

GAO-IG Act Reporting

Annual Report

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1. Introduction

On January 3, 2019, the Good Accounting Obligation in Government Act (GAO-IG Act or Act) was enacted as Public Law number 115-414. This report is published by the Consumer Financial Protection Bureau (Bureau or CFPB) in compliance with that law.¹

The GAO-IG Act requires agencies to annually submit a report to Congress on the status of certain open public audit recommendations. To comply with the requirements of the Act, this report contains the following sections: (1) open Government Accountability Office (GAO) recommendations, and (2) open Office of the Inspector General (OIG) of the Board of Governors of the Federal Reserve System (FRB) recommendations.

The GAO-IG Act also requires agencies to disclose discrepancies between its report and reports issued by the GAO and OIG. The CFPB is not aware of any discrepancy between this report and public reports issued by the GAO or OIG.

1.1 Background

The CFPB was established on July 21, 2010, under Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). It 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. As an Executive agency and under the Dodd-Frank Act, the CFPB is subject to external audits and reviews, some of which are legislatively mandated, others of which are conducted at the discretion of the oversight body.

Audits and reviews conducted by the GAO and OIG can be categorized as follows:

- **GAO Annual Financial Statement Audit:** This annual audit is to determine whether the CFPB's financial statements were fairly presented and whether the CFPB's management maintained effective internal control over financial reporting. The annual GAO financial statement audit is a requirement of the Dodd-Frank Act, 12 U.S.C. § 5496a(b).

¹ The GAO-IG Act requires agencies to "submit reports on outstanding recommendations in the annual budget justification submitted to Congress." The CFPB does not submit a budget justification to Congress and has published this report as a standalone document.

- GAO Subject Matter Engagements: These engagements are performed at the request of congressional members, committees, or subcommittees, may be mandated by public laws or committee reports, or are undertaken at GAO's own initiative.
- OIG: The OIG conducts audits, investigations, and other reviews of the CFPB's program functions. Section 1081 of the Dodd-Frank Act amended the Inspector General Act of 1978 (IG Act) to create one Inspector General for both the FRB and the CFPB and provide the OIG with all the authorities and responsibilities provided by the IG Act with respect to the CFPB.

2. Recommendations

From the inception of the CFPB in July 2010 through December 31, 2024, GAO and OIG have issued a total of 471 recommendations to the CFPB. To date, 433 or 92% have been closed. There are currently 38 open GAO and OIG recommendations. Of the 38 “open” recommendations, 35 are public.

- Of the total 471 recommendations, 102 were issued by GAO and 369 were issued by OIG. Of the 369 findings issued by OIG, 345 or 93% have been closed. Of the 102 recommendations issued by GAO, 89 or 87% have been closed.
- In calendar year 2024, 23 recommendations were issued to the CFPB under 9 reports from GAO and OIG.

2.1 GAO Recommendations

Table 1 provides a list of all open public (13) GAO recommendations.

TABLE 1: OPEN GAO RECOMMENDATIONS

Title of Report	Report Date	Recommendation	Justification ²	Estimated Completion
Private Deposit Insurance: Credit Unions Largely Complied with Disclosure Rules, but Rules Should Be Clarified (GAO-17-259.1)	3/29/2017	To help state credit union supervisors and privately insured credit unions better interpret Regulation I and inform consumers when an institution is not federally insured, CFPB should issue guidance to clarify whether drive-through windows require disclosures.	At this time, the issues identified by GAO have not been added to CFPB’s rulemaking program because the issues do not appear to present significant risk of consumer harm and CFPB has seen no indication of consumer or industry concerns related to this issue.	CFPB submitted our explanation to GAO on 1/8/2020 and considers the matter closed.
Private Deposit Insurance: Credit	3/29/2017	To help state credit union supervisors and privately	At this time, the issues identified by GAO have	CFPB submitted our explanation

² The GAO-IG Act requires agencies to provide a justification for GAO recommendations it has “decided not to implement.” As applicable, this information is provided in the justification column.

