

March 2018

Bureau of Consumer Financial Protection

Annual performance plan and report



Table of Contents

Overview of the Bureau	1
Mission and vision.....	2
Strategic plan overview	3
Goal 1. Ensure that all consumers have access to markets for consumer financial products and services	5
Objective 1.1.....	6
Objective 1.2	18
Objective 1.3.....	23
Goal 2. Implement and enforce the law consistently to ensure that markets for consumer financial products and services are fair, transparent, and competitive.	38
Objective 2.1	40
Objective 2.2	46
Goal 3. Foster operational excellence through efficient and effective processes, governance and security of resources and information	58
Objective 3.1.....	59
Objective 3.2	62
Objective 3.3.....	67

Appendix A:	74
Historical measures.....	74
Appendix B:	81
Data Validation.....	81
Appendix C:	91
Management challenges.....	91

Overview of the Bureau

The Bureau of Consumer Financial Protection (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 Bureau is an independent bureau within the Federal Reserve System, and an Executive agency as defined in Section 105 of Title 5, United States Code.

The Dodd-Frank Act authorizes the Bureau to exercise its authorities to ensure that, with respect to consumer financial products and services¹:

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 Outdated, unnecessary, or unduly burdensome regulations are regularly identified and addressed in order to reduce unwarranted regulatory burdens;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

¹ As set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203 (2010), Section 1021(b).

The Bureau 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.

Funding required to support the Bureau's operations is obtained primarily through transfers from the combined earnings of the Federal Reserve System. Annual transfers to the Bureau may not exceed an amount equal to 12 percent of the Federal Reserve System's operating expenses, adjusted annually based on the percentage increase in the employment cost index by the Federal Government for total compensation for state and local government workers as specified in the Dodd-Frank Act. The transfer cap for fiscal year 2018 is \$663 million.

Mission and vision

Mission

To regulate the offering and provision of consumer financial products or services under the Federal consumer financial laws and to educate and empower consumers to make better informed financial decisions.²

Vision

Free, innovative, competitive, and transparent consumer finance markets where the rights of all parties are protected by the rule of law and where consumers are free to choose the products and services that best fit their individual needs.

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).

How we will do our work

The Bureau will achieve its mission and vision through:

- Seeking the counsel of others and making decisions after carefully considering the evidence.
- Equally protecting the legal rights of all.
- Confidently doing what is right.
- Acting with humility and moderation.

Strategic plan overview

The Strategic Plan for FY 2018-2022 articulates the Bureau's long-term strategic goals and objectives that drive achievement of the Bureau's mission. The Bureau's strategic plan includes three strategic goals:

Goal	Description
Goal 1	Ensure that all consumers have access to markets for consumer financial products and services.
Goal 2	Implement and enforce the law consistently to ensure that markets for consumer financial products and services are fair, transparent, and competitive.
Goal 3	Foster operational excellence through efficient and effective processes, governance, and security of resources and information.

About the plan

The Bureau's Strategic Plan for FY 2018-2022 articulates the Bureau's long-term strategic goals and objectives that drive achievement of the Bureau's mission. The five-year Strategic Plan is published as a separate document and is incorporated into the FY 2018 Annual Performance Plan and Report.

The Bureau's FY 2018 Annual Performance Plan and Report identifies the performance goals, performance measures, and targets for each strategic goal and objective; describes the agency's accomplishments; and presents the results of the agency's performance metrics for FY 2017.

The FY 2018 Annual Performance Plan contains a number of new performance goals and measures to align with the FY 2018-2022 Strategic Plan. New performance goals and measures have targets for FY 2018 and FY 2019 only. Existing performance goals and measures that were included in the prior Annual Performance Plan also report on actual performance for FY 2012 to FY 2017. The GPRA Modernization Act (GPRAMA) of 2010 asks agencies to identify lower-priority program activities, where applicable. The Bureau does not have any lower-priority program activities.

The Bureau's Strategic Plan for FY 2018-2022 can be found on the agency's website, at www.consumerfinance.gov/about-us/budget-strategy.

Goal 1. Ensure that all consumers have access to markets for consumer financial products and services³

Consumer protection begins with ensuring that all consumers have access to markets for consumer financial products and services. Access is enhanced where markets are transparent, competitive, and innovative and where providers can adapt to changing consumer demand. Access is also enhanced where consumers can reasonably obtain the information they need to make informed decisions.

Congress directed the Bureau to help educate consumers to make better informed financial decisions. The Bureau seeks to enhance the financial knowledge and skills of all Americans, from childhood to later life, so that individuals build their financial well-being. To facilitate access, the Bureau also collects, investigates, and responds to consumer complaints when problems arise in consumer financial markets.

Congress has also assigned the Bureau the responsibility of issuing rules and guidance where appropriate to carry out the purposes and objectives of the Federal consumer financial laws. The Bureau carries out that responsibility by gathering the best available evidence and engaging

³ As set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203 (2010), Section 1021(a).

in rulemakings to address market failures⁴ that make it difficult for consumers to engage in informed decision making and otherwise protect their own interests, and reduce unwarranted regulatory burden so as to enable markets to operate efficiently, transparently, and competitively.

The Bureau will attain its first goal by achieving the following three objectives:

1. **Objective 1.1:** Ensure that consumers are provided with timely and understandable information to make responsible decisions about financial transactions.
2. **Objective 1.2:** Regularly identify and address outdated, unnecessary, or unduly burdensome regulations in order to reduce unwarranted regulatory burdens.
3. **Objective 1.3:** Ensure that markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation.

Objective 1.1

*Ensure that consumers are provided with timely and understandable information to make responsible decisions about financial transactions.*⁵

Objective leader: Associate Director, Consumer Education and Engagement; Associate Director, Research, Markets & Regulations

Strategies

- Provide financial education to the public.
- Share research on effective financial education and financial well-being with financial

⁴ Market failure is defined as “a situation in which a market left on its own fails to allocate resources efficiently”, Gregory Mankiw, “Principles of Economics”, Second Ed., 2001.

⁵ As set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203 (2010), Section 1021(b)(1).

educators.

- Address needs for inclusion and financial security of servicemembers, older Americans, traditionally underserved consumers and communities, and students.
- Research and report on the effectiveness of paper and electronic disclosures and issue rules and waivers of rules as appropriate to improve the effectiveness of disclosures.
- Facilitate the collection, monitoring, and response to consumer complaints and inquiries regarding consumer financial products and services.

Performance goals

The Bureau will assess the progress on achieving objective 1.1 through the following performance goals:

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

The Bureau works to provide consumers with the knowledge, tools, and capabilities they need in order to make better informed financial decisions to serve their life goals. To that end, the Bureau offers directly to consumers a variety of information, tools, and programs about major financial choices and other money decisions. For FY 18-FY19, offerings include Ask CFPB, Owning a Home, Getting an Auto Loan, Planning for Retirement, Paying for College, Money as You Grow and web pages focused on specific money topics.

The Bureau 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 to do this is by integrating financial education into trusted and established community channels, such as libraries, workplaces, social service organizations, military recruiters, government agencies, and financial institutions. Major community channel initiatives in FY18-FY19 include: the Your Money, Your Goals Program; the Delayed Entry Program for military recruits, ROTC and new active duty servicemembers; the Libraries Community Education Program; the Youth Employment Success Program; organizations serving seniors; and the Tax-Time Savings Program. The education offered through both channels includes information regarding frequent consumer complaints as well as prevention topics like money management and savings.

Performance measures

TABLE 1: NUMBER OF PEOPLE WHO USE THE BUREAU'S EDUCATIONAL RESOURCES ON WEB AND IN AND PRINT (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target						-	8.7M	8.7M
Actual						15.5M	NA	NA

TABLE 2: PERCENTAGE OF ASK CFPB USERS WHO RATE QUESTIONS AND RELATED ANSWERS AS HELPFUL (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target						-	86%	88%
Actual						86%	NA	NA

TABLE 3: NUMBER OF STAFF TRAINED WITH LOCAL AND REGIONAL ORGANIZATIONS TO ASSIST THE PEOPLE THAT THEY SERVE WITH FINANCIAL INFORMATION (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target						-	6000	6000
Actual						7418	NA	NA

TABLE 4: NUMBER OF LIBRARY LOCATIONS ENGAGED TO BE LOCAL CENTERS OF FINANCIAL EDUCATION (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target						-	2000	2600
Actual						1628	NA	NA

TABLE 5: NUMBER OF INDIVIDUALS SERVED BY FINANCIAL COACHING FOR TRANSITIONING VETERANS AND ECONOMICALLY VULNERABLE CONSUMERS (PROGRAM ENDS JUNE 2019) (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target						-	6000	3000
Actual						6781	NA	NA

Progress update and future action

The Bureau continued to provide people with educational information and tools, 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. The financial education topics address major areas of consumer interest such as: debt collection, credit and credit reporting, home ownership and mortgages, and student loan repayment. Other topics help people prepare in their financial lives and to prevent financial concerns, including: general money management, savings, building children’s financial capability, and a secure retirement.

The Bureau’s primary educational offerings include:

- “Ask CFPB,” which directs people to pages that have the most relevant information about a particular topic.
- Digital tools on specific money decisions such as borrowing to buy a house, getting an auto loan, paying for college, planning for retirement and tools and information for parents who want to teach their children about money.
- *Your Money Your Goals* (YMYG) train-the-trainer tools and program, which have served over 20,000 frontline staff and volunteers nationwide in social service and other types of local service organizations over the life of the program.
- Free publications for libraries plus monthly webinars, other trainings, and opportunities for librarians to connect with local financial education providers.
- Technical assistance to Volunteer Income Tax Assistance (VITA) program tax sites and private tax preparers who wish to encourage savings at tax time.
- Training for future and active duty servicemembers reporting to their first duty station on how they can avoid costly mistakes in their personal finances.

The annual performance measures related to financial education included in this report focus on

output measures such as individuals served, staff trained, and people who use resources developed by the Bureau. This year, the Bureau added one intermediate outcome measure regarding user satisfaction with Ask CFPB. The Bureau plans to develop additional performance measures that establish targets for the value provided to consumers.

Performance goal 1.1.2: Amplify the effectiveness of financial education for adults and for children.

Financial education’s overall goal is to improve financial well-being by helping people to make better-informed financial decisions and take financial steps to achieve their own life goals. The Bureau develops and shares information, tools and knowledge to amplify the reach and effectiveness of financial educators of adults and children. The Bureau conducts research to understand what financial well-being is and how to measure and support it.

Performance measures

TABLE 6: NUMBER OF PAPERS DEVELOPED TO INCREASE UNDERSTANDING OF WHAT CONTRIBUTES TO FINANCIAL WELL-BEING THAT CAN BE SUPPORTED THROUGH FINANCIAL EDUCATION (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target						-	2	2
Actual						3	NA	NA

TABLE 7: DOWNLOADS BY ADULT FINANCIAL EDUCATORS OF TOOLS/PAPERS/MATERIALS (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target						-	46,000	50,000
Actual						55,000	NA	NA

TABLE 8: LAUNCH TEACHER FINANCIAL EDUCATION PLATFORM (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							High school teacher platform	Middle school teacher platform
Actual							NA	NA

TABLE 9: NUMBER OF TEACHERS REACHED (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target						-	2000	20,000
Actual						1210	NA	NA

Progress update and future action

The Bureau has provided financial educators with significant research, analysis, and tools on defining and measuring financial well-being, effective practices in financial education, and how children and youth develop the building blocks of adult financial well-being. In FY18, the Bureau will continue to develop and share information, tools, and research about how financial education can foster better financial decisions and actions leading to enhanced financial well-being for the general population, older adults, servicemembers, veterans, students, and traditionally underserved consumers.

A key channel to distribute Bureau-developed research, knowledge, insights, and tools is the Financial Education Exchange (FinEx). Over 61% of financial educators reported that Bureau tools changed how they interacted with their clients. In FY17, over 3,000 practitioners participated in FinEx and downloaded over 55,000 FinEd tools and materials. The Bureau will continue to develop and share research, knowledge, insights, and tools on how financial educators and families can help children and youth develop financial capability. The Bureau will continue to provide the Department of Defense (DoD) technical assistance as it implements its mandate to educate servicemembers through the military lifecycle.

Performance goal 1.1.3: Provide information, guidance, and technical assistance for the underserved to participate in financial services and encourage innovation for inclusion.

To achieve the Bureau’s statutory objectives regarding traditionally underserved consumers, the Bureau provides information, guidance, and technical assistance to support access to financial products and services. The Bureau provides technical assistance to civic leaders who are trying to bring more people into the credit reporting system. The Bureau also conducts research, often in cooperation with private companies, about ways to support saving and money management.

Performance measures

TABLE 10: NUMBER OF RESEARCH REPORTS ON EFFECTIVE APPROACHES TO SAVINGS OR MONEY MANAGEMENT (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target						-	2	1-2
Actual						2	NA	NA

TABLE 11: NUMBER OF CITIES AND COUNTIES PROVIDED BASELINE INFORMATION ABOUT LOCAL LEVELS OF CREDIT INVISIBILITY AND POTENTIAL RESPONSES (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target						-	15	15
Actual						27	NA	NA

Progress update and future action

The Bureau works with local municipalities and community-based organizations to help address access to credit through building a credit record. The Bureau creates individual credit profiles for cities and states using existing data from the Bureau’s research. The Bureau provides technical assistance to city leaders about their local profiles of “credit invisibility” and ways people can develop a credit record. The Bureau has prepared 27 local community credit profiles through FY17 with an additional 15 profiles planned for FY18.

