Balance with Treasury	$	133,003,137	$	23,421,716

Unobligated Balance Available represents the amount of budget authority that can be used to enter into new obligations. This amount, or a portion thereof, may be administratively dedicated for specific purposes that have not yet been obligated. The Unobligated Balance Unavailable represents the amount of budget authority that has been sequestered and cannot be used this fiscal year to enter into new obligations. The Obligated Balance Not Yet Disbursed represents amounts designated for payment of goods and services ordered but not received or goods and services received but for which payment has not yet been made.

Note 3: Investments

As discussed further in Note 4, the CFPB invests the portion of the Bureau Fund that is not required to meet the current needs of the CFPB. The CFPB funds available are used to invest in three-month U.S. Treasury bills. The market value is determined by the secondary U.S. Treasury market and represents the value an individual investor is willing to pay for these securities, as of September 30, 2022 and September 30, 2021.

Investments as of September 30, 2022 consist of the following:

	Cost	Amortization Method	Amortized (Premium) Discount	Investments Net	Market Value
Intragovernmental Securities:					
Marketable	337,692,383	Straight-Line	1,189,481	338,881,864	338,805,176
Total Investments	$ 337,692,383		$ 1,189,481	$ 338,881,864	$ 338,805,176

Investments as of September 30, 2021 consist of the following:

	Cost	Amortization Method	Amortized (Premium) Discount	Investments Net	Market Value
Intragovernmental Securities:					
Marketable	282,568,133	Straight-Line	25,539	282,593,672	282,593,068
Total Investments	$ 282,568,133		$ 25,539	$ 282,593,672	$ 282,593,068

Note 4: Cash and other monetary assets

The CFPB has both cash and investments held outside of Treasury. When transfers are made from the BOG to the CFPB, the funds are deposited into an account held within the FRBNY referred to as the Bureau Fund. The account has a required minimum balance of $250,000 and any funds in excess of this minimum are invested in Treasury securities in increments of $100,000. The CFPB requests cash disbursement from the Bureau Fund at the FRBNY to the CFPB's Fund Balance with Treasury based on projections of future cash outlays.

Funds obtained by, transferred to, or credited to the Bureau Fund are immediately available to the CFPB less sequestered funds. The funds are under the control of the Director, and shall remain available until expended, to pay for the expenses of the CFPB in carrying out its duties and responsibilities. Bureau Funds include $36.7 million that was sequestered in fiscal year 2022. These funds are not available for obligation in fiscal year 2022 but will become available to the CFPB in fiscal year 2023.

Amounts in the CPF are immediately available to the CFPB less sequestered funds. The funds are under the control of the Director, and shall remain available until expended, for payments to victims of activities for which civil penalties have been imposed. To the extent that such victims cannot be located, or such payments are otherwise not practicable, the CFPB may use funds in the CPF for the purpose of consumer education and financial literacy programs. CPF funds include $9.8 million that was sequestered in fiscal year 2022. These funds are not available for allocation in fiscal year 2022 but will become available to the CFPB in fiscal year 2023. In fiscal year 2021, $3.5 million was sequestered and was unavailable for allocation in fiscal year 2021 but became available for allocation in fiscal year 2022.

In enforcement actions and proceedings under Federal consumer financial laws, a court or the CFPB may order any appropriate legal or equitable relief for a violation of Federal consumer financial law. Relief provided may include certain types of monetary relief, including refunds, restitution, disgorgement, and civil penalties. Any civil penalty obtained from any person and entity in any judicial or administrative action under Federal consumer financial laws is deposited into the CPF. Funds obtained by or transferred to the Bureau Fund shall not be construed to be government funds or appropriated monies. Funds in the Bureau Fund and the CPF are not subject to apportionment for purposes of chapter 15 Title 31, United States Code, or under any other authority.

Account balances as of September 30, 2022 and September 30, 2021:

	2022	2021
Cash		
Cash Held in the Bureau Fund at the Federal Reserve	$ 336,867	$ 335,275
Cash Held in the Civil Penalty Fund at the Federal Reserve	753,023,852	788,495,281
Total Cash and Other Monetary Assets	$ 753,360,719	$ 788,830,556

As of September 30, 2022, and 2021, the CFPB had allocated or set-aside, but not distributed, $705.0 million and $370.0 million, respectively, for victim compensation, consumer education and financial literacy programs, and administrative set-asides. See Note 10 for a discussion regarding victim compensation allocation and for a discussion regarding the amount available for future allocations.