Title of Report	Report Date	Recommendation	Justification ²	Estimated Completion
Unions Largely Complied with Disclosure Rules, but Rules Should Be Clarified (GAO-17-259.2)		insured credit unions better interpret Regulation I and inform consumers when an institution is not federally insured, CFPB should issue guidance to describe what constitutes clear and conspicuous disclosure, including minimum signage dimensions and font size for disclosures.	not been added to CFPB's rulemaking program because the issues do not appear to present significant risk of consumer harm and CFPB has seen no indication of consumer or industry concerns related to this issue.	to GAO on 1/8/2020 and considers the matter closed.
Private Deposit Insurance: Credit Unions Largely Complied with Disclosure Rules, but Rules Should Be Clarified (GAO-17-259.3)	3/29/2017	To help state credit union supervisors and privately insured credit unions better interpret Regulation I and inform consumers when an institution is not federally insured, CFPB should issue guidance to explain and provide examples of which communications are advertising.	At this time, the issues identified by GAO have not been added to CFPB's rulemaking program because the issues do not appear to present significant risk of consumer harm and CFPB has seen no indication of consumer or industry concerns related to this issue.	CFPB submitted our explanation to GAO on 1/8/2020 and considers the matter closed.
Community Banks and Credit Unions: Regulators Could Take Additional Steps to Address Compliance Burdens (GAO-18-213.2)	2/13/2018	The Director of CFPB should issue public information on its plans for reviewing regulations applicable to banks and credit unions, including information describing the scope of regulations the timing and frequency of the reviews, and the extent to which the reviews will be coordinated with the federal depository institution regulators as part of their periodic EGRPRA reviews.	Implementation paused pending direction from CFPB leadership on the CFPB regulatory and deregulatory agenda.	TBD
Financial Technology: Agencies Should Provide Clarification on Lenders' Use of	12/19/2018	The Director of the Bureau of Consumer Financial Protection should, in coordination with the	Implementation paused pending direction from CFPB leadership on the	TBD

Title of Report	Report Date	Recommendation	Justification ²	Estimated Completion
Alternative Data (GAO-19-111.1)		federal banking regulators and with input from relevant stakeholders, communicate in writing to fintech lenders on the appropriate use of alternative data in the underwriting process, including issues to consider when selecting types of alternative data to use.	CFPB regulatory and deregulatory agenda.	
Private Student Loans: Clarification from CFPB Could Help Ensure More Consistent Opportunities and Treatment for Borrowers (GAO-19-430.1)	5/24/2019	The Director of CFPB should provide written clarification to nonbank private student loan lenders on their authorities under the Fair Credit Reporting Act to offer private student loan rehabilitation programs that include removing information from credit reports.	CFPB does not plan to act on this recommendation because the law does not require nonbank private student loan lenders to seek CFPB's approval of student loan rehabilitation programs. CFPB stated that if a financial institution chooses to offer a private student loan rehabilitation program it would be protected under the Fair Credit Reporting Act.	CFPB submitted our explanation to GAO on 5/5/2022 and considers the matter closed.
Consumer Reporting Agencies: CFPB Should Define Its Supervisory Expectations (GAO-19-459.2)	7/16/2019	The Director of CFPB should communicate to CRAs its expectations regarding reasonable investigations of consumer disputes.	Implementation paused pending direction from CFPB leadership on the CFPB regulatory and deregulatory agenda.	TBD
Consumer Privacy: Better Disclosures Needed on Information Sharing by Banks and Credit Unions (GAO-21-36.1)	11/22/2020	The Director of CFPB, in consultation with the other federal financial regulators, should update the model privacy form and, in doing so, consider whether it is feasible to include more comprehensive information	Implementation paused pending direction from CFPB leadership on the CFPB regulatory and deregulatory agenda.	TBD

Title of Report	Report Date	Recommendation	Justification ²	Estimated Completion
		about third parties with whom financial institutions share consumer personal information.		
Financial Technology: Products Have Benefits and Risks to Underserved Consumers, and Regulatory Clarity is Needed (GAO-23-105536.1)	3/8/2023	The Director of the Consumer Financial Protection Bureau should issue clarification on the application of the Truth in Lending Act's definition of "credit" for earned wage access products not covered by its November 2020 advisory opinion.	Implementation paused pending direction from CFPB leadership on the CFPB regulatory and deregulatory agenda.	TBD
Blockchain in Finance: Legislative and Regulatory Actions are Needed to Ensure Comprehensive Oversight of Crypto Assets (GAO-23-105346.1)	7/24/2023	The Director of the Consumer Financial Protection Bureau should jointly establish or adapt an existing formal coordination mechanism with CFTC, FDIC, the Federal Reserve, NCUA, OCC, and SEC for collectively identifying risks posed by blockchain-related products and services and formulating a timely regulatory response. To facilitate these objectives, this mechanism could include formal planning documents that establish the frequency of meetings and processes for identifying risks and responding to them within agreed-upon time frames.	Implementation paused pending direction from CFPB leadership on the CFPB regulatory and deregulatory agenda.	TBD
Financial Technology: Agencies Can Better Support Workforce Expertise and Measure the Performance of	10/6/2023	The Director of the Consumer Financial Protection Bureau should fully incorporate leading workforce planning practices in the primary	Implementation paused pending direction from CFPB leadership on the CFPB regulatory and deregulatory agenda.	TBD