Current research projects include working with private companies to learn more about how to help their customers engage in money management, saving, building a credit record and

addressing cash flow.

Performance goal 1.1.4: Research and report on the effectiveness of paper and electronic disclosures regarding consumer financial products or services.

Much federal consumer protection law rests on the assumption that accurate and effective disclosures help Americans understand the terms of different consumer financial products and services and inform their decision making. The Bureau will research disclosure to inform the Bureau’s understanding of how disclosures can be most effective.

Performance measures

TABLE 12: NUMBER OF DISCLOSURE-RELATED RESEARCH PROJECTS COMPLETED (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							2	2
Actual							NA	NA

TABLE 13: NUMBER OF INTERNET VIEWS AND DOWNLOADS OF DISCLOSURE-RELATED PUBLICATIONS (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							Baseline	TBD
Actual							NA	NA

TABLE 14: NUMBER OF CITATIONS OF BUREAU DISCLOSURE-RELATED RESEARCH IN OTHER PUBLICATIONS (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							Baseline	TBD
Actual							NA	NA

Progress update and future action

In FY17, the Bureau launched several studies to explore how disclosure requirements influence consumers’ attention to disclosure and their decisions. Bureau researchers also published a

journal article on the Bureau’s disclosure research.

In FY18 the Bureau will launch several studies to explore consumer understanding of disclosures.

Performance goal 1.1.5: Use disclosure trials and issue rules, as appropriate, to improve the effectiveness of disclosures regarding consumer financial products or services.

The Bureau can require, or provide a safe harbor for, the use of model disclosures developed by the Bureau so long as those model forms are the result of consumer testing. Under the Bureau’s trial disclosure policy, the Bureau can approve companies, on a case-by-case basis, for limited time exemptions from current federal disclosure laws in order for those companies to research and test informative, cost-effective disclosures. The companies involved will then share the results of their trial disclosure with the Bureau. The Bureau hopes to use that information to improve its disclosure rules and model forms.

Performance measures

TABLE 15: PERCENTAGE OF DISCLOSURE-RELATED FINAL RULES INFORMED BY CONSUMER TESTING OR ACCOMPANIED BY MODEL FORMS (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							100%	100%
Actual							NA	NA

TABLE 16: NUMBER OF DISCLOSURE TRIAL APPLICATIONS (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							Baseline	TBD
Actual							NA	NA

Progress update and future action

The Bureau performs quantitative tests for some disclosures to compare the effectiveness of different potential approaches to a disclosure and ensure that any revised disclosure improves upon existing disclosures, where applicable.

In FY 2017 the Bureau developed plans for quantitative tests of disclosures in two markets — debt collection and overdraft — as part of pre-rulemaking activities.

The Bureau plans outreach in FY18 to companies interested in using the Bureau’s waiver authority to conduct field trials of disclosure, including disclosures customized for electronic media.

Performance goal 1.1.6: Handle consumer questions.

The Bureau handles consumer questions about consumer financial products and services by telephone from its two US-based contact centers.

Performance measures

TABLE 17: NUMBER OF CONSUMER QUESTIONS (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							190,000	200,000
Actual							NA	NA

TABLE 18: PERCENTAGE OF CONSUMERS SATISFIED WITH TELEPHONE EXPERIENCE (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							Baseline	TBD
Actual							NA	NA

Progress update and future action

Consumer Response continues to refine and expand its ability to handle consumer questions through its call centers.

In FY 2018, Consumer Response began to gauge consumer’s satisfaction with their telephone experience. Initial feedback from consumers will be used to set a baseline and future goals.

Performance goal 1.1.7: Facilitate the timely response to consumer complaints by companies.

The Bureau facilitates timely response to consumer complaints by using a dedicated company portal to route complaints to companies for response. The company portal is the primary interface between the Bureau and companies. It is an online electronic delivery system that provides secure access and allows companies to view and respond to consumer complaints.

Performance measures

TABLE 19: NUMBER OF DAYS TO ROUTE COMPLAINTS TO COMPANY

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	NA	3 days	3 days	2 days	2 days	2 days	2 days	2 days
Actual	7 days	1 day	1 day	1 day	< 1 day	< 1 day	NA	NA

TABLE 20: PERCENTAGE OF COMPANY RESPONSES THAT ARE TIMELY (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							97%	97%
Actual							NA	NA

Progress update and future action

In FY 17, Consumer Response continued to route complaints to companies for response, with a median of less than 1 calendar day to route complaints to companies.

Beginning in 2018, Consumer Response will begin to report the percentage of complaints that receive a timely response when routed through the dedicated company portal.

Performance goal 1.1.8: Analyze consumer complaint data and provide timely reports to the public.

Consumer complaints inform the Bureau about business practices that may warrant investigation and help with the Bureau’s work to supervise companies, enforce Federal consumer financial laws, and write better rules and regulations.

Performance measures

TABLE 21: PERCENTAGE OF COMPANIES ANALYZED ON RESPONSE PERFORMANCE (ABOVE THRESHOLD) (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							78%	82%
Actual							NA	NA

TABLE 22: PERCENTAGE OF COMPLAINTS PUBLISHED (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							65%	66%
Actual							NA	NA

TABLE 23: NUMBER OF COMPLAINT REPORTS PUBLISHED (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							2	3
Actual							NA	NA

Progress update and future action

Bureau analysis of consumer complaints contributes to:

- Understanding problems consumers are experiencing in the marketplace and the effect of those experiences on their lives;
- Scoping and prioritizing examinations and asking targeted questions when examining companies' records and practices;
- Identifying illegal practices early; and
- Investigating issues and taking action when there are problems.

Some complaints received by the Bureau are referred to other regulatory agencies, found to be incomplete, or are pending with the consumer or the Bureau. The rest are sent to companies for response.

Objective 1.2

Regularly identify and address outdated, unnecessary, or unduly burdensome regulations in order to reduce unwarranted regulatory burdens.⁶

Objective leader: Associate Director of Research, Markets, and Regulations

Strategies

- Obtain input and feedback with respect to existing regulations, alternative approaches to regulation, and alternatives to regulation.
- Conduct empirical assessments to evaluate the effectiveness of significant Bureau rules in achieving the purposes and objectives of title X of the DOdd-Frank Act and the specific goals stated by the Bureau.
- Periodically review individual regulations (or parts of regulations) to identify opportunities for clarification, modernization, and streamlining.
- Engage in rulemaking where appropriate to address unwarranted regulatory burdens.

Performance goals

The Bureau will assess the progress on achieving objective 1.2 through the following performance goals:

⁶ As set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203 (2010), Section 1021(b)(3).

Performance goal 1.2.1: Identify regulations which are outdated, unnecessary, or unduly burdensome.

The Bureau seeks to regularly identify regulations that are outdated, unnecessary, or otherwise create unwarranted regulatory burden. The Bureau also recognizes that markets for financial products and services are continuously evolving. In order for consumers to realize the full benefit of this innovation, the regulatory landscape must also evolve. Rules that are outdated or no longer necessary or that otherwise impose unwarranted regulatory burden need to be regularly identified as candidates for deregulatory actions.

Performance measure

TABLE 24: NUMBER OF INITIATIVES TO OBTAIN PUBLIC INPUT OR CONDUCT RESEARCH AND ANALYSIS TO IDENTIFY OUTDATED, UNNECESSARY, OR UNDULY BURDENSOME REGULATIONS (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							2	1
Actual							NA	NA

Progress update and future action

In FY 2017, the Bureau established a Regulatory Burden Task Force whose mission is to coordinate and bolster the Bureau's continuing efforts to fulfill its statutory mandate to identify and relieve regulatory burdens, including with regard to small businesses, consistent with its other statutory mandates. The efforts of the Task Force will help the Bureau identify instances where regulations may be imposing unwarranted regulatory burden and opportunities to relieve such burdens.

Additionally in FY 2017, through its ongoing stakeholder engagement, the Bureau identified opportunities to clarify or revise a number of Bureau-issued rules to reduce unwarranted regulatory burdens. That led to several rulemakings described below.

In FY2018, the Bureau plans to issue Requests for Information (RFI) to gather public input on areas where the regulations the Bureau administers – both those that were issued by predecessor rulewriting agencies and inherited by the Bureau and those that were issued by the Bureau – may be imposing unwarranted regulatory burdens. The Bureau intends to carefully review the comments received to identify and prioritize opportunities for regulatory change.

The Bureau also intends in FY 2018 to launch the first in a series of reviews of existing regulations that it inherited from other agencies through the transfer of authorities under the Dodd-Frank Act. In 2011 the Bureau sought feedback on the inherited rules as a whole, and identified and executed burden-reduction projects from that undertaking. The Bureau believes that the next logical step is to review individual regulations or parts of regulations in more detail to identify opportunities to clarify ambiguities, address developments in the marketplace, or modernize or streamline provisions. For its first review of inherited regulations, the Bureau expects to focus primarily on Subparts B and G of Regulation Z, which implement TILA with respect to open-end credit generally and credit cards in particular.

Performance goal 1.2.2: Engage in rulemaking, where appropriate, to address outdated, unnecessary, or unduly burdensome regulations.

As the Bureau identifies regulations which are or may be outdated, unnecessary or otherwise imposing unwarranted regulatory burden, the Bureau will establish priorities for rulemaking activity to address such burdens and will engage in rulemaking to address the source of such burdens.

Performance measures

TABLE 25: NUMBER OF PROPOSED RULEMAKINGS TO REDUCE REGULATORY BURDEN (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							3	3
Actual							NA	NA

TABLE 26: ESTIMATED ONE-TIME AND ONGOING COST SAVINGS RESULTED FROM PROPOSED OR FINAL RULEMAKINGS TO REDUCE REGULATORY BURDEN (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							Baseline	Baseline
Actual							NA	NA

Progress update and future action

In FY 2017, the Bureau completed a number of rulemakings designed to resolve ambiguities and address implementation concerns that had been identified with respect to regulations promulgated by the Bureau. The Bureau also issued proposals to address further concerns and reduce regulatory burdens with respect to the Prepaid Rule and the TILA-RESPA Integrated Disclosure Rule. The Bureau already has finalized the first of those proposals. The Bureau also has issued a proposal to address a technical compliance challenge with respect to the Bureau's 2016 Mortgage Servicing Rule. The Bureau's anticipated rulemaking agenda is published each spring and fall as part of the Unified Agenda of Federal Regulatory and Deregulatory Actions coordinated by the Office of Management and Budget under Executive Order 12866.

Performance goal 1.2.3: Conduct an assessment of each significant rule adopted by the Bureau.

Section 1022(d) of the Dodd-Frank Act requires the Bureau to assess each significant rule the Bureau adopts under Federal consumer financial law and publish a report of the assessment within five years of the effective date of such rule. The assessment addresses, among other factors, the rule's effectiveness in meeting the purposes and objectives of Title X of the Dodd-Frank Act, and the specific goals stated by the Bureau.

Performance measures

TABLE 27: NUMBER OF ASSESSMENTS IN PROGRESS AT YEAR END AND ON TARGET FOR COMPLETION BY STATUTORY DEADLINE (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							3	1
Actual							NA	NA

TABLE 28: NUMBER OF ASSESSMENTS COMPLETED WITHIN STATUTORY DEADLINE (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							NA	3
Actual							NA	NA

Progress update and future action

The Bureau's first five-year assessments will be due in FY 2019. In FY 2017, the Bureau launched designated teams for three assessments: the Bureau's remittance rule, Ability to Repay/Qualified Mortgage Rule, and the Real Estate Settlement Procedures Act (RESPA) mortgage servicing rule. The teams further refined the scope, outcomes, metrics and analytical methods for the assessments. Additionally, the teams identified available data sources and data gaps and developed strategies to fill those gaps, where possible, through new data collections. The teams also developed methodologies to enable the Bureau to draw inferences about the effects of rules in the absence of controlled experiments. Additionally, the Bureau released plans for multiple assessments, requesting formal public comment on the plans and requesting other information, such as suggestions for sources of data and other information that would help with the assessments. In FY 2018, the Bureau will complete data collection where needed, complete its analysis, conduct stakeholder outreach, and prepare publication of the assessments reports to be released in FY 2019. All three assessments are on target for completion by the statutory deadline.

Objective 1.3

Ensure that markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation.⁷

Objective leader: Associate Director, Research, Markets, and Regulations; Associate Director, External Affairs

Strategies

- Effectively monitor consumer financial markets and rigorously study and report on consumer decisions and outcomes.
- Engage in rulemaking or other activities where appropriate to respond to emerging markets and products, changes in market conditions, or innovation.
- Pursue an efficient, transparent, and inclusive approach to developing or revising regulations.
- Carefully evaluate the potential benefits and costs of contemplated regulations.
- Provide financial institutions, service providers, and other entities with tools and resources to support implementation and compliance with consumer financial protection laws.
- Gather input from stakeholders on the Bureau's policies and operations.

Performance goals

The Bureau will assess its progress on achieving Objective 1.3 through the following performance goals:

⁷ As set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203 (2010), Section 1021(b)(5).