Note 5: Accounts receivable, net

Accounts receivable represents amounts owed to the CFPB. Account balances as of September 30, 2022 and September 30, 2021:

	2022	2021
Intragovernmental		
Accounts Receivable	$ 566,417	$ 583,667
Total Intragovernmental Accounts Receivable	$ 566,417	$ 583,667
With the Public		
Accounts Receivable:		
Bureau Fund	$ 96,744	$ 91,027
Civil Penalty Fund	50,000,000	675,751
Custodial Funds	2,426	8,412
Total Public Accounts Receivable	$ 50,099,170	$ 775,190
Total Accounts Receivable	**$ 50,665,587**	**$ 1,358,857**

Account receivable amounts disclosed above are for Federal and Non-federal transactions. As of September 30, 2022, the majority of accounts receivable represent anticipated collections of Civil Monetary Penalties (with the Public) and amounts due from the FFIEC for HMDA O&M costs (Intragovernmental). In fiscal year 2021, the majority of accounts receivable were amounts owed to the CFPB for the Civil Penalty Fund (with the Public) and amounts due from the FFIEC for HMDA O&M costs (Intragovernmental). There were no uncollectable accounts receivable as of September 30, 2022 and 2021, respectively.

Note 6: Property, equipment and software, net

Schedule of Property, Equipment, and Software as of September 30, 2022 consists of the following:

Major Class	Acquisition Cost	Accumulated Depreciation and Amortization	Net Book Value
Leasehold Improvements	$ 180,703,466	$ 26,757,236	$ 153,946,230
Furniture & Equipment	32,411,580	22,073,619	10,337,961
Internal Use Software	27,352,908	22,599,256	4,753,652
Internal Use Software-In-Development	93,917	-	93,917
Total Property, Equipment and Software	$ 240,561,871	$ 71,430,111	$ 169,131,760

Schedule of Property, Equipment, and Software as of September 30, 2021 consists of the following:

Major Class	Acquisition Cost	Accumulated Depreciation and Amortization	Net Book Value
Leasehold Improvements	$ 178,802,366	$ 18,932,266	$ 159,870,100
Furniture & Equipment	31,545,706	22,781,559	8,764,147
Internal Use Software	25,506,613	18,770,040	6,736,573
Total Property, Equipment and Software	$ 235,854,685	$ 60,483,865	$ 175,370,820

Leasehold Improvements primarily represent costs incurred for the completed building renovations at the CFPB's headquarters at 1700 G Street N.W., Washington D.C. See Note 1.K. for useful life and depreciation method.

Note 7: Advances & prepayments

Advances and Prepayment balances as of September 30, 2022 and September 30, 2021 were as follows:

	2022	2021
Intragovernmental		
Advances and Prepayments	$ 3,427,614	$ 3,256,635
Total Intragovernmental Other Assets	$ 3,427,614	$ 3,256,635
With the Public		
Advances and Prepayments	$ 8,410,872	$ 7,002,714
Total Public Other Assets	$ 8,410,872	$ 7,002,714

In fiscal years 2022 and 2021 the intragovernmental advances and prepayments are primarily composed of the payments to the Federal Housing Finance Agency for the maintenance of the National Mortgage Database and to the U.S. Government Publishing Office for printing services. In fiscal years 2022 and 2021 the public advances and prepayments are primarily a result of the CFPB's payments to the BOG to help fund the Office of Inspector General. Other advances and prepayments include subscriptions, licenses and other miscellaneous items.

Note 8: Advances from others and deferred revenue

The CFPB has treated the receipt of all payments collected from the FFIEC (via payments made by FFIEC members and HUD) for the development phase of the HMDA system as advances from others and deferred revenue. The associated portion of the CFPB's advances are being liquidated to earned exchange revenue over the useful life of the software asset of five years. On an annual basis, the FFIEC members and HUD contribute to the ongoing operations and maintenance costs of the system. HUD pays their portion up-front for the full year. The collection of HUD's payment is also recorded as advances from others and deferred revenue and liquidated over the calendar year.

Advances from Others and Deferred Revenue as of September 30, 2022 and September 30, 2021 consist of the following:

	2022	2021
Intragovernmental Liabilities		
Advances from Others and Deferred Revenue	$ 764,318	$ 1,979,570
Total Advances from Others and Deferred Revenue	$ 764,318	$ 1,979,570

Note 9: Other liabilities

Other liabilities as of September 30, 2022 and September 30, 2021 consist of the following:

	2022	2021
Intragovernmental Liabilities:		
Payroll Taxes Payable	$ 872,356	$ 761,844
Total Intragovernmental Liabilities	$ 872,356	$ 761,844
With the Public:		
Employee Withholdings	$ 30,779	$ 31,430
Other Liabilities w/Related Budgetary Obligations	16,925	16,585
Total Public Liabilities	$ 47,704	$ 48,015

Other liabilities are comprised of several items, the largest being payroll taxes payable. All other liabilities are considered current liabilities.