Title of Report	Report Date	Recommendation	Justification ²	Estimated Completion
Innovation Offices (GAO-23-106168.1)		offices involved in policymaking and oversight related to financial technology by conducting strategic workforce planning that addresses financial technology; collecting staff skillset data and determining the critical financial technology skills the agency needs; developing targeted strategies to address financial technology-related skills gaps; and measuring the effectiveness of its financial technology-related training in addressing skill needs.		
Financial Technology: Agencies Can Better Support Workforce Expertise and Measure the Performance of Innovation Offices (GAO-23-106168.2)	10/6/2023	The Director of the Consumer Financial Protection Bureau should develop performance goals and measures for CFPB's Office of Competition and Innovation that cover key aspects of the office's activities, such as outreach to industry participants, and that are clear, targeted, and measurable.	Implementation paused pending direction from CFPB leadership on the CFPB regulatory and deregulatory agenda.	TBD
Financial Technology: Agencies Can Better Support Workforce Expertise and Measure the Performance of Innovation Offices (GAO-23-106168.3)	10/6/2023	The Director of the Consumer Financial Protection Bureau should develop performance measures that are specific to its strategic objectives related to supervisory technologies.	Implementation paused pending direction from CFPB leadership on the CFPB regulatory and deregulatory agenda.	TBD

2.2 OIG Recommendations

Table 2 provides a list of all 22 open public OIG recommendations.³

TABLE 2: OPEN OIG RECOMMENDATIONS

Report Title	Report Date	Recommendation	Explanation ⁴	Estimated Completion
2018 Audit of the Bureau's Information Security Program (2018-IT-C-018.3)	10/31/2018	Determine whether established processes and procedures for management of user-access agreements and rules-of-behavior forms for privileged users are effective and adequately resourced and make changes as needed.	CFPB considers the matter closed and has submitted the documentation to OIG on 10/17/2024.	N/A
2022 Audit of the CFPB's Information Security Program (2022-IT-C-014.4)	9/30/2022	Ensure that an enterprise-wide software inventory is conducted and maintained.	CFPB considers the matter closed and has submitted the documentation to OIG on 7/18/2024.	N/A
2023 Audit of the CFPB's Information Security Program (2023-IT-C-016.1)	9/29/2023	Maintain a comprehensive schedule for testing current contingency plans, documenting test procedures, and maintaining relevant updates to the contingency plan.	Implementation in progress.	FY25
Results of Scoping of the Evaluation of the CFPB's Healthcare Benefits Eligibility Processes (2024-MO-C-010.1)	3/20/2024	Ensure that the OHC continues to monitor dependent eligibility on a biweekly basis and corrects discovered discrepancies.	Implementation in progress.	FY25

³ Open non-public recommendations are not included in this report.

⁴ The GAO-IG Act requires “an explanation of the reasons why no final action or action not recommended was taken with respect to each audit report to which the public recommendation for corrective action pertains.” As applicable, this information is provided in the Explanation column.

Report Title	Report Date	Recommendation	Explanation ⁴	Estimated Completion
Results of Scoping of the Evaluation of the CFPB's Healthcare Benefits Eligibility Processes (2024-MO-C-010.2)	3/20/2024	Ensure that the OHC conducts a comprehensive annual review of the control activities for administering the agency's vision and dental programs to ensure that they are operating effectively.	Implementation in progress.	FY25
Results of Scoping of the Evaluation of the CFPB's Healthcare Benefits Eligibility Processes (2024-MO-C-010.4)	3/20/2024	Develop and periodically provide tailored training for employees who administer the agency's vision and dental programs.	Implementation in progress.	FY26
The CFPB Can Enhance Certain Aspects of Its Examiner Commissioning Program (2024-SR-C-013.1)	5/15/2024	Issue guidance that clearly defines responsibilities and outlines expectations for those serving in ECP support roles, including (a) mentors on their support during an examiner's acting EIC assignment; (b) regional training leads on their support during rotations; and (c) field managers on providing support, identifying examinations, and selecting acting EIC assignments for examiners pursuing commissioning.	Implementation in progress.	FY25
The CFPB Can Enhance Certain Aspects of Its Examiner Commissioning Program (2024-SR-C-013.2)	5/15/2024	Develop a standardized process for SL&D and the regions to collaborate when providing supplemental ECP support to examiners who are preparing for the ECP.	Implementation in progress.	FY25
The CFPB Can Enhance Certain	5/15/2024	Assess the current EIC CSA feedback process	Implementation in progress.	FY25