Performance goal 1.3.1: Issue rules, where appropriate, implementing Federal consumer financial laws through a timely and inclusive process.

The Bureau has prioritized putting in place consumer protection regulations where appropriate, including those implementing statutory requirements, in a timely and inclusive manner. Timeliness is important because it increases certainty about the rules of the road, which allows market participants to plan for a longer term. For this reason, the Bureau believes that completion of its own regulatory proposals within nine months of the close of the final public comment period is a good measure of whether it is meeting this goal.

The Regulatory Flexibility Act, as amended by SBREFA and the Dodd-Frank Act, requires the Bureau to convene a Small Business Review Panel before proposing a rule that will have a significant economic effect on a substantial number of small entities. Other public outreach efforts, such as meetings with consumers and industry stakeholders in the development of a proposal, inform and otherwise assist the Bureau in crafting more effective rules.

Performance measures

TABLE 29: PERCENTAGE OF PROPOSED RULEMAKINGS FINALIZED OR OTHERWISE RESOLVED WITHIN NINE MONTHS OF THE DUE DATE FOR RECEIPT OF FINAL PUBLIC COMMENTS.⁸

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	NA	75%	75%	75%	75%	75%	75%	75%
Actual	100%	78%	100%	86%	100%	88%	NA	NA

⁸ This measure does not include interagency rulemakings, rulemakings inherited from the Federal Reserve Board, and rulemakings on which the Bureau expects to do further quantitative research following the receipt of public comments.

TABLE 30: PERCENTAGE OF SUBSTANTIVE NOTICE-AND-COMMENT RULEMAKINGS INFORMED BY PUBLIC OUTREACH PROCESSES

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	NA	NA	100%	100%	100%	100%	100%	100%
Actual	100%	100%	100%	100%	100%	100%	NA	NA

Progress update and future action

In FY 2017 the Bureau issued two substantive rules on new topics that were informed by public comment:

- In October 2016, the Bureau released a final rule amending Regulations E and Z to create a comprehensive set of consumer protections for prepaid financial products, which are increasingly being used by consumers in place of traditional checking accounts. The final rule expressly brings prepaid products within the scope of Regulation E, which implements the Electronic Fund Transfer Act (EFTA), as prepaid accounts and creates new provisions specific to such accounts. The final rule also amends Regulation E and Regulation Z, which implements the Truth in Lending Act (TILA), to regulate prepaid accounts with overdraft credit features. The notice of proposed rulemaking and request for comments was published in December 2014 and comment period closed on March 23, 2015.
- In July 2017, the Bureau issued a final rule concerning the use of agreements providing for arbitration of any future dispute between covered persons and consumers in connection with the offering or providing of consumer financial products or services. The final rule would have prohibited buyers and sellers of financial products and services from agreeing by contract to settle disputes by arbitration rather than by participating in a class action. Congress passed a joint resolution under the Congressional Review Act disapproving the arbitration rule; the President signed the joint resolution on November 1, 2017. Under the resolution, the arbitration rule “shall have no force or effect.”

In addition, the Bureau issued several substantive rules in FY 2017 that were intended to clarify or adjust existing rules.⁹ Each of these rules were finalized or otherwise resolved within nine months of the due date for receipt of public comments:

- In April 2017, the Bureau issued a final rule to delay the general effective date of its 2016 rule governing prepaid accounts under Regulations E and Z by six months (to April 1, 2018).
- In July 2017, the Bureau finalized various amendments to the federal mortgage disclosure requirements under RESPA and TILA that are implemented in Regulation Z. The amendments follow the Bureau's informal guidance on various issues and include clarifications and technical amendments. The Bureau also clarified tolerance provisions for the total of payments, an adjustment to a partial exemption mainly affecting housing finance agencies and nonprofits, extension of coverage of the integrated disclosure requirements to all cooperative units, and guidance on sharing the disclosures with various parties involved in the mortgage origination process.
- In August 2017, the Bureau finalized amendments to Regulation C to make technical corrections to and to clarify certain requirements adopted by the Bureau's Home Mortgage Disclosure (Regulation C) final rule.
- In September 2017, the Bureau finalized amendments to the Equal Credit Opportunity Act (Regulation B) to permit creditors additional flexibility in complying with Regulation B in order to facilitate compliance with Regulation C, adds certain model forms and removes others from Regulation B, and makes various other amendments to Regulation B and its commentary to facilitate the collection and retention of information about the ethnicity, sex, and race of certain mortgage applicants.

The Bureau also issued a number of rules that were interim, procedural, or corrective and did not require notice and comment. Most of these rules consequently became effective immediately

⁹ In addition, the Bureau proposed and finalized three rules relating to the methodology for calculation of particular dollar thresholds under various consumer financial protection laws in FY 2017. Annual adjustments of these thresholds are not normally counted toward the goal because they do not require notice and comment.

upon publication in the Federal Register or within 30 days of publication in the Federal Register.

In FY 2018 and going forward, the Bureau continues work on a number of rulemaking projects. For example:

- In October 2017, during FY 2018, the Bureau issued a final rule regarding payday loans, auto title loans, and certain high-cost installment loans. In January 2018, the Bureau stated it intends to engage in a rulemaking process so that the Bureau may reconsider the final rule.
- As mentioned above, in April 2017, the Bureau issued a final rule to delay the effective date of its 2016 rule governing prepaid accounts under Regulations E and Z by six months (to April 1, 2018). In January 2018, the Bureau finalized changes to the prepaid accounts rule to adjust requirements for resolving errors on unregistered accounts, provide greater flexibility for credit cards linked to digital wallets, make certain other clarifications and adjustments, and extend the overall effective date of the rule to April 1, 2019. The changes addressed implementation concerns raised by prepaid companies about certain aspects of the rule that arose after the prepaid rule was finalized in 2016.
- The Bureau also intends to engage in a rulemaking to reconsider various aspects of the 2015 HMDA rule such as the institutional and transactional coverage tests and the rule's discretionary data points. More specifically, the rulemaking may re-examine lending-activity criteria that determine whether institutions are required to report mortgage data. The rulemaking may also look at adjusting the new requirements to report certain types of transactions. Finally, the rulemaking may re-assess the additional information that the rule requires beyond the new data points specified under the Dodd-Frank Act.
- The Bureau has been engaged in rulemaking activities regarding debt collection practices. Building on the Bureau's November 2013 Advance Notice of Proposed Rulemaking, in August 2016, the Bureau convened a panel under the Small Business Regulatory Enforcement Fairness Act (SBREFA) in conjunction with the Office of Management and Budget and the Small Business Administration's Chief Counsel for Advocacy to consult with small businesses that may be affected by the policy proposals under consideration. Section 1071 of the Dodd-Frank Act amends ECOA to require financial institutions to report information concerning credit applications made by women-owned, minority-owned, and small businesses. The Bureau is in its early stages

with respect to implementing section 1071 and is currently focused on outreach and research to further develop its understanding of the small business lending market. Before issuing a notice of proposed rulemaking the Bureau will convene a Small Business Review Panel under SBREFA.

- The Bureau has been engaged in policy analysis and further research initiatives in preparation for deciding whether to conduct a rulemaking regarding overdraft programs on checking accounts. For example, in summer 2017 the Bureau sought public feedback on draft forms to help consumers decide whether to opt in to overdraft services that the Bureau had developed through qualitative testing. The Bureau also released the latest in a series of research reports analyzing consumer usage patterns and other issues in connection with checking overdraft.

Performance goal 1.3.2: Support industry implementation of new and existing rules.

The Bureau makes it a priority to support and assist industry’s regulatory implementation efforts. For each substantive rule it issues, the Bureau provides substantial implementation support through a variety of mechanisms, including: making available on its website free-standing implementation aids, such as small entity compliance guides or other similar guides, summaries, charts, other resources; conducting webinars; engaging in outreach with financial institutions and their vendors to understand and discuss implementation challenges; and providing informal guidance to institutions.

Performance measures

TABLE 31: PERCENTAGE OF SMALL ENTITY COMPLIANCE GUIDES RELEASED OR UPDATED WITHIN 90 DAYS OF PUBLICATION OF THE RULE IN THE FEDERAL REGISTER (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							75%	75%
Actual							NA	NA

TABLE 33: NUMBER OF IMPLEMENTATION COMPLIANCE AIDS AND TOOLS PUBLISHED (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							8	10
Actual							NA	NA

TABLE 34: NUMBER OF INTERNET PAGEVIEWS AND/OR DOWNLOADS OF REGULATORY IMPLEMENTATION MATERIALS AND OTHER ONLINE SUPPORT MATERIALS FROM THE BUREAU'S WEBSITE (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							Baseline	TBD
Actual							NA	NA

TABLE 35: NUMBER OF INITIATIVES TO ASSESS THE EFFECTIVENESS OF IMPLEMENTATION MATERIALS COMPLETED (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							1 (Issue RFI)	1
Actual							NA	NA

Progress update and future action

For FY17, the Bureau published a number of implementation deliverables to assist industry in implementation and compliance with new and revised rules.

Regulation C (HMDA) --The Bureau published a second webinar on HMDA, a chart on collecting HMDA race and ethnicity information, and a new executive summary describing changes to the HMDA rule issued in August 2017. The Bureau also published updates to key implementation materials to reflect changes adopted in the final rule that the Bureau issued on August 24, 2017, and issued a desktop regulatory and reporting reference chart that summarizes and combines information found in Regulation C and the 2018 Filing Instructions Guide.

Along with publishing implementation resources, the Bureau conducted outreach activities to support the implementation of the 2015 and 2017 HMDA Final Rules and to identify and

address implementation issues. Finally, the Bureau coordinated closely with other regulators, including through the Federal Financial Institutions Examination Council (FFIEC), on HMDA implementation. The Bureau will continue to monitor implementation progress and publish additional regulatory implementation tools and resources on its website to support implementation needs.

The Bureau has also worked with the FFIEC to make available a number of data submission resources for HMDA filers and vendors on its Resources for HMDA Filers website. The Bureau has published Instructions Guides for data collected in 2017 and 2018, and a webpage previewing the HMDA Platform. In January 2017, the Bureau released a 2017 LAR Formatting Tool, intended to help financial institutions create an electronic file for submission. The Bureau will continue to update the webpage on an ongoing basis.

Other Mortgage-Related Rules -- The Bureau continued to support the implementation of the TILA-RESPA Integrated Disclosure Rule, which took effect in October 2015. Most recently, in August 2017, the Bureau issued a summary of the changes and clarifications set forth in the 2017 amendments to the rule. When it amended the mortgage servicing rules in August 2016, the Bureau also published a number of resources, including factsheets and updates to compliance guides. The Bureau plans to provide additional support to facilitate implementation and compliance with the August 2016 amendments to the mortgage servicing rules.

Prepaid Rule -- In connection with the issuance of the prepaid rule in October 2016, the Bureau published a number of resources, including a summary, a flow chart to help industry determine which financial products are subject to the prepaid rule, and two tables highlighting the changes that apply to payroll card accounts and government benefit accounts. In 2017, the Bureau provided a Small Entity Compliance Guide for the prepaid rule, an illustrated resource titled "Preparing the short form disclosure for prepaid accounts," and a revised compliance guide.

eRegulations -- The Bureau continues to develop and update online tools to support industry compliance efforts, including its eRegulations platform. The eRegulations platform presents regulation text and commentary in an online format that allows users to navigate easily between sections of both the regulation text and commentary and facilitates comparisons of different versions of a regulation. The Bureau began this effort in October 2013 with the release of Regulation E. Since then, the Bureau has added Regulations B, C, D, J, K, L, M, X, Z, and DD.

In FY 2018, the Bureau will continue to publish implementation deliverables to assist industry with the implementation and compliance with existing rules. Additionally, the Bureau plans to

issue a Request for Information (RFI) to gather public input on the Bureau’s guidance and regulatory implementation functions.

Performance goal 1.3.3: Monitor developments and trends in consumer financial markets.

The Division of Research, Markets and Regulations (RMR) seeks to bring private sector perspective and experience to the Bureau. Through data analysis, literature reviews, onsite visits and ongoing stakeholder engagement across all consumer financial product markets, RMR works to keep Bureau staff and leadership aware of market developments and trends.

The Bureau will prioritize informing its policymaking with up-to-date market intelligence and data-driven analysis of consumer financial markets. RMR collects, develops and maintains standardized data on financial markets in order to surface financial trends, market opportunities, and emergent risks to consumers.¹⁰

Performance measures

TABLE 36: QUARTERLY AVERAGE NUMBER OF CONSUMER FINANCIAL MARKET INTELLIGENCE-GATHERING MEETINGS WITH EXTERNAL STAKEHOLDERS (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							80	80
Actual							NA	NA

¹⁰ For all of the data used for its analyses, the Bureau works to ensure that strong personal privacy protections are in place. The Bureau will generally obtain datasets in a format such that no information is directly identifiable and research/analysis products resulting from such data will use similarly de-identified information. The Bureau treats the information collected from participating persons and institutions consistently with its confidentiality regulations and all data and analyses are subject to internal Bureau legal and privacy review.