Note 10: Civil penalty fund liability

The CPF Liability account is the cumulative balance of activity comprised of the beginning balance, plus new allocations to victims, less distributions made to victims and other adjustments. Consistent with the CPF rule, the CPF Administrator made two allocations of money to victims during fiscal year 2022.

The ending balance of the CPF Liability as of September 30, 2022, and September 30, 2021 is calculated as following:

	2022	2021
Civil Penalty Fund Liability		
Beginning Balance	$ 348,878,297	$ 313,513,463
Plus: New Allocations to Victims	177,081,630	207,089,843
Plus: Year End Accrual for Probable Allocations	318,873,586	54,889,000
Less: Reversal of Prior Year End Accrual for Probable Allocations	(54,889,000)	(109,388,549)
Less: Distributions	(103,346,391)	(98,934,238)
Less: Other Adjustments	(12,673,686)	(18,291,222)
Total Civil Penalty Fund Liability	$ 673,924,436	$ 348,878,297

The CPF Administrator made two allocations from the CPF in fiscal year 2022, the eighteenth allocation on November 29, 2021, and the nineteenth allocation on May 27, 2022. The Fund Administrator will make the twentieth allocation on or before November 29, 2022. At that time, there will be 17 cases considered for allocation and the total amount available for allocation is $471.1 million. As of September 30, 2022, $318.9 million was accrued in the financial statements for a portion of these cases in which the likelihood of payment to harmed consumers was probable and the amounts were measurable. In two cases the measurable amounts were determined to be a range, in one instance the range was $3.7 million to $37.0 million, and in another instance the range was $302.5 million to $384.0 million. In those two instances neither amount was determined to be more likely, so CFPB recognized the lower amount of the range in each instance. In fiscal years 2022 and 2021, Distributions represent reductions of the liability due to funds being released to vendors for distribution to harmed consumers. Other Adjustments represent reductions of the liability due to case closures or the determination that fewer harmed consumers will be compensated because of other redress efforts or other factors.

Note 11: Liabilities not covered by budgetary resources

Liabilities not covered by budgetary resources as of September 30, 2022 and September 30, 2021 consist of the following:

	2022	2021
Intragovernmental		
Intragovernmental-FECA	$ 354,674	$ 319,646
Benefits Contributions Payable	-	11,368
With the Public		
Unfunded Leave	34,571,623	33,763,338
Actuarial FECA	1,557,947	90,070
Total Liabilities Not Covered by Budgetary Resources	$ 36,484,244	$ 34,184,422
Total Liabilities Covered by Budgetary Resources	725,914,099	402,850,289
Total Liabilities Not Requiring Budgetary Resources	2,426	8,412
Total Liabilities	**$ 762,400,769**	**$ 437,043,123**

Note 12: Commitments and contingencies

Commitments

Commitments reflect binding agreements that may result in the future expenditure of financial resources that are not recognized or not fully recognized on the Balance Sheet. See Note 13, "Rental payments for space" and see Note 16, "Undelivered orders at the end of the period".

Legal Contingencies

The CFPB has determined there is one pending legal case that is deemed to be probable that an unfavorable outcome may occur and, therefore, is required to be disclosed. This case relates to a labor dispute for which the CFPB has estimated the range of potential loss to be between $300,000 and $350,000. However, no liability is accrued as of September 30, 2022 because management has determined the potential loss is not material. This case was disclosed last year as reasonably possible that an unfavorable outcome may occur with an estimated range of potential loss between $50,000 and $300,000. However, no liability was recorded as of September 30, 2021 because the likelihood of loss was less than probable.

The CFPB has determined there are three pending legal cases that are deemed to be reasonably possible that an unfavorable outcome may occur and, therefore, are required to be disclosed. For the first case, regarding an enforcement matter, the CFPB has determined that the estimated amount or range of potential loss is unknown. For that reason and because the likelihood of loss is less than probable, no liability is accrued as of September 30, 2022.

For the second case, regarding a labor dispute, the CFPB has estimated the range of potential loss to be between $5.0 million and $12.0 million. However, no accrued liability was recorded as of September 30, 2022 because the likelihood of loss is less than probable. This case was also disclosed last year as reasonably possible that an unfavorable outcome may occur with the same estimated range of potential loss. However, no accrued liability was recorded as of September 30, 2021 because the likelihood of loss was less than probable.

For the third case, regarding a labor dispute, the CFPB has estimated the amount of potential loss to be $413,000. However, no accrued liability was recorded as of September 30, 2022 because the likelihood of loss is less than probable.