Report Title	Report Date	Recommendation	Explanation ⁴	Estimated Completion
Aspects of Its Examiner Commissioning Program (2024-SR-C-013.3)		and determine how to enhance the feedback provided to examiners while safeguarding the content of the EIC CSA. Based on the results of the assessment, update guidance to clearly outline expectations for delivering specific, actionable EIC CSA feedback and develop and implement training on those expectations.		
2024 Audit of the CFPB's Information Security Program (2024-IT-C-019.1)	10/31/2024	Complete finalization of an agencywide data classification policy that accounts for the sensitivity of the data maintained by the CFPB.	Implementation in progress.	FY25
2024 Audit of the CFPB's Information Security Program (2024-IT-C-019.2)	10/31/2024	Ensure that data classification and sensitivity labels are incorporated into the CFPB's DLP program.	Implementation in progress.	FY26
2024 Audit of the CFPB's Information Security Program (2024-IT-C-019.3)	10/31/2024	Strengthen flaw remediation processes by developing and implementing a process to clearly map identified vulnerabilities to system IP addresses, host names, and remediation owners within the CFPB's configuration management database.	Implementation in progress.	FY26
2024 Audit of the CFPB's Information Security Program (2024-IT-C-019.4)	10/31/2024	Ensure that adequate resources are allocated to reinvestigate CFPB systems users as required.	Implementation in progress.	FY26
2024 Audit of the CFPB's Information	10/31/2024	Develop and maintain a ransomware strategy and	Implementation in progress.	FY25

Report Title	Report Date	Recommendation	Explanation ⁴	Estimated Completion
Security Program (2024-IT-C-019.5)		specific procedures that provide a formal, focused, and coordinated approach to responding to ransomware attacks.		
2024 Audit of the CFPB's Information Security Program (2024-IT-C-019.6)	10/31/2024	Ensure that testing of mission-essential functions identified in the CFPB's COOP is periodically performed.	Implementation in progress.	FY26
2024 Audit of the CFPB's Information Security Program (2024-IT-C-019.7)	10/31/2024	Renew the ATU for the CFPB's GRC tool.	Implementation in progress.	FY25
2024 Audit of the CFPB's Information Security Program (2024-IT-C-019.8)	10/31/2024	Implement a process that ensures the cyber risk information in the CFPB's GRC tool is accurate and maintained.	Implementation in progress.	FY25
The CFPB Can Improve Its Process for Onboarding Depository Institutions That Transition to Its Oversight (2024-SR-C-021.1)	12/2/2024	Establish Supervision's objectives for the onboarding process for transitioning depository institutions.	Implementation in progress.	FY25
The CFPB Can Improve Its Process for Onboarding Depository Institutions That Transition to Its Oversight (2024-SR-C-021.2)	12/2/2024	Establish clear roles and responsibilities at the headquarters level for overseeing Supervision's onboarding process.	Implementation in progress.	FY25
The CFPB Can Improve Its Process for Onboarding Depository Institutions That Transition to Its Oversight (2024-SR-C-021.3)	12/2/2024	Develop and implement an officewide policy that describes management's expectations for onboarding depository institutions that transition to the CFPB's supervisory oversight. The policy	Implementation in progress.	FY25

Report Title	Report Date	Recommendation	Explanation ⁴	Estimated Completion
		<p>should articulate:</p> <ul style="list-style-type: none"> a. key onboarding steps that OSE should take before and after a depository institution transitions. b. expected time frames for completing the key steps. c. guidance on coordinating with the prudential regulator of the onboarding institution, including discussion topics; documentation needs; and the process for managing preexisting supervisory issues, such as MRAs and enforcement actions. 		
<p>The CFPB Can Improve Its Process for Onboarding Depository Institutions That Transition to Its Oversight (2024-SR-C-021.4)</p>	<p>12/2/2024</p>	<p>Develop methods to monitor OSE's execution of the onboarding process, including</p> <ul style="list-style-type: none"> a. tracking mechanism to determine whether the key onboarding steps have been completed. b. a process for obtaining feedback from the depository institutions that transitioned regarding the effectiveness of the onboarding process. c. a forum for the regional offices to share their experiences regarding the onboarding process to drive continuous improvement. 	<p>Implementation in progress.</p>	<p>FY25</p>
<p>The CFPB Can Strengthen Guidance on Cost-</p>	<p>12/9/2024</p>	<p>Document, clarify, and communicate requirements for</p>	<p>Implementation in progress.</p>	<p>FY25</p>

Report Title	Report Date	Recommendation	Explanation ⁴	Estimated Completion
Increase Modifications (2024-FMIC-C-022.1)		assessing the price on cost-increase modifications, including a) requirements for price reasonableness determinations. b) expectations for legal reviews."		