TABLE 37: THE PERCENTAGE OF CONSUMER FINANCIAL MARKETS WITH INTELLIGENCE-GATHERING MEETINGS WITH EXTERNAL STAKEHOLDERS EACH QUARTER (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							80%	80%
Actual							NA	NA

TABLE 38: NUMBER OF CONSUMER FINANCIAL MARKETS MONITORED THROUGH STANDARDIZED DATA (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							10	10
Actual							NA	NA

TABLE 39: PERCENTAGE OF THE FIVE LARGEST CONSUMER FINANCIAL MARKETS MONITORED THROUGH STANDARDIZED DATA (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							80%	80%
Actual							NA	NA

Progress update and future action

The RMR Division operates Markets Offices whose staff engage with industry and other interested stakeholders at industry convenings and through formal and informal meetings. During FY 2017, the Bureau conducted outreach and meetings with industry representatives in consumer financial markets for: auto finance and lending, credit cards, credit reporting, consumer data, debt collection, deposits, money services, mortgage, payments, prepaid, remittances, small dollar & installment lending, small business lending and student lending. In FY 2018, the Bureau will continue to engage with industry and other interested stakeholders.

During FY 2017, the Bureau updated and maintained data in the following consumer financial markets: auto finance, deposits, credit cards, credit reporting, installment lending, mortgage origination and servicing, prepaid, remittances, and student lending.

Performance goal 1.3.4: Make data on consumer finance markets publicly available.

In addition to collecting, developing, and maintaining data, the Bureau releases and publishes data with respect to consumer financial markets. This enables independent researchers to conduct their own analyses of developments and trends in these markets.

TABLE 40: NUMBER OF NEW DATA SERIES OR SETS RELEASED (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							1	1
Actual							NA	NA

TABLE 41: NUMBER OF DATA VIEWS AND DOWNLOADS (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							Baseline	TBD
Actual							NA	NA

Progress update and future action

In FY 2017, the Bureau began releasing data from the Consumer Credit Panel (CCP), a database of a nationally representative sample of credit records that allows the Bureau to chart how groups of consumers are faring in financial markets.¹¹ In December 2016, the Bureau released the Consumer Credit Trends (CCT), a web-based tool that tracks originations for mortgages, credit cards, auto loans, and student loans and does so across certain demographic segments. The data are updated monthly.

In early FY 2018, the Bureau announced the launch of a new Mortgage Performance Trends tool, based on National Mortgage Database data, which tracks delinquency rates nationwide and

¹¹ Before the data are provided to the Bureau, the records are stripped of any information that might reveal consumers' identities, such as names, addresses, and Social Security numbers.

charts mortgage delinquency rates for 50 states and the District of Columbia. The National Mortgage Database includes information spanning the life of a mortgage loan from origination through servicing and captures a variety of borrower characteristics. It is a nationally representative sample of all outstanding, closed-end, first-lien mortgages for one-to-four family residences.

The Home Mortgage Disclosure Act (HMDA) requires many financial institutions to maintain, report, and publicly disclose information about mortgages. The Bureau makes certain HMDA data available to the public and publishes various online tools for users to explore the data. The Federal Financial Institutions Examination Council (FFIEC) also makes HMDA data and other HMDA resources available to the public.

The Bureau also makes available databases about credit cards, including general credit card agreements and college credit card marketing agreements. These resources include:

- A database of credit card agreements from more than 300 card issuers
- Credit card issuers marketing agreements with universities, colleges, or affiliated organizations such as alumni associations, sororities, fraternities, and foundations
- A survey of the terms of credit card plans offered by financial institutions

Beginning in 2019, prepaid account issuers will be required to submit prepaid account agreements to the Bureau. The Bureau plans to post the agreements and other information collected to its public website for access by consumers and other interested parties.

Performance goal 1.3.5: Publish research relating to consumer financial markets, including consumers' decisions and outcomes in these markets.

The Bureau conducts research on consumer decision-making, consumer financial products and markets, and the effects of consumer financial regulations and policies. Periodically, the Bureau publishes reports of its research, including informational white papers, non-annual Reports to Congress, and "Data Point" reports.

Performance measures

TABLE 42: NUMBER OF PUBLISHED REPORTS AND RESEARCH PUBLICATIONS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	4	5	5	5	6	6	6	6
Actual	2	4	9	6	9	6	NA	NA

TABLE 43: NUMBER OF INTERNET VIEWS AND DOWNLOADS OF PUBLISHED REPORTS AND RESEARCH PUBLICATIONS (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							Baseline	TBD
Actual							NA	NA

TABLE 44: NUMBER OF CITATIONS OF BUREAU REPORTS AND PUBLICATIONS IN OTHER PUBLICATIONS (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							Baseline	TBD
Actual							NA	NA

Progress update and future action

Publishing research reports and market analysis is central to the Bureau's commitment to regulatory transparency and evidence-based policy-making.

RMR released the following notable public reports in FY 2017:

- **Data Point: Student Loan Repayment (Aug. 2017)**
- **Data Point: Frequent Overdrafters (Aug. 2017)**
- **Data Point: Becoming Credit Visible (Jun. 2017)**
- **White Paper: Key Dimensions of the Small Business Lending Landscape (May 2017)**

- Consumer Experiences with Debt Collection: Findings from the Bureau’s Survey on Consumer Views on Debt (Jan. 2017)
- Market Snapshot: Online Debt Sales (Jan. 2017)

In FY 2018 RMR is planning to issue a regular series of reports identifying trends in the consumer credit markets, using the data in the Bureau’s Consumer Credit Panel. The first of these reports examined trends in the auto loan market, focusing on loan terms and consumer outcomes. The second report will study the results of changes in the credit reporting market on credit scores.

In FY 2018, RMR is expecting to conduct a nationally-representative survey of low-income consumers to better understand their financial decision making. Bureau researchers also are studying how student loan debt and its repayment affect consumer balance sheets.

The Bureau also will sponsor its third research conference at which papers on topics in consumer finance selected by an outside technical review panel will be presented and discussed.

Performance goal 1.3.6: Engage the public and Bureau stakeholders by hosting public events and Advisory Boards and Councils meetings about consumer finance issues.

The Bureau aims to engage with the public on consumer finance issues to ensure that the Bureau’s work is transparent and that the public and all interested parties have meaningful opportunities for input.

Performance Measure

TABLE 45: NUMBER OF PUBLIC EVENTS, INCLUDING FIELD HEARINGS, TOWN HALL MEETINGS, AND ADVISORY BOARD AND COUNCIL MEETINGS, HOSTED ANNUALLY

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	NA	8	9	13	13	13	6	6
Actual	8	11	13	15	17	12	NA	NA

Progress update and future action

The Bureau hosted 12 public events in FY 2017, focused on issues such as student loans, debt collection, mortgages, arbitration, and payday lending. These included three meetings of its

Consumer Advisory Board (CAB), two meetings of its Community Bank Advisory Council, and two meetings of its Credit Union Advisory Council:

1. Washington, D.C. Consumer Advisory Board meeting in October 2016
2. Salt Lake City, Utah field hearing on consumer access to data in November 2016
3. Washington, D.C. public event on consumer protection with the D.C. Attorney General in January 2017
4. Charleston, West Virginia field hearing about alternative data in February 2017
5. Washington, D.C. Consumer Advisory Board meeting in March 2017
6. Washington D.C. Credit Union Advisory Council meeting in March 2017
7. Washington, D.C. Community Bank Advisory Council meeting in April 2017
8. Los Angeles, California field hearing on small business lending in May 2017
9. Washington, D.C. Consumer Advisory Board meeting in June 2017
10. Raleigh, North Carolina public event on public service and student loan servicing in June 2017
11. Washington D.C. Credit Union Advisory Council meeting in September 2017
12. Washington, D.C. Community Bank Advisory Council meeting in September 2017

The Bureau also participated in multiple public events hosted by others in FY 2017.

Goal 2. Implement and enforce the law consistently to ensure that markets for consumer financial products and services are fair, transparent, and competitive.¹²

It is not enough simply to ensure that consumers have access to markets for consumer financial products and services. Equally important, those markets must be fair, transparent and competitive. Through the regulations it writes to implement federal consumer financial law and its activities to promote compliance with those laws, the Bureau is focused and is equipped to prevent financial harm to consumers resulting from unfair, opaque, or noncompetitive acts by market participants. The Bureau's aim is to promote practices that benefit consumers, responsible providers, and the economy as a whole.

An important objective of the Dodd-Frank Act is to ensure that Federal consumer financial law is enforced consistently without regard to whether a financial service provider is a bank or

¹² As set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203 (2010), Section 1021(a).

nonbank. Toward that end, the Dodd-Frank Act gives the Bureau the authority to supervise and examine many nonbank financial service providers such as mortgage companies, payday lenders, private education lenders, and larger participants in other markets as defined by rules issued by the Bureau. Industry structure is always changing, and therefore, so too will the number of institutions that fall under the Bureau’s supervisory authority.

The Bureau will attain its second goal by achieving the following objectives:

1. **Objective 2.1:** Protect consumers from unfair, deceptive, or abusive acts and practices and from discrimination.
2. **Objective 2.2:** Enforce federal consumer financial law consistently, without regard to the status of a person as a depository institution, in order to promote fair competition.

TABLE 46: FINANCIAL INSTITUTIONS SUBJECT TO THE BUREAU’S SUPERVISORY AUTHORITY FOR CONSUMER FINANCIAL PROTECTION PURPOSES

Large depository institutions, credit unions & their affiliates	Certain non-bank institutions
Representing over \$10 trillion in assets (~75% of total industry)	Including companies engaged in mortgage lending, brokering, and servicing; payday lenders; private education lenders; and select nonbanks defined as larger participants by the Bureau

Note: Data as of September 30, 2017.

Objective 2.1

*Protect consumers from unfair, deceptive, or abusive acts and practices and from discrimination.*¹³

Objective leader: Associate Director, Supervision, Enforcement, and Fair Lending; Associate Director, Consumer Education and Engagement; Assistant Director, Office of Equal Opportunity and Fairness

Strategies

- Enhance compliance with federal laws intended to ensure the fair, equitable and nondiscriminatory access to credit for both individuals and companies and promote fair lending compliance and education.
- Strengthen prevention and response to elder financial exploitation.

In addition to executing the strategies described above, the Bureau will execute the strategies in Objective 2.2 to protect consumers from discrimination and unfair, deceptive, or abusive acts and practices.

¹³ As set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203 (2010), Section 1021(b)(2).

Performance goals

The Bureau will assess the progress on achieving objective 2.1 through the following performance goals:

Performance goal 2.1.1: Effectively initiate supervisory events at financial services institutions under the Bureau's jurisdiction to determine compliance with Federal laws intended to ensure the fair, equitable, and nondiscriminatory access to credit for both individuals and communities, including the Equal Credit Opportunity Act (ECOA) and the Home Mortgage Disclosure Act (HMDA).

The Bureau's fair lending supervision program assesses whether supervised entities have engaged in, or are engaging in, violations of the Federal fair lending laws within the Bureau's jurisdiction. The Bureau accomplishes this assessment through examinations that evaluate institutions' compliance with those laws.

Performance measure

TABLE 47: FAIR LENDING SUPERVISION EVENTS OPENED DURING THE FISCAL YEAR¹⁴

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	NA	NA	NA	20-35	20-35	20-35	20-35	20-35
Actual	67	47	33	27	32	27	NA	NA

Note: Fair lending supervision events are a subset of the Supervision events at the Bureau.

¹⁴ This indicator includes MRA follow-up reviews starting in FY 2015. In addition, this indicator counts mortgage Targeted ECOA Exams and their associated HMDA Data Integrity Exams separately as two examinations. The overall supervision activities indicator combines mortgage Targeted ECOA Exams and their associated HMDA Data Integrity Exam as a single examination.

Progress update and future action

The overall number of fair lending supervisory activities decreased from FY 2013 (47) to FY 2014 (33) and FY 2015 (27) because, in the Bureau's earliest years, Fair Lending conducted baseline risk assessments and information gathering surveys of a large number of institutions. In FY 2016, Fair Lending initiated 32 total supervisory activities by conducting targeted fair lending reviews and by performing MRA follow-up exams to review findings from previous supervisory work. In FY 2017, Fair Lending conducted targeted fair lending reviews focused on small business lending, mortgage servicing and student loan servicing, resulting in 27 total supervisory activities. As the implementation date approached for the 2015 HMDA rule, the Bureau temporarily shifted its HMDA supervision resources from examinations under the pre-2015 rule, to implementation of the 2015 HMDA rule, and executed fewer HMDA exams as a result.

Performance goal 2.1.2: Successfully resolve the fair lending cases the Bureau files in court and administrative adjudicative proceedings, whether by litigation, settlement, issuance of a default judgment, or other means.

The Dodd-Frank Act set forth as one of the Bureau's functions the enforcement of Federal fair lending laws, including ECOA and HMDA.

Performance measure

TABLE 48: THE PERCENTAGE OF ALL FAIR LENDING CASES CONCLUDED BY THE BUREAU THAT WERE SUCCESSFULLY RESOLVED THROUGH LITIGATION, A SETTLEMENT, ISSUANCE OF A DEFAULT JUDGMENT, OR OTHER MEANS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	NA	75%	75%	75%	75%	75%	75%	75%
Actual	100%	NA*	100%	100%	100%	100%	NA	NA

*Although the stipulation for the two public enforcement actions was executed in September 2013, the denominator for this goal is zero because the consent orders were executed in October 2013, and the result is "NA". These two matters are counted as successfully resolved in the FY2014 results.