The CFPB has determined there is one unasserted claim, regarding a civil penalty assessment, that is deemed to be reasonably possible that an unfavorable outcome may occur and, therefore, is required to be disclosed. The CFPB has estimated the range of potential loss to be between $0 and $1.6 million. However, no accrued liability was recorded as of September 30, 2022 because the likelihood of loss is less than probable. This case was also disclosed last year as reasonably possible that an unfavorable outcome may occur with the same estimated range of potential loss. However, no accrued liability was recorded as of September 30, 2021 because the likelihood of loss was less than probable.

An additional case, regarding a labor dispute, was disclosed last year as reasonably possible that an unfavorable outcome may occur with an estimated range of potential loss between $100,000 and $450,000. However, this case was re-categorized this year and is now deemed as having a remote likelihood of loss.

Civil Penalty Fund Contingencies

The CFPB may continue to make payments from the CPF to harmed consumers after its third-party administrator has concluded administering the payments. Unclaimed funds were returned to the CFPB and a portion of those funds remain allocated to the case. Subsequently, if a harmed consumer reaches out to the CFPB with a claim related to the respective case, the CFPB may make a direct payment to the harmed consumer. There were no such outstanding claims from harmed consumers as of September 30, 2022.

The CFPB recorded a contingent liability for the Period 20 CPF Allocation (see Note 10).

Note 13: Rental payments for space

For all Interagency Agreements the CFPB enters with another Federal Agency, the CFPB records the rental payments based on the stated monthly amount due in the occupancy agreement (OA).

DESCRIPTION OF AGREEMENT

A. OA with the OCC for space to accommodate the CFPB staff assigned to its headquarters at 1700 G Street, N.W., Washington, D.C. The OA with OCC covers use of the premises through February 17, 2032 with two optional five (5) year renewal periods, upon which the CFPB can exercise with one year's notice, expiring February 17, 2037 and 2042 respectively. The annual rent shall escalate two percent each year. This OA may not be canceled by the CFPB, but the OCC may cancel pursuant to the terms of the OA.

Future Payments Due:

Fiscal Year	Buildings
2023	$ 14,347,954
2024	14,634,913
2025	14,927,612
2026	15,226,164
2027	15,530,687
2028 through February 17, 2032	71,924,842
Total Future Payments	$ 146,592,172

DESCRIPTION OF AGREEMENT

B. OA between the CFPB and the GSA for supplies, services and the use of space at 401 West Peachtree Street, NW Atlanta, GA. The OA is for a period through June 30, 2030. The rent is to be adjusted annually for operating cost and real estate taxes. This OA may be canceled pursuant to the terms of the OA.

Future Payments Due:

Fiscal Year	Buildings
2023	$ 377,097
2024	382,035
2025	364,953
2026	308,645
2027	311,311
2028 through June 30, 2030	870,193
Total Future Payments	$ 2,614,234

DESCRIPTION OF AGREEMENT

C. OA between the CFPB and the GSA for supplies, services and the use of space at 140 East 45th Street, New York, NY. The OA is for a period through September 28, 2023. The rent is to be adjusted annually for operating cost and real estate taxes. This OA may be canceled pursuant to the terms of the OA.

Future Payments Due:

Fiscal Year	Buildings
2023	$ 1,304,569
Total Future Payments	$ 1,304,569

DESCRIPTION OF AGREEMENT

D. OA between the CFPB and the GSA for supplies, services and the use of space at 301 Howard Street, San Francisco, CA. The OA is for a period through December 16, 2027. The rent is to be adjusted annually for operating cost and real estate taxes. This OA may be canceled pursuant to the terms of the OA.

Future Payments Due:

Fiscal Year	Buildings
2023	$ 1,535,310
2024	1,576,770
2025	1,582,199
2026	1,587,763
2027	1,593,467
2028 through December 16, 2027	398,768
Total Future Payments	$ 8,274,277

DESCRIPTION OF AGREEMENT

E. OA between the CFPB and the GSA for supplies, services and the use of space at 230 S. Dearborn Street, Chicago, IL. The OA is for a period through June 30, 2029. The rent is to be adjusted annually for operating cost. This OA may be canceled pursuant to the terms of the OA.

Future Payments Due:

Fiscal Year	Buildings
2023	$ 357,290
2024	359,285
2025	361,323
2026	363,404
2027	365,528
2028 through June 30, 2029	644,762
Total Future Payments	$ 2,451,592

Note 14: Funds from dedicated collections

Provided below is summary consolidated component entity information for the CFPB's two primary funds from dedicated collections -- the Bureau Fund and the CPF. Custodial collections (disgorgement paid and other fees collected) reside in non-budgetary FBWT accounts and are excluded from this presentation. The CFPB changed the presentation of the liabilities on the balance sheet and this note to align with OMB Circular A-136 (Revised June 3, 2022) and the fiscal year 2021 balances were also realigned accordingly.

FY 2022		Bureau Fund		Civil Penalty Fund		Total Funds from Dedicated Collections (Consolidated)
BALANCE SHEET						
Assets:						
Intragovernmental						
Fund Balance with Treasury	$	18,199,539	$	114,803,598	$	133,003,137
Investments, Net		338,881,864		-		338,881,864
Accounts Receivable, Net		566,417		-		566,417
Advances and Prepayments		3,427,614		-		3,427,614
Total Intragovernmental		**361,075,434**		**114,803,598**		**475,879,032**
With the Public						
Cash and Other Monetary Assets		336,867		753,023,852		753,360,719
Accounts Receivable, Net		99,170		50,000,000		50,099,170
Property, Equipment, and Software, Net		169,131,760		-		169,131,760
Advances and Prepayments		8,410,872		-		8,410,872
Total With the Public		**177,978,669**		**803,023,852**		**981,002,521**
Total Assets	**$**	**539,054,103**	**$**	**917,827,450**	**$**	**1,456,881,553**
Liabilities:						
Intragovernmental						
Accounts Payable	$	2,842,577	$	-	$	2,842,577
Advances from Others and Deferred Revenue		764,318		-		764,318
Benefits Contributions Payable		2,938,626		-		2,938,626
Custodial Liability		2,426		-		2,426
Other		872,356		-		872,356
Total Intragovernmental		**7,420,303**		**-**		**7,420,303**
With the Public						
Accounts Payable		24,758,587		368		24,758,955
Employer Benefits Contributions		6,920,891		-		6,920,891
Unfunded Leave		34,571,623		-		34,571,623
Civil Penalty Fund Liability		-		673,924,436		673,924,436
Accrued Funded Payroll		14,756,857		-		14,756,857
Other		47,704		-		47,704
Total With the Public		**81,055,662**		**673,924,804**		**754,980,466**
Total Liabilities	**$**	**88,475,965**	**$**	**673,924,804**	**$**	**762,400,769**
Cumulative Results of Operations		450,578,138		243,902,646		694,480,784
Total Liabilities and Net Position	**$**	**539,054,103**	**$**	**917,827,450**	**$**	**1,456,881,553**
STATEMENT OF NET COST						
Program Costs	$	612,857,108	$	420,830,559	$	1,033,687,667
Less: Earned Revenue		(3,899,925)		-		(3,899,925)
Net Cost of Operations	**$**	**608,957,183**	**$**	**420,830,559**	**$**	**1,029,787,742**
STATEMENT OF CHANGES IN NET POSITION						
Cumulative Results of Operations:						
Beginning Balance	$	401,902,905	$	442,888,942	$	844,791,847
Nonexchange Revenue		644,462,494		221,844,262		866,306,756
Imputed Financing		13,259,482		-		13,259,482
Other		(89,559)		-		(89,559)
Net Cost of Operations		(608,957,183)		(420,830,559)		(1,029,787,742)
Net Change in Cumulative Results of Operations		48,675,234		(198,986,297)		(150,311,063)
Cumulative Results of Operations: Ending Net Position, end of period	**$**	**450,578,139**	**$**	**243,902,645**	**$**	**694,480,784**