Progress update and future action

In FY 2017, the Bureau resolved through consent orders both fair lending public enforcement actions concluded that year. On March 15, 2017, the Bureau issued a consent order related to a

finding of HMDA violations related to mortgage servicing. On August 23, 2017, the Bureau issued a consent order related to a finding of discrimination against bank consumers in U.S. territories and certain consumers with Spanish-language preferences.

Performance goal 2.1.3: Promote fair lending compliance and education by leading and participating in fair lending outreach activities regarding fair lending compliance, access to credit issues, or financial product or services innovation.

As one of its core functions, the Office of Fair Lending and Equal Opportunity is responsible for “working with private industry, fair lending, civil rights, and consumer and community advocates on the promotion of fair lending compliance and education” (Dodd-Frank Act, Section 1013(c)(2)(C).) The Bureau conducts fair lending outreach activities through numerous channels, such as issuing compliance bulletins targeted to industry; publishing blog posts, brochures and reports regarding fair lending issues; delivering speeches and presentations on fair lending and access to credit matters to industry, consumer and community groups, and others; and participating in smaller meetings and discussions with external stakeholders.

Performance measure

TABLE 49: NUMBER OF OUTREACH EVENTS WHERE THE BUREAU STAFF WORK DIRECTLY WITH STAKEHOLDERS TO (1) EDUCATE THEM ABOUT FAIR LENDING COMPLIANCE AND ACCESS TO CREDIT ISSUES OR (2) HEAR THEIR VIEWS ON THE BUREAU'S WORK TO INFORM THE BUREAU'S POLICY DECISIONS.

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	NA	55	35	40	40	40	40	40
Actual	51	56	66	60	57	60	NA	NA

Progress update and future action

In FY 2017, the Office of Fair Lending and Equal Opportunity led and participated in 60 fair lending outreach activities.

The Bureau communicated with various stakeholders through speeches, panel remarks, presentations, webinars, blogs, reports, brochures, and smaller discussions on fair lending matters. The Bureau engaged with consumers through listening events, roundtables, the Fair Lending annual report, and through the Bureau’s website, consumerfinance.gov.

Performance goal 2.1.4: Enhance protection of older Americans from elder financial exploitation

To improve financial protections for older Americans, the Bureau continues to work with aging service providers, financial institutions, law enforcement, and federal, state, and local government agencies that interact with older adults and their families. Major initiatives include age-friendly banking recommendations to banks and credit unions and help to local leaders creating elder financial protection community networks.

Performance measures

TABLE 50: NUMBER OF LOCALITIES ENGAGED TO CREATE NETWORKS OF LAW ENFORCEMENT, FINANCIAL INSTITUTIONS, AND ADULT PROTECTIVE SERVICES TO PROTECT OLDER AMERICANS FROM FINANCIAL EXPLOITATION (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target						-	4	4
Actual						2	NA	NA

TABLE 51: DOWNLOADS OF RECOMMENDATIONS ABOUT AGE-FRIENDLY ACCOUNT FEATURES FOR FINANCIAL INSTITUTIONS TO CONSIDER (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target						-	1000	1000 and refresh report
Actual						2000	NA	NA

Progress update and future action

The Bureau continues to encourage financial institutions to adopt age-friendly banking practices. Following the FY16 release of a comprehensive set of voluntary recommendations for banks and credit unions, the Bureau has distributed over 3,000 print materials on age-friendly banking and engaged over 600 financial institutions to encourage innovative banking products and services to protect older account holders. In FY18, the Bureau targets 1,000 downloads of recommendations by financial institutions.

In FY17 and FY18, the Bureau convened stakeholders in Gainesville, Florida; Muskogee, Oklahoma; and Crossville, Tennessee, to build networks for prevention and response to elder

financial exploitation. In FY18, the Bureau will continue working with community first responders and stakeholders to build and/or enhance existing community networks, and continue to distribute materials on financial protections for older Americans.

Objective 2.2

*Enforce federal consumer financial law consistently, without regard to the status of a person as a depository institution, in order to promote fair competition.*¹⁵

Objective leader: Associate Director, Supervision, Enforcement, and Fair Lending

Strategies

- Acquire and analyze qualitative and quantitative information and data pertaining to consumer financial products and service markets and companies.
- Focus supervision and enforcement resources on institutions and their product lines that pose the greatest risk to consumers based on the nature of the product, field and market intelligence, and the size of the institution and product line.
- As appropriate, share information, coordinate activity, and promote best practices with fellow supervisory and law enforcement agencies to ensure the most effective use of regulatory resources.
- Promote development and enhancement of technology solutions to ensure compliance with Federal consumer financial laws including technology solutions for coordinating supervisory information capable of recording, storing, tracking and reporting information on the Bureau's supervisory process.
- Enhance internal policies that facilitate the integration of the Bureau's supervision and enforcement functions.

Performance goals

The Bureau will assess the progress on achieving objective 2.2 through the following

¹⁵ As set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203 (2010), Section 1021(b)(4).

performance goals:

Performance goal 2.2.1: Effectively initiate supervisory events at financial services institutions under the Bureau's jurisdiction to determine compliance with Federal consumer financial laws.

The Bureau has supervisory authority over banks, thrifts, and credit unions with over \$10 billion in assets and their affiliates (collectively “banks”) and over non-bank institutions (“non-banks”), regardless of size, in certain specific markets: mortgage companies (originators, brokers, servicers, and providers of loan modification or foreclosure relief services); private education lenders; and payday lenders. The Bureau also has supervisory authority over larger participants in other non-bank markets as the Bureau defines by rule. To date, the Bureau has issued six rules defining larger participants in the following markets: consumer reporting (effective September 2012), consumer debt collection (effective January 2013), student loan servicing (effective March 2014), international money transfers (effective December 2014), automobile financing (effective August 2015), and prepaid (effective April 2019). Supervisory activities foster compliance with Federal consumer financial laws and promote a fair consumer financial marketplace.

Performance measures

TABLE 52: SUPERVISION EVENTS OPENED DURING THE FISCAL YEAR

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	NA	NA	NA	155-170	160-200*	160-200	160-200	160-200
Actual	149	160	127	150	174	171	NA	NA

* The FY 2016 target was adjusted from the FY 2014 annual performance plan and report to reflect significant reductions in the Bureau's backlog of examination reports.

Progress update and future action

In FY 2017, the Bureau continued implementing its supervision program, opening 171 supervisory activities at large banks and non-bank financial institutions. Examination activities generally focused on one of the following institution product lines (IPLs) or a baseline compliance management system:

- Automobile finance origination;

- Automobile finance servicing;
- Consumer reporting;
- Credit card account management;
- Debt collection;
- Deposits;
- Mortgage origination;
- Mortgage servicing;
- Remittance transfer;
- Short term, small dollar lending;
- Student loan origination; and
- Student loan servicing.

The Bureau also engaged in direct examination of certain service providers and conducted a horizontal review of sales practices at certain banks.

The exam schedule for FY 2017 was informed by strategic priorities for all areas of compliance, including fair lending, taking into account risk assessments across markets and for each institution. The prioritized exam calendar includes 173 exam events scheduled in FY 2018.

The Bureau expanded its Supervision and Examination Manual in FY 2017 by adding or revising examination procedures for:

- Reverse Mortgage Servicing (October 2016)
- Privacy of Consumer Financial Information – Gramm –Leach-Bliley Act (GLBA) (October 2016)
- Education Loan (June 2017)
- Compliance Management Review (August 2017)

The Bureau also updated other sections of its *Supervision and Examination Manual* in March 2017. These revisions were necessitated by the updated Federal Financial Institutions

Examination Council (FFIEC) Uniform Interagency Consumer Compliance Rating System, which became effective on March 31, 2017. The revisions also reflect changes in the Bureau’s supervisory program, such as 2017 changes to examination prioritization.

The Bureau continues to coordinate with applicable Federal and state regulators on supervisory activities to minimize regulatory burden, leverage resources, and decrease the risk of conflicting supervisory directives. To facilitate this coordination, the Bureau has memoranda of understanding with, among others, the Federal prudential regulators, the Federal Trade Commission, and over sixty state bank and non-bank supervisory agencies. In addition, the Bureau has a framework with state financial agencies that establishes a dynamic and flexible process for coordination on supervision and enforcement matters.

In FY17 the Bureau launched the new Supervision and Examination System (SES) which stores supervisory tracking data and exam documentation. The new system expands the capabilities of the legacy application, particularly in the areas of document management, staff scheduling, contact management, reporting, and activity updates critical to the examination process. Development is continuing through FY2018.

Performance goal 2.2.2: Issue examination reports or letters within the Bureau’s established time periods following the close of examinations.

Effective supervision of financial institutions to foster compliance with Federal consumer financial laws requires 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 53: PERCENTAGE OF SUPERVISORY LETTERS OR EXAMINATION REPORTS ISSUED WITHIN 45 BUSINESS DAYS FOLLOWING THE FINALIZATION OF EXAM ANALYSIS (CLOSING OF EXAM)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	NA	Baseline	50%	60%	60%	60%	70%	70%
Actual	NA	15%	25%	28%	70%	71%	NA	NA

TABLE 54: AVERAGE NUMBER OF BUSINESS DAYS TO ISSUE A SUPERVISORY LETTER OR EXAMINATION REPORT FOLLOWING THE FINALIZATION OF EXAM ANALYSIS (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							60	60
Actual							NA	NA

Progress update and future action

The Bureau will 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 Bureau will review and analyze its processes to determine methods for improvement and increased effectiveness and efficiency. The Bureau intends to be 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 2.2.3: Assess quality of examination reports and supervisory letters.

Ensuring high quality examination reports and supervisory letters continues to remain an area of focus for the Bureau and Supervision remains dedicated to monitoring and assessing the quality of the reports that are issued.

Performance measure

TABLE 55: NUMBER OF OUTREACH EVENTS (RFI OR INDUSTRY ROUNDTABLE) TO DISCUSS QUALITY OF EXAMINATION REPORTS AND SUPERVISORY LETTERS (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							1	1
Actual							NA	NA

Progress update and future action

In May 2016, Supervision released revised templates for supervisory letters and examination

reports. The revised templates streamlined areas without losing key content that is communicated to supervised entities.

Performance goal 2.2.4: Supervisory matters requiring attention addressed by the entity by the prescribed timeframe.

The Bureau monitors institutions that receive notice of matters requiring attention to ensure that corrective actions are taken within the prescribed timeframe in response to supervisory activities, which fosters compliance with Federal consumer financial laws and promotes a fair consumer financial marketplace.

Performance measure

TABLE 56: PERCENTAGE OF SUPERVISORY MATTERS REQUIRING ATTENTION ADDRESSED BY THE ENTITY BY THE PRESCRIBED TIMEFRAME IN RESPONSE TO SUPERVISORY ACTIVITIES

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	NA	Baseline	80%	80%	80%	80%	90%	90%
Actual	NA	62%	90%	97%	96%	93%	NA	NA

TABLE 57: PERCENTAGE OF SUPERVISED ENTITIES ADDRESSING 100% OF THE SUPERVISORY MATTERS REQUIRING ATTENTION BY THE PRESCRIBED TIMEFRAME (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							80%	80%
Actual							NA	NA

Progress update and future action

Efforts have been made to ensure the Bureau allotted more realistic and reasonable timeframes for supervised institutions to correct matters requiring attention. Regions placed further emphasis on timeframe follow-up to ensure supervised institutions complied with prescribed deadlines.

The Bureau continues to conduct on-site reviews of particular issues or actions that may require independent validation.

Performance goal 2.2.5: Cooperate and share information with partners in local, state, and federal law enforcement as part of efforts to protect consumers and deter wrongdoers.

This indicator ensures that the Bureau works well with its partners at the local, state, and federal level to share information across jurisdictions, subject to applicable legal restrictions, and to make the best use of limited resources.

Performance measure

TABLE 58: INSTANCES IN WHICH THE BUREAU OBTAINS INFORMATION FROM LOCAL, STATE, OR FEDERAL LAW ENFORCEMENT PARTNERS THAT CONTRIBUTES TO BUREAU LAW ENFORCEMENT ACTIONS, OR INVESTIGATIONS IN WHICH THE BUREAU COOPERATES OR SHARES INFORMATION WITH LAW ENFORCEMENT PARTNERS.¹⁶

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	NA	NA	NA	Share requested investigative information*	Share requested investigative information*	Share requested investigative information*	Share requested investigative information*	Share requested investigative information*
Actual	22	80	280	186	130	177 (30 FL)	NA	NA

*When investigative information is requested by law enforcement and regulatory agencies, share responsive information where permissible under relevant law and appropriate under the circumstances

Progress update and future action

The Bureau continues to cultivate strong working relationships with its partners at federal, state, and local regulators and law enforcement agencies. In May 2013, the Bureau entered into a framework with state financial regulatory authorities that established a dynamic and flexible process for coordination on supervision and enforcement matters. Since opening its doors in

¹⁶ For this measure, the Bureau reports each instance when information is shared for the same investigation or in other circumstances as one instance.

July 2011, the Bureau has signed more than 60 information-sharing MOUs with federal, state, and local governmental agencies.