FY 2021	Bureau Fund	Civil Penalty Fund	Total Funds from Dedicated Collections (Consolidated)
BALANCE SHEET			
Assets:			
Intragovernmental			
Fund Balance with Treasury	$ 20,817,207	$ 2,604,509	$ 23,421,716
Investments, Net	282,593,672	-	282,593,672
Accounts Receivable, Net	583,667	-	583,667
Advances and Prepayments	3,256,635	-	3,256,635
Total Intragovernmental	**307,251,181**	**2,604,509**	**309,855,690**
With The Public			
Cash and Other Monetary Assets	335,275	788,495,281	788,830,556
Accounts Receivable, Net	99,439	675,751	775,190
Property, Equipment, and Software, Net	175,370,820	-	175,370,820
Advances and Prepayments	7,002,714	-	7,002,714
Total With The Public	**182,808,248**	**789,171,032**	**971,979,280**
Total Assets	**$ 490,059,429**	**$ 791,775,541**	**$ 1,281,834,970**
Liabilities:			
Intragovernmental			
Accounts Payable	$ 4,737,162	$ -	$ 4,737,162
Advances from Others and Deferred Revenue	1,979,570	-	1,979,570
Benefits Contributions Payable	3,234,492	-	3,234,492
Custodial Liability	8,412	-	8,412
Other	761,844	-	761,844
Total Intragovernmental	**10,721,480**	**-**	**10,721,480**
With the Public			
Accounts Payable	20,104,172	8,301	20,112,473
Employer Benefits Contributions	10,640,790	-	10,640,790
Unfunded Leave	33,763,338	-	33,763,338
Civil Penalty Fund Liability	-	348,878,297	348,878,297
Accrued Funded Payroll	12,878,730	-	12,878,730
Other	48,015	-	48,015
Total With the Public	**77,435,045**	**348,886,598**	**426,321,643**
Total Liabilities	**$ 88,156,525**	**$ 348,886,598**	**$ 437,043,123**
Cumulative Results of Operations	401,902,904	442,888,943	844,791,847
Total Liabilities and Net Position	**$ 490,059,429**	**$ 791,775,541**	**$ 1,281,834,970**
STATEMENT OF NET COST			
Program Costs	$ 581,093,432	$ 130,674,516	$ 711,767,948
Less: Earned Revenue	(3,673,534)	-	(3,673,534)
Net Cost of Operations	**$ 577,419,898**	**$ 130,674,516**	**$ 708,094,414**
STATEMENT OF CHANGES IN NET POSITION			
Cumulative Results of Operations:			
Beginning Balance	$ 370,744,364	$ 511,931,749	$ 882,676,113
Nonexchange Revenue	596,213,630	61,631,710	657,845,340
Imputed Financing	12,359,886	-	12,359,886
Other	4,922	-	4,922
Net Cost of Operations	(577,419,898)	(130,674,516)	(708,094,414)
Net Change in Cumulative Results of Operations	31,158,540	(69,042,806)	(37,884,266)
Cumulative Results of Operations: Ending Net Position, end of period	**$ 401,902,904**	**$ 442,888,943**	**$ 844,791,847**

Note 15: Net adjustments to unobligated balance, brought forward, October 1

During the quarters ending September 30, 2022 and 2021, transactions are recorded that adjust the unobligated balance brought forward from the prior fiscal year. The adjustments during the quarters ended September 30, 2022 and 2021 are presented below:

	2022	2021
Unobligated Balance Brought Forward, October 1	$ 888,616,965	$ 895,879,451
Adjustment to budgetary resources made during current year		
Downward adjustments of prior year undelivered orders	31,407,112	26,907,967
Downward adjustments of prior year delivered orders	13,753,836	6,549,640
Unobligated Balance From Prior Year Budget Authority, Net	$ 933,777,913	$ 929,337,058

Note 16: Undelivered orders at the end of the period

SFFAS 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, states that the amount of budgetary resources obligated for undelivered orders at the end of the period should be disclosed. The CFPB's Undelivered Orders represent obligated amounts designated for future payment of goods and services ordered but not received.

Undelivered Orders as of September 30, 2022 were as follows:

	Federal	Non-Federal	Total
Paid Undelivered Orders	$ 3,427,614	$ 8,410,872	$ 11,838,486
Unpaid Undelivered Orders	27,788,132	118,288,497	146,076,629
Total Undelivered Orders	$ 31,215,746	$ 126,699,369	$ 157,915,115

Undelivered Orders as of September 30, 2021 were as follows:

	Federal	Non-Federal	Total
Paid Undelivered Orders	$ 3,256,635	$ 7,002,714	$ 10,259,349
Unpaid Undelivered Orders	32,334,685	120,245,611	152,580,296
Total Undelivered Orders	$ 35,591,320	$ 127,248,325	$ 162,839,645

Note 17: Reconciliation of net cost to net outlays

The CFPB has reconciled its net costs to its net outlays for the period ended September 30, 2022. The reconciliation of net cost, presented on an accrual basis, to net outlays, presented on a budgetary basis, provides an explanation of the relationship between financial and budgetary information. The analysis below illustrates this reconciliation by listing the key differences between net cost and net outlays.

CONSUMER FINANCIAL PROTECTION BUREAU
RECONCILIATION OF NET COST TO NET OUTLAYS
For the Year Ended September 30, 2022
(In Dollars)