In the past fiscal year, the Bureau shared investigative information with more than 71 different government agencies in 177 instances and will continue to coordinate and cooperate with its partners in the Bureau’s efforts to protect consumers. The Bureau is committed to maximizing its ability to protect and assist consumers in coordination with its partners while also ensuring that confidential information relating to consumers and businesses is appropriately protected.

Performance goal 2.2.6: Cooperate and share information with federal and state partners as part of Supervision efforts to protect consumers and deter wrongdoers.

This goal ensures that the Bureau works well with its partners at the local, state, and federal level to share information, subject to the Bureau’s regulations, policies on information sharing, and other legal restrictions, across jurisdictions and to make the best use of limited resources.

Performance measure

TABLE 59: SHARE SUPERVISION EXAM CALENDAR WITH PRUDENTIAL AND STATE REGULATORS TO INVITE COORDINATION ON EXAM ACTIVITIES (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							Share exam calendar	Share exam calendar
Actual							NA	NA

TABLE 60: PERCENTAGE OF EXAM REPORTS SHARED WITH OTHER REGULATORS, AS APPROPRIATE (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							90%	90%
Actual							NA	NA

TABLE 61: CONTRIBUTE TO FFIEC ISSUANCES BY MAINTAINING BUREAU REPRESENTATIVES ON ALL RELEVANT FFIEC TASK FORCES AND WORKING GROUPS (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							100%	100%
Actual							NA	NA

Progress update and future action

Under the Dodd-Frank Act, the Bureau is required to coordinate its supervisory work with various other regulators at both the State and the Federal level, to the extent possible. The Bureau makes it a priority to share information about its supervisory activity and coordinate its work with other regulators, when possible. The above metrics will continue to ensure that this remains a focus for the Bureau going forward.

Performance goal 2.2.7: Where the Bureau determines enforcement action is warranted, file or settle action within two years of opening its investigation.

Filing enforcement actions in a timely manner is an important measure of the Bureau’s effectiveness. The Bureau seeks to balance the need to effectively pursue complicated and time-consuming cases while minimizing any unnecessary delay between conduct and resolution. Timely pursuit of resolutions increases deterrence and provides consumers with greater protections of law.

Performance measure

TABLE 62: PERCENTAGE OF ENFORCEMENT ACTIONS FILED OR SETTLED WITHIN TWO YEARS OF THE INVESTIGATION OPENING

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	NA	Baseline	Baseline	65%	65%	65%	65%	65%
Actual	NA	Baseline	75%	70%	42%	60%	NA	NA

TABLE 63: AVERAGE DURATION, IN MONTHS, TO FILE OR SETTLE INVESTIGATIONS (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target						NA	24	24
Actual						23	NA	NA

Progress update and future action

After the Bureau determines that enforcement action is warranted, Bureau staff review each matter at regular intervals to ensure that it is progressing in a timely manner. The Bureau’s experience so far and the experience of other similar enforcement agencies informed the selection of the target. The Bureau will, however, continue to monitor this target to assess whether it is an appropriate way to measure the Bureau’s performance going forward.

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

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

Performance measure

TABLE 64: PERCENTAGE OF ALL CASES CONCLUDED BY THE BUREAU’S ENFORCEMENT PERSONNEL THAT WERE SUCCESSFULLY RESOLVED THROUGH LITIGATION, A SETTLEMENT, ISSUANCE OF A DEFAULT JUDGMENT, OR OTHER MEANS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	NA	75%	75%	75%	75%	75%	75%	75%
Actual	100%	100%	100%	100%	100%	98%	NA	NA

Progress update and future action

During FY 2017, the Bureau resolved 98% of its matters through litigation, a settlement, issuance of default judgment, or other means. Through the Bureau’s successfully resolved cases, the Bureau helped secure restitution, principal reductions, cancelled debt, and other relief for

consumers. Some of the Bureau’s actions also resulted in civil penalties, which are paid to the Bureau’s Civil Penalty Fund, which is used to compensate victims of activities for which civil penalties have been imposed.

Performance goal 2.2.9: Promote transparency about compliance expectations to ensure consistent adoption and fair competition.

The Bureau has and will continue to publish Supervisory Highlights several times per year to share findings from recent examinations. In addition to these findings—which are communicated without identifying specific institutions, except for enforcement actions already made public—Supervisory Highlights shares remedies that Supervision has obtained for consumers who suffered financial or other harm as a result of violations of law. The purpose of this publication is to provide the public information about supervisory expectations and compliance problems found in examinations so that industry can meet those expectations and improve compliance as needed.

Performance measure

TABLE 65: NUMBER OF WRITTEN COMMUNICATIONS ABOUT COMPLIANCE EXPECTATIONS (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target						-	3	3
Actual						4	NA	NA

Progress update and future action

The Bureau published four editions of *Supervisory Highlights* in FY 2017.

- **Fall 2016 (Issue 13) – October 2016:** In this issue, the Bureau reported examination findings in the areas of automobile origination, automobile servicing, debt collection, mortgage origination, student loan servicing, and fair lending. The report includes extensive fair lending information covering HMDA submission requirements, redlining, information on the provision of language services to limited English proficient consumers and the Ally consent order update. The report also included information on recently released examination procedures, public enforcement actions, and Bureau guidance.

- Winter 2017 (Issue 14) – March 2017: In this special edition of *Supervisory Highlights*, the Bureau shared findings from recent supervisory examination observations in consumer reporting. These observations include findings from examinations at consumer reporting companies and at companies that furnish information to consumer reporting companies.
- Spring 2017 (Issue 15) – April 2017: In this issue, the Bureau shared examination findings in the areas of mortgage servicing, mortgage origination, student loan servicing, and fair lending. Included in this report is information about the Bureau’s service provider examination program, production incentives, the spike and trend monitoring tool as well as recent examination procedures and other newly released guidance.
- Summer 2017 (Issue 16) – September 2017: This issue of *Supervisory Highlights* covered examination findings in the areas of auto finance lending; credit card account management; debt collection; deposits; mortgage servicing; mortgage origination; service providers; short-term, small-dollar lending; remittances; and fair lending. It includes information about recent public enforcement actions, non-public supervisory actions and supervisory program developments. The report shares details on the Bureau’s use of its supervisory and enforcement authority, recently released examination procedures, and Bureau guidance.

Goal 3. Foster operational excellence through efficient and effective processes, governance and security of resources and information

The Bureau will review or revise its programs, policies and processes that support and govern its internal operations to achieve its consumer protection mission and strategic goals. Achieving operational excellence requires the Bureau to mature and adapt policies, processes, tools and controls to operate more efficiently, effectively, and transparently. To accomplish its mission, the Bureau needs to maintain a sustainable, high performing, diverse, inclusive, and engaged workforce. By identifying and adopting leading practices to select, develop and retain employees, the Bureau can ensure that its workforce has the experience and skills needed to realize the strategic goals.

The Bureau is committed to being a responsible steward of resources, which is critical to maintaining the public trust that enables the Bureau to achieve its mission. This includes having adequate information security safeguards to protect the Bureau's assets and information, robust internal controls, and disciplined financial management practices. To foster accountability, the Bureau will monitor and conduct periodic evaluations of operations to ensure effective management of resources and risk. This entails looking for opportunities to be more efficient and effective through innovative technology, adoption of an enterprise risk management program, identification of budget savings and execution of process improvement activities.

The Bureau will attain its third goal by achieving the following objectives:

1. **Objective 3.1:** Safeguard the Bureau’s information and systems.
2. **Objective 3.2:** Maintain a talented, diverse, inclusive and engaged workforce.
3. **Objective 3.3:** Manage risk and promote accountability within the Bureau.

Objective 3.1

Safeguard the Bureau’s information and systems.

Objective leader: Associate Director, Operations

Strategies

- Mature and continue to maintain a responsive cybersecurity program that facilitates secure information management and strategic decision-making.
- Align the Bureau’s information technology investments with federal security standards and priorities, and industry-leading practices.

Performance goal

The Bureau will assess the progress on achieving objective 3.1 through the following performance goal:

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

Information security continues to be a key risk in the federal government due to the advanced persistent threat to information technology (IT) infrastructures. As such, the Bureau must consistently seek to ensure its cybersecurity program evolves accordingly.

Performance measures

TABLE 66: MITIGATE CRITICAL AND HIGH PLAN OF ACTION & MILESTONES (POA&M) FROM 2018 THIRD-PARTY CYBER ASSESSMENT (% MITIGATED) (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							50%	80%
Actual							NA	NA

TABLE 67: REVIEW BUREAU'S ADHERENCE TO NIST FRAMEWORK (800-53 REV 5) WITH GAP ANALYSIS (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							Complete review and gap analysis	Align Cyber program to updated NIST Framework (800-53 rev 5)
Actual							NA	NA

TABLE 68: CONDUCT A CYBERSECURITY ORGANIZATIONAL ASSESSMENT TO GUIDE ANY REALIGNMENT OR IDENTIFY ANY SKILL GAPS (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							Complete assessment and realign to meet critical elements	Implement development and recruitment plan to bridge skill gaps after realignment
Actual							NA	NA

TABLE 69: DEVELOP A CYBER ROADMAP FOR THE BUREAU'S TRANSITION OF DATA CENTERS TO A TARGET STATE OF 100% MOBILE-FRIENDLY, CLOUD-BASED SERVICES (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							Develop cyber roadmap	Review adherence to cyber roadmap
Actual							NA	NA

Progress update and future action

The Bureau has taken several steps to enhance its cybersecurity program including implementing an information security continuous monitoring program consistent with federal requirements. In FY 2018, the Bureau plans to conduct a thorough cybersecurity evaluation, with the first phase to begin in the first quarter of 2018. The goal of this effort is to proactively identify security vulnerabilities and initiate any required mitigating actions. The full scope of work includes: 1) an end-to-end vulnerability assessment with penetration testing by a known and respected autonomous entity, 2) a review of the Bureau's adherence to the NIST Framework along with a gap analysis, 3) an organizational assessment to guide any realignment or skill gaps, and 4) a cyber roadmap for the Bureau's transition of internal data centers to 100% mobile-friendly, cloud-based services.

Objective 3.2

Maintain a talented, diverse, inclusive and engaged workforce.

Objective leader: Associate Director, Operations; Director, Office of Equal Opportunity and Fairness

Strategies

- Establish and maintain human capital policies and programs to help the agency effectively and efficiently manage a talented, diverse, and inclusive workforce.
- Offer learning and development opportunities that foster a climate of professional growth and continuous improvement.
- Develop human capital processes, tools, and technologies that continue to support the maturation of the Bureau and the effectiveness of human resource operations.
- Build a positive work environment that engages employees and enables them to continue doing their best work.
- Maintain comprehensive equal employment opportunity (EEO) compliance and diversity and inclusion programs, including those focused on minority and women inclusion.

Performance goals

The Bureau will assess the progress on achieving objective 3.2 through the following performance goals:

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

The Bureau 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.

Performance measures

TABLE 70: MANAGEMENT TRAINING SURVEY RATING ON APPLYING LEARNED SKILLS TO JOB RESPONSIBILITIES (AGGREGATE OF THREE QUESTIONS ON 7 POINT SCALE) (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							5.75	5.75
Actual							NA	NA

TABLE 71: ANNUAL EMPLOYEE SURVEY (AES) RATING ON PERCEPTIONS OF TECHNICAL COMPETENCE OF THE BUREAU STAFF (% FAVORABLE)¹⁷

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	NA	68.5%	68.5%	63%	64%	68.5%	70%	70%
Actual	65%	66.7%	62.3%	67.4%	67.9%	72.1%	NA	NA

TABLE 72: INCLUSION QUOTIENT: ANNUAL EMPLOYEE SURVEY (AES) RATING ON PERCEPTION OF INCLUSION AND DIVERSITY (% FAVORABLE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	NA	NA	NA	63.5%	65%	67%	70%	70%
Actual	NA	65.3%	61.6%	65.8%	67.5%	72.5%	NA	NA

Progress update and future action

To better focus on the conditions that enhance inclusion, in the framework of the current Performance Plan and Report, the Bureau has adopted the Inclusion Quotient framework defined by the Office of Personnel Management’s (OPM) Office of Diversity and Inclusion. OPM

¹⁷ The technical competence composite is comprised of ratings on three items from the AES, including “the workforce has the job-relevant knowledge and skills necessary to accomplish organizational goals.”

has defined the Inclusion Quotient as comprised of five habits: Fair, Open, Cooperative, Supportive and Empowering. Baseline measures from FY 2013 and FY 2014 were used to establish this metric and to estimate improvement over time.

In FY 2017, the Office of Minority and Women Inclusion (OMWI) conducted activities to enhance diversity and inclusion at the Bureau including:

- Supported the creation of three employee-resource groups focused on common interests, as well as minorities, and LGBTQ interests (RISE, Adelante, and Pride), which included reviewing and approving each group's application for formal recognition and charter;
- Supported both employee-level and executive-level diversity advisory councils to promote diversity and inclusion best practices within the Bureau;
- Continuing mandatory diversity and inclusion training for staff, managers, and senior leaders; and
- Providing technical assistance to leaders on incorporating and implementing diversity and inclusion goals in their divisional strategic plans.

The Inclusion Quotient, which rates employees' perceptions of inclusion and diversity, increased by 5% from last year and exceeded the FY 2017 target by 5.5%. In FY 2018, OMWI will continue to build on these programs to support diversity and inclusion.