	Intragovernmental	With the Public	Total
Net Cost of Operations	$ 88,793,285	$ 940,994,457	$1,029,787,742
Components of Net Cost of Operations Not Part of Budgetary Outlays			
Property, Equipment and Software Depreciation	-	(14,936,026)	(14,936,026)
Property, Equipment and Software Disposal & Reevaluation	-	(36,957)	(36,957)
Increase/(Decrease) in Assets Not Affecting Budget Outlays:			
Accounts Receivable	(17,250)	(1,007)	(18,257)
Advances and Prepayments	170,979	1,408,158	1,579,137
(Increase)/Decrease in Liabilities Not Affecting Budget Outlays:			
Accounts Payable	3,109,837	(4,646,482)	(1,536,645)
Salaries and Benefits	209,014	3,310,299	3,519,313
CPF Liability Allocation	-	(325,046,138)	(325,046,138)
Unfunded Leave	-	(808,286)	(808,286)
Other Liabilities	(16,439)	(1,468,216)	(1,484,655)
Other Financing Sources:			
Imputed Federal Employee Retirement Benefit Costs	(13,259,482)	-	(13,259,482)
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	$ (9,803,341)	$ (342,224,655)	$ (352,027,996)
Components of the Budget Outlays That Are Not Part of Net Cost of Operations			
Acquisition of Capital Assets	1,901,100	6,832,824	8,733,924
Total Components of the Budget Outlays That Are Not Part of Net Cost of Operations	$ 1,901,100	$ 6,832,824	$ 8,733,924
Other Temporary Timing Differences	52	-	52
Outlays, Net (total)	$ 80,891,096	$ 605,602,626	$ 686,493,722

Reconciliation of Net Cost to Net Outlays as of September 30, 2021:

CONSUMER FINANCIAL PROTECTION BUREAU
RECONCILIATION OF NET COST TO NET OUTLAYS
For the Year Ended September 30, 2021
(In Dollars)

	Intragovernmental	With the Public	Total
Net Cost of Operations	$ 93,033,317	$ 615,061,097	$ 708,094,414
Components of Net Cost of Operations Not Part of Budgetary Outlays			
Property, Equipment and Software Depreciation	-	(15,663,824)	(15,663,824)
Property, Equipment and Software Disposal & Reevaluation	-	(652,218)	(652,218)
Increase/(Decrease) in Assets Not Affecting Budget Outlays:			
Accounts Receivable	(306,333)	29,778	(276,555)
Advances and Prepayments	145,344	(262,747)	(117,403)
(Increase)/Decrease in Liabilities Not Affecting Budget Outlays:			
Accounts Payable	3,883,036	(178,939)	3,704,097
Salaries and Benefits	75,024	12,186,045	12,261,069
CPF Liability Allocation	-	(35,364,834)	(35,364,834)
Unfunded Leave	-	(3,840,527)	(3,840,527)
Other Liabilities	(317,013)	(20,981)	(337,994)
Other Financing Sources:			
Imputed Federal Employee Retirement Benefit Costs	(12,359,886)	-	(12,359,886)
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	$ (8,879,828)	$ (43,768,247)	$ (52,648,075)
Components of the Budget Outlays That Are Not Part of Net Cost of Operations			
Acquisition of Capital Assets	2,877,843	674,688	3,552,531
Total Components of the Budget Outlays That Are Not Part of Net Cost of Operations	$ 2,877,843	$ 674,688	$ 3,552,531
Other Temporary Timing Differences	(539)	-	(539)
Outlays, Net (total)	$ 87,030,793	$ 571,967,538	$ 658,998,331

Note 18: President's Budget

SFFAS 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, requires explanations of material differences between amounts reported in the Statement of Budgetary Resources and the actual balances published in the Budget of the United States Government (President's Budget). However, the President's Budget that will include fiscal year 2022 actual budgetary execution information has not yet been published. The President's Budget is scheduled for publication in February 2023 and can be found at the OMB Web site: http://www.whitehouse.gov/omb/. The 2023 Budget of the United States Government, with the "Actual" column completed for 2021 has been reconciled to the 2021 Statement of Budgetary Resources and there were no material differences.

	Budgetary Resources	New Obligations and Upward Adjustments (Total)	Net Outlays
Combined Statement of Budgetary Resources	$ 1,588,234,175	$ 699,617,210	$ 658,998,331
Difference Due to Rounding	(234,175)	382,790	1,001,669
Budget of the U.S. Government	$ 1,588,000,000	$ 700,000,000	$ 660,000,000

Note 19: Fiduciary activities

Section 1055 of the Dodd-Frank Act authorizes the court in a judicial action, or the CFPB in an administrative proceeding, to grant any appropriate legal or equitable relief for a violation of Federal consumer financial law. Such relief may include redress for victims of the violations, including refunds, restitution, and damages. Funds paid as relief that is intended to compensate victims of violations are treated as fiduciary funds and deposited into the "Legal or Equitable Relief Fund" established at the Department of the Treasury. Fiduciary assets are not assets of the CFPB. The victims have an ownership interest in the cash or other assets held by the CFPB under provision of law, regulation, or other fiduciary arrangement. The CFPB uses a third-party administrator to make disbursements to harmed consumers. Funds unclaimed by harmed consumers are returned to the CFPB. The $1.1 million reported for fiscal year 2022 for "Disbursements to and on behalf of beneficiaries" is shown as a net negative disbursement due to the return of funds from third party vendors exceeding disbursements paid to harmed consumers. The $23.6 million reported for fiscal year 2021 for "Disbursements to and on behalf of beneficiaries" is shown as a net disbursement as amounts paid to harmed consumers exceeded the return of funds from third party vendors.