In FY 2017, the Bureau recruited, hired, and trained approximately 193 new employees (this figure excludes the Bureau's temporary Pathways Summer Internship Program). OHC, OMWI, and OCR collaborated to develop targeted recruiting strategies and to enhance workplace diversity. Strategies applied in FY 2017 included:

- Partnering with affiliate organizations to reach qualified diverse professionals.
- Recruiting at 29 diversity and inclusion focused career events.
- Using The Washington Center to staff academic year internships to reinforce the Bureau's diverse talent pipeline.
- Partnering with the Diversity and Inclusion Council of Employees and the newly formed Employee Resource Groups to ensure to share upcoming employment opportunities with their respective networks.

- Providing equal employment opportunity trainings to new employees and annual EEO trainings to managers and Bureau employees.

The Bureau continues to apply enhanced candidate assessment tools to support hiring at all levels of the organization. OHC is in the process of enhancing the structured interview training and interview development to continue to grow the use of structured interviews. OHC has begun proactively providing structured interview booklets to hiring managers at the time of interview and beginning in Spring 2018, OHC, OMWI, and OCR will launch an improved structured interview training which provides hiring managers with tools and resources for conducting structured interviews.

In addition to maintaining a strong focus on recruiting and hiring high-performing diverse employees, the Bureau also placed a special emphasis in FY 2017 on expanding delivery of key career development programs. Examples include: Individual Development Planning and Career Development Workshops, a new Team Leader training program, a matrix of courses for “Aspiring Leaders,” and continued availability of external training and development opportunities. Additionally, the Bureau leveraged the Centralized Detail Posting Process to advertise internal detail opportunities to Bureau employees, posting 73 opportunities for employees to explore a new assignment and develop new skills.

Performance goal 3.2.2: Maintain a high level of employee engagement.

As the Bureau matures, sustaining a high level of employee engagement is essential to executing the mission and ensuring organizational success. Central to this is capturing employee feedback by measuring their commitment to their jobs, colleagues and organization and taking appropriate actions to address opportunities to further engagement.

Performance measure

TABLE 73: ANNUAL EMPLOYEE SURVEY (AES) ENGAGEMENT COMPOSITE RATING (% FAVORABLE)¹⁸

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	NA	76.5%	76.5%	72%	73%	75%	75%	75%
Actual	NA	73%	70.5%	74.1%	72.9%	76.6%	NA	NA

Progress update and future action

The Bureau will continue to engage employees and provide support that enables them to do their best work. The Bureau emphasizes an Annual Employee Survey and conducts activities to foster broad participation. Robust analysis of results in a structured and consistent manner is provided to build on successes realized from previous year action planning efforts. Additionally, the Bureau initiates action planning based on most recent findings to continuously improve the workplace. The Bureau will continue to work to develop and reinforce actions and communication across the organization.

The Bureau’s diversity and inclusion efforts are supported by the perspectives and advice of a number of employee-level and executive-level initiatives, including: the Diversity Inclusion Council of Employees (DICE), the Employee Resource Groups, and the Executive Advisory Council.

¹⁸ The employee engagement composite is comprised of ratings on nine items from the AES survey, such as “my work gives me a feeling of personal accomplishment” and “the work I do is important.”

Objective 3.3

Manage risk and promote accountability within the Bureau.

Objective leader: Associate Director, Operations; Chief Strategy Officer

Strategies

- Align resources to mission and promote budget discipline.
- Continue to leverage shared services for management functions such as financial management and travel in order to maximize resources and cost efficiencies.
- Provide accurate, complete, and meaningful information about the financial and operating performance of the Bureau to internal and external stakeholders.
- Acquire, deploy and maintain a suite of enterprise-wide services and secure technology capabilities that optimize staff productivity and are cost-effective.
- Mature and maintain a culture of continuous improvement to support the highest and best use of resources and minimize the risk of waste, fraud, and abuse.
- Develop and mature an Enterprise Risk Management (ERM) program to strengthen leadership decision-making, enhance the resource allocation process, and improve overall organizational performance.

Performance goals

The Bureau will assess the progress on achieving objective 3.3 through the following performance goals:

Performance goal 3.3.1: Modernize the Bureau by deploying new technology and improving IT operations.

Modern technology increases productivity, lowers risk, and reduces operational expenses. The Bureau will continue to modernize its technology infrastructure and align to best practices for information technology.

Performance measures

TABLE 74: MIGRATE DATA TO THE CLOUD (% OF DATA REMOVED FROM ON PREMISE DATA CENTERS) (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							25%	50%
Actual							NA	NA

TABLE 75: FEDERAL INFORMATION TECHNOLOGY ACQUISITION REFORM (FITARA) SCORE (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							Baseline	TBD
Actual							NA	NA

Progress update and future action

In FY2018, the Bureau will continue to mature its operations including implementing a cloud strategy. This will reduce the cost of operating and maintaining physical data infrastructure, increase security, and align with federal guidance. The Bureau will also begin scoring its Information Technology operations against standards set forth under the Federal Information Acquisition Reform Act (FITARA) and OMB Memorandum M-15-14. Moving towards a high FITARA score will help the Bureau align to federal best practices in data center optimization, portfolio management, transparency and risk management, CIO authority, and software licensing.

Performance goal 3.3.2: Award 90% of contracts competitively.

Competing procurement actions allows for competitive market pricing, stronger proposal submissions, including proposals from minority-owned and women-owned businesses, and a distributed vendor base in support of the Bureau. Public value is also derived when money is spent effectively.

Performance measure

TABLE 76: PERCENTAGE OF CONTRACTS COMPETITIVELY AWARDED OVERALL

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	NA	90%	90%	90%	90%	90%	90%	90%
Actual	93%	83%	86%	94%	91%	87%	NA	NA

Progress update and future action

The Bureau is currently tracking competition and reporting data measurements within the agency on an annual basis. The Office of Procurement has developed a live dashboard of Procurement metrics, including competition, that is available to all Bureau employees. At 90%, the Bureau's competition goals since FY 2013 through FY 2019 are designed to position the Bureau as a leader-by-example in stewarding public money. The Bureau does not aim for 100% competition because it has a range of routine exempt needs which may include items such as expert witness services, conferences, and subscriptions. In addition to fostering the principle of competition, the Office of Procurement partners with the OMWI to develop tools and resources for increasing opportunities to minority-owned and women-owned businesses.

In FY 2017, out of approximately \$169 million that the Bureau obligated in contracts, \$148 million, or 87%, were awarded on a competitive basis.

The Bureau will continue to strive toward the Bureau's 90% goal for FY 2018.

Performance goal 3.3.3: Obtain an unmodified audit opinion on the Bureau’s financial statements.¹⁹

An unmodified opinion from GAO of the Bureau’s internal operations confirms that the Bureau maintains sound financial practices and robust internal controls.

Performance measure

TABLE 77: UNMODIFIED “CLEAN” AUDIT OPINION ON FINANCIAL STATEMENTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	NA	Unmodified opinion	Unmodified opinion	Unmodified opinion	Unmodified opinion	Unmodified opinion	Unmodified opinion	Unmodified opinion
Actual	Unqualified opinion	Unmodified opinion	Unmodified opinion	Unmodified opinion	Unmodified opinion	Unmodified opinion	NA	NA

Progress update and future action

The Bureau received an unmodified opinion from the GAO on its FY 2017 financial statements. GAO also previously provided unmodified opinions on the Bureau’s FY 2016, 2015, 2014, 2013, 2012 and 2011 financial statements. In FY 2015, GAO identified one significant deficiency regarding the recordation of property and equipment. In FY 2016, the Bureau took action toward remediating the significant deficiency, but GAO maintained the significant deficiency as of the end of FY 2016. In FY 2017, GAO cited no instances of non-compliance with laws and

¹⁹ The American Institute of Certified Public Accountant’s Auditing Standards Board updated sections of the Statements of Auditing Standards with respect to the definition of the types of audit reports issued. Based on these changes, reports on audited financial statements will use the term ‘unmodified opinion’ instead of ‘unqualified opinion’ beginning in fiscal year 2013.

regulations, and GAO found that the prior significant deficiency from FY 2016 had been remediated.

Performance goal 3.3.4: Remediate open audit findings within 24 months.

Where there are audit findings, the Bureau will take appropriate steps to implement a timely corrective action.

Performance measure

TABLE 78: PERCENTAGE OF AUDIT FINDINGS CLOSED BY THE AUDITOR WITHIN 24 MONTHS (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							Baseline	TBD
Actual							NA	NA

Progress update and future action

Accountability for correcting internal control or other deficiencies is a priority for the Bureau management. The Bureau has developed an internal tracker of findings reported by its auditing entities (GAO, IG, and the auditor of budget and operations) and corresponding corrective actions. Resolution of and progress made to implement corrective actions are monitored and reported internally on a quarterly basis. In 2018, the Bureau will establish a baseline and future goals for the prompt implementation and resolution of corrective actions.

Performance goal 3.3.5: Distribute funds collected through enforcement actions to identified victims within 18 months.

This goal tracks the disbursement of Bureau-administered redress funds and Civil Penalty Fund payments to eligible identified victims within 18 months of identifying victims. The Dodd-Frank Act authorizes the Bureau to enforce Federal consumer financial laws. Under this authority, the Bureau brings cases which may result in redress to harmed consumers. In some cases, the Bureau will be responsible for obtaining redress funds from the defendant and distributing those funds to the harmed consumers. In addition, the Dodd-Frank Act gives the Bureau the

authority to obtain civil money penalties in enforcement actions and to deposit those penalties in the Civil Penalty Fund. It may then use amounts in the Civil Penalty Fund for payments to the victims of activities for which civil penalties have been imposed.

Performance measure

TABLE 79: PERCENTAGE OF FUNDS COLLECTED THROUGH THE ENFORCEMENT OF FEDERAL CONSUMER FINANCIAL LAWS THAT IS DISTRIBUTED TO IDENTIFIED VICTIMS WITHIN 18 MONTHS*

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target	NA**	Baseline	100%	100%	100%	100%	100%	100%
Actual	NA**	Baseline	100%	100%	100%	100%	NA	NA

* From FY 2014 to FY 2017, the Bureau tracked the disbursement of Bureau-administered redress funds and CPF payments to eligible identified victims within 24 months of identifying victims. From FY 2018 forward, it will track disbursement within 18 months of identifying victims.

** The Bureau did not collect redress funds on behalf of victims in FY 2012.

Progress update and future action

From FY 2014 to FY 2017, the Bureau distributed Civil Penalty Fund and Bureau-administered redress payments to all eligible identified victims within 24 months of identifying the victims. In FY 2017, the Bureau made payments totaling \$293 million to 350 thousand consumers in 9 cases involving Civil Penalty Fund and Bureau-administered redress funds.

Performance goal 3.3.6: Establish and mature an enterprise risk management program that is integrated with strategic planning and budgeting processes to enhance decision-making and mission execution.

A Level 2 Enterprise Risk Management (ERM) program maturity assessment by an external, objective organization will confirm that the Bureau has implemented an effective ERM program.

Performance measure

TABLE 80: LEVEL OF ENTERPRISE RISK MANAGEMENT MATURITY (NEW MEASURE)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Target							Level 2 ERM Maturity	Level 2 ERM Maturity
Actual							NA	NA

Progress update and future action

The Bureau will conduct the maturity assessment during Q4 FY2018. The Bureau will begin development of the assessment, including procuring an external organization to conduct it, in Q2 FY2018.

APPENDIX A:

Historical measures

TABLE 81: PERCENTAGE OF THE CREDIT CARD MARKET MONITORED THROUGH DATA

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	NA	80%	80%	80%	85%	83%
Actual	77%	82%*	80%**	82%	75%	73%

* The actual percentage of the credit card market monitored through data reported for FY 2013 has been adjusted from the FY 2014 annual performance plan and report to reflect a more accurate estimation of the overall consumer credit market in this year.

** The actual percentage of the credit card market monitored through data reported for FY 2014 has been adjusted from the FY 2014 annual performance plan and report to reflect a more accurate estimation of the overall consumer credit market in this year.

TABLE 82: PERCENTAGE OF THE MORTGAGE ORIGINATION AND SERVICING MARKETS MONITORED THROUGH DATA

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	NA	95%	95%	95%	95%	95%
Actual	95%	90%	90%	90%	90%	90%

TABLE 83: PLAN AND EXECUTE THE FIVE-YEAR REGULATION ASSESSMENTS WITH FORMAL PUBLIC INPUT AND COMPLETE THE ASSESSMENTS ON SCHEDULE

	Target	Actual
FY 2012	NA	NA
FY 2013	Develop a plan for meeting a pre-rule baseline	The Bureau began identifying existing data that may be useful for establishing baselines and for analysis of potential changes from those baselines, identifying gaps in the necessary data, and planning for the acquisition of additional data to fill those gaps.
FY 2014	Develop strategies to best isolate the effect of rules	The Bureau continued developing an approach and interpretation of the lookback requirement for all major rules, developed sources of data to monitor impacts of mortgage rules, developed contacts with industry and policy communities to collect data, and continue planning for assessing the impact of the Remittance rule.
FY 2015	Begin collection and analysis of relevant quantitative and qualitative information	The Bureau continued market monitoring, and assessing and preparing data sources, such as the National Mortgage Database (NMDB), HMDA, the Consumer Credit Panel, and rate-sheet data for use in Lookback analysis.
FY 2016	Continue collection and analysis of relevant quantitative and qualitative information. Plan industry outreach regarding the impact of rules that went into effect at the beginning of 2014	The Bureau established a team within RMR that defined the scope of multiple assessments and defined resource needs. The Bureau continued assessing and preparing the above data sources and assessing other in-house data from Supervision and Bureau surveys.
FY 2017	Continue collection and analysis of relevant quantitative and qualitative data. Conduct industry outreach regarding the impact of rules that went into effect at the beginning of 2014 ²⁰	The Bureau released plans for multiple assessments, requesting formal public comment on the plans and requesting other information, such as suggestions for sources of data and other information that would help with the assessments. The Bureau continued collection and analysis of relevant quantitative data and conducted industry outreach.