During fiscal years 2022 and 2021, the CFPB had the following fiduciary activity:

CONSUMER FINANCIAL PROTECTION BUREAU

SCHEDULE OF FIDUCIARY ACTIVITY

For the Fiscal Years Ended September 30, 2022 and 2021

(In Dollars)

	2022 Legal or Equitable Relief Fund	2021 Legal or Equitable Relief Fund
Fiduciary Net Assets, Beginning of Year	$ 38,294,256	$ 42,647,709
Fiduciary Revenues Collected	2,706,938	15,621,752
Fiduciary Revenues Receivable	2,684,864	3,684,730
Administrative Expenses	(121,902)	(54,094)
Disbursements [+/-] to and on Behalf of Beneficiaries	1,098,327	(23,605,841)
Increase/(Decrease) in Fiduciary Net Assets	6,368,227	(4,353,453)
Fiduciary Net Assets, End of Year	$ 44,662,483	$ 38,294,256

CONSUMER FINANCIAL PROTECTION BUREAU

FIDUCIARY NET ASSETS

As of September 30, 2022 and 2021

(In Dollars)

	2022 Legal or Equitable Relief Fund	2021 Legal or Equitable Relief Fund
Fiduciary Assets		
Cash	$ 42,064,601	$ 34,609,526
Accounts Receivable	2,684,864	3,684,730
Fiduciary Liabilities		
Less: Liabilities	86,982	-
Total Fiduciary Net Assets	$ 44,662,483	$ 38,294,256

3. Other Information

The Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of 1996 and further amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, directs Federal agencies to adjust for inflation the civil penalty amounts within their jurisdiction each year. The table below describes, for each type of penalty within the CFPB's jurisdiction, the statutory authority, a description of the penalty, the year the statute was enacted, the latest year of penalty adjustment, the date of the current adjustment, the current penalty amount, and the location for additional details on the penalty update.

TABLE 22: FEDERAL CIVIL PENALTIES INFLATION ADJUSTMENT

Authority (Statute)	Penalty Description	Year Enacted	Latest Year of Adjustment	Date of Current Adjustment	Current Penalty Amount	Location for Penalty Update Details
Consumer Financial Protection Act, 12 U.S.C. 5565(c)(2)(A)	Tier 1 penalty	2010	2022	January 14, 2022	$6,323	12 CFR Part 1083
Consumer Financial Protection Act, 12 U.S.C. 5565(c)(2)(B)	Tier 2 penalty	2010	2022	January 14, 2022	$31,616	12 CFR Part 1083
Consumer Financial Protection Act, 12 U.S.C. 5565(c)(2)(C)	Tier 3 penalty	2010	2022	January 14, 2022	$1,264,622	12 CFR Part 1083
Interstate Land Sales Full Disclosure Act,	Per violation	1968	2022	January 14, 2022	$2,203	12 CFR Part 1083

Authority (Statute)	Penalty Description	Year Enacted	Latest Year of Adjustment	Date of Current Adjustment	Current Penalty Amount	Location for Penalty Update Details
15 U.S.C. 1717a(a)(2)						
Interstate Land Sales Full Disclosure Act, 15 U.S.C. 1717a(a)(2)	Annual cap	1968	2021	January 14, 2022	$2,202,123	12 CFR Part 1083
Real Estate Settlement Procedures Act, 12 U.S.C. 2609(d)(1)	Per failure	1974	2022	January 14, 2022	$103	12 CFR Part 1083
Real Estate Settlement Procedures Act, 12 U.S.C. 2609(d)(1)	Annual cap	1974	2021	January 14, 2022	$207,183	12 CFR Part 1083
Real Estate Settlement Procedures Act, 12 U.S.C. 2609(d)(2)(A)	Per failure, where intentional	1974	2022	January 14, 2022	$207	12 CFR Part 1083
SAFE Act, 12 U.S.C. 5113(d)(2)	Per violation	2008	2022	January 14, 2022	$31,928	12 CFR Part 1083
Truth in Lending Act, 15 U.S.C. 1639e(k)(1)	First violation	2010	2022	January 14, 2022	$12,647	12 CFR Part 1083

Authority (Statute)	Penalty Description	Year Enacted	Latest Year of Adjustment	Date of Current Adjustment	Current Penalty Amount	Location for Penalty Update Details
Truth in Lending Act, 15 U.S.C. 1639e(k)(2)	Subsequent violations	2010	2022	January 14, 2022	$25,293	12 CFR Part 1083