²⁰ The “conducting industry outreach” target was moved from FY 2016 to FY 2017 to assess industry adjustment to the rules over the longest period of time possible since the effective date, which will provide a richer picture of impacts and adjustments and is more likely to reveal trends.

Company cycle time

TABLE 84: ENSURE COMPANIES PROVIDE TIMELY RESPONSES TO CONSUMER COMPLAINTS

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	NA	15 days	15 days	15 days	15 days	15 days
Actual	14 days	12 days	12 days	11 days	11 days	12 days

Consumer cycle time

TABLE 85: ENSURE CONSUMERS HAVE ADEQUATE TIME TO REVIEW COMPANY RESPONSES

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	NA	30 days	30 days	30 days	30 days	30 days
Actual	16 days	4 days	2 days	1 day	1 day	< 1 day

TABLE 86: THE PERCENTAGE OF COMPLAINTS ROUTED THROUGH THE DEDICATED COMPANY PORTAL

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	NA	85%	87%	89%	91%	93%
Actual	83%	87%	91%	94%	85%	92%

TABLE 87: NUMBER OF CONSUMER COMPLAINTS HANDLED

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	NA	125,000	200,000	225,000	275,000 ²¹	300,000
Actual	74,000	144,000	240,600	265,500	283,700	317,200

²¹ The FY 2016 target was increased by 15,000 compared to the FY 2014 annual performance plan and report based on FY 2015 actual results.

TABLE 88: PERCENTAGE OF COMPLAINTS RECEIVED VIA WEB CHANNEL

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	NA	NA	NA	66%	68%	70%
Actual	NA	NA	NA	70%	72%	80%

TABLE 89: TARGETED POPULATIONS OR ORGANIZATIONS DIRECTLY SERVING TARGETED POPULATIONS REACHED BY DIGITAL CONTENT, DECISION TOOLS, EDUCATIONAL MATERIALS AND RESOURCES.²²

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	NA	808,114	5,000,000	6,500,000	7,500,000	8,500,000
Actual	404,057	1,903,417	5,600,000	6,804,977	8,307,561	10,446,085

TABLE 90: PERCENTAGE OF NEW USERS TO CONSUMERFINANCE.GOV

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	NA	NA	NA	65%	65%	65%
Actual	NA	61%	60%	67%	70.8%	72.7%

TABLE 91: FULFILLMENT ORDERS FOR PRINT MATERIALS²³

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	NA	NA	NA	1,500,000	1,750,000	2,000,000
Actual	NA	NA	NA	3,184,250	3,551,961	5,021,502

²² The actuals and targets represent unique web visitors only. As the Bureau expands data collection capabilities on outreach activities, additional content will be included in this measure.

²³ Print materials available through the Bureau's GPO fulfillment page (<http://promotions.usa.gov/cfpbpubs.html>).

TABLE 92: TOOLS CREATED TO IDENTIFY KEY SUCCESS FACTORS IN FINANCIAL EDUCATION

	Target	Actual
FY 2012	NA	NA
FY 2013	Identify variables that are likely to be key drivers of financial health	Identified the variables that are likely to be key drivers of financial health
FY 2014	Develop and test metrics (questions) that accurately measure these variables	Developed and began testing metrics to measure financial well-being and associated variables
FY 2015	Develop and implement framework for integration into Consumer Education and Engagement Activities; Complete testing financial health metrics	Issued consumer-centric definition of financial well-being, finalized reliable and valid survey scale and scoring procedure for measurement of financial well-being for adults. Developed and integrated into Consumer Education and Engagement Activities a framework of concepts derived from insights gathered through financial well-being research activities
FY 2016	Use metrics to establish a baseline of U.S. consumer financial well-being and begin testing hypotheses of identified success factors in consumer financial decision-making	Published survey scale to measure financial well-being, along with user guide. Designed and received OMB approval to conduct baseline measurement of U.S. consumer financial well-being and testing of hypotheses of identified success factors in consumer financial decision-making
FY 2017	Complete baseline measurement of U.S. consumer financial well-being and testing of hypotheses of identified success factors in consumer financial decision-making	Baseline complete; survey conducted and paper released on principles for effective financial education.

TABLE 93: PROVISION OF DATA TO THE PUBLIC IN LEGALLY PERMISSIBLE AND APPROPRIATE INSTANCES²⁴

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	NA	5	7	7	9	9
Actual	3	4	7	8	10	12

TABLE 94: EFFICIENCY OF INTERNAL PROCESSES AND PROCEDURES

	Target	Actual
FY 2012	NA	Launched AskCFPB; Launched an upgrade of the Intranet including an upgraded wiki, personnel directory, and internal news feed; Deployed a performance management system
FY 2013	Deploy a business intelligence tool; Deploy a business process automation platform and develop applications leveraging it	Development of Business Intelligence Tool; Debt Collection Product Launch; Paying for College; Infrastructure Independence Phase I
FY 2014	Continue to build out core infrastructure services	Established a change management process governed by a Change Control Board; Re-engineered AWS environment and continued to mature digital platforms and infrastructure; Made key steps in becoming independent from the Department of the Treasury
FY 2015	Operate and maintain core infrastructure services; Deploy mission capabilities to support Supervision and Enforcement activities	Achieved full DO independence and established Bureau-managed technology infrastructure
FY 2016	Stabilize and further build out core infrastructure services; streamline, monitor, and report on processes to deliver key technology services	Launched WiFi capabilities across the Bureau; launched Salesforce technology platform for workflow and case management; launched enhanced data environment for use by Bureau researchers and economists; deployed

²⁴ Datasets are reported on a cumulative basis.

	Target	Actual
	across the Bureau	Splunk platform to continuously monitor the enterprise for security threats; Implemented tool for all PMs to provide weekly status reports and automated project portfolio monitoring
FY 2017	Continue to stabilize, build out, and maintain core infrastructure services; streamline, monitor, and report on processes to deliver key technology services across the Bureau. Begin rolling out next-generation devices for Bureau staff	Deployed Salesforce-based applications: SES, Mosaic, HMDA Help/RMR Informal Guidance, Enforcement matter management. Upgraded most Blackberries to iPhones. Deployed personnel security case management system and integrated workspace management systems. Built out AV/IT at 1700 G Street and 1990 K Street. Nearing completion of public and private cloud integration. Implemented Master Entity Database (MED). Rolled out Data Portal.

TABLE 95: PERCENTAGE OF PROFESSIONAL, ADMINISTRATIVE, AND MANAGEMENT SERVICES CONTRACTS COMPETITIVELY AWARDED

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	NA	NA	NA	90%	90%	90%
Actual	NA	NA	92%	83%	87%	81%

TABLE 96: PERCENTAGE OF AUTOMATIC DATA PROCESSING AND TELECOMMUNICATION SERVICES CONTRACTS COMPETITIVELY AWARDED

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Target	NA	NA	NA	90%	90%	90%
Actual	NA	NA	76%	91%	94%	91%

APPENDIX B:

Data Validation

Following the Bureau's Data Accuracy and Reliability policy, the Bureau takes continuous steps to ensure that performance information is complete, accurate, and reliable. The following captures key efforts by Strategic Goal and specifically focuses on data sources, summarizes levels of accuracy and data verification approaches, and identifies data limitations along with compensatory counteractions.

Strategic Goal 1

Ensure that all consumers have access to markets for consumer financial products and services.

Objective 1.1

Ensure that consumers are provided with timely and understandable information to make responsible decisions about financial transactions.

- **Data sources:**
 - To measure performance for this objective, the Bureau relies on several data sources, including the Federal Register, Regulations.gov, the Bureau website, website analytics tools, and its consumer response function's case management system.
 - The number of consumers served through Ask CFPB, money topic portals, and print publications, ratings from AskCFPB users, and downloads of tools/papers/materials are based on Google Analytics data for unique visitors to consumerfinance.gov and print orders from GPO. Community channel data, such as number of staff trained, number of library locations, and number of individuals served is measured through Bureau databases as well as through reports from regional and local partners.
 - Web analytics for the Bureau website are the data source for reports dated between

October 1, 2017 and September 30, 2018. The Bureau also tracks its research projects completed on disclosure effectiveness.

- **Level of accuracy and data verification:**

- The data sources listed above were reviewed to determine all relevant final rules, proposed rulemakings, published reports, and outreach and other initiatives covered by the performance metrics. The website analytics are provided by Google Analytics 360, which provides numbers based on website user sessions.
- The Bureau's consumer response function conducts regular data reviews and cross-checks accuracy for all key performance measures, including number of days to route to the company and percentage of company responses that are timely. The team also tracks the proportion of complaints received via the web channel and the number of consumer complaints handled by Consumer Response.

- **Advantages, limitations, and mitigating actions:**

- Website analytics data is pulled by a Google Analytics Certified analyst who performs thorough quality control checks to ensure all data reported is accurate. The Bureau website provides an accurate and extensive record of rulemakings and publications issued by the Bureau. No data limitations are known.

Objective 1.2

Regularly identify and address outdated, unnecessary, or unduly burdensome regulations in order to reduce unwarranted regulatory burdens.

- **Data sources:**

- The Bureau uses several data sources to measure Objective 1.2, including the Federal Register, Regulations.gov, and the Bureau website.
- Notices of proposed rulemakings are generally considered to be proposed and other materials related to targeted initiatives, outreach, regulatory implementation, and requests for information are considered to be issued when posted to the Bureau website. Assessments will be considered published when posted to the Bureau website.

- **Level of accuracy and data verification:**

- The data sources listed above were reviewed to determine all proposed rulemakings, assessments, requests for information, and other initiatives covered by the performance metrics.
- **Advantages, limitations, and mitigating actions:**
 - No limitations and reasonable level of accuracy — the Bureau website, Federal Register, and Regulations.gov provide an accurate and extensive record of all rulemakings, assessments and requests for information issued by the Bureau.

Objective 1.3

Ensure that markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation.

- **Data sources:**
 - To measure Objective 1.3, the Bureau uses various data sources, including the Federal Register, Regulations.gov, and the Bureau website (consumerfinance.gov). The Bureau also maintains a catalog of consumer financial market data for internal use by Bureau staff and produces publicly available data that is published to the Bureau website. The consumerfinance.gov website is the data source for reports dated between October 1, 2017 and September 30, 2018 along with the Bureau website of SSRN, a repository of scholarly research publications.²⁵ Additionally, the Bureau uses website analytics tools designed to capture website pageviews and downloads from the consumerfinance.gov. Public engagement is tracked by external affairs staff.
 - Rulemakings are considered finalized when a final rule is issued by the Bureau and posted to its website or published in the Federal Register, whichever occurs first (see Procedure Related to Rulemaking, 12 CFR 1074). Notices of proposed rulemakings

²⁵ The Bureau maintains a site designated as a repository for independent research publications at <https://www.ssrn.com/link/CFPB-GOV.html>.

are generally considered to be proposed and other materials related to targeted initiatives, outreach, regulatory implementation, and requests for information are considered effective to be issued when posted to the Bureau website. Reports are considered finalized when the Bureau issues and posts the final report to the Bureau's website or a scholarly research publication is posted publicly to SSRN.

▪ **Level of accuracy and data verification:**

- The data sources listed above were reviewed to determine all final rules, proposed rulemakings, and outreach and other initiatives covered by the performance metrics. This includes all consumer protection related rulemakings and related work independently conducted by the Bureau between October 1, 2016 and September 30, 2017. The data sources listed above were also reviewed tri-annually during FY 2017 (October 1, 2016 and September 30, 2017) to determine the consumer financial markets for which the Bureau maintains standardized data²⁶ and to account for all major research reports published by the Division of Research, Markets, and Regulations in FY 2017.
- Website analytics are provided by Google Analytics 360, which provides numbers based on website user sessions. For public engagement, external affairs team verify and validate data by reviewing the Bureau blog, newsroom and other materials publicly available on the Bureau's website that announce, report on, and otherwise provide information about public events hosted by the Bureau.

▪ **Advantages, limitations, and mitigating actions:**

- No limitations and reasonable level of accuracy - the Bureau website, Federal Register, and Regulations.gov provide an accurate and extensive record of all rulemakings, data, and reports issued by the Bureau.

²⁶ To meet the criteria for standardized data, the Bureau must maintain regularly updated data that allow Bureau staff to draw generalizable conclusions about market activity.

Strategic Goal 2

Implement and enforce the law consistently to ensure that markets for consumer financial products and services are fair, transparent, and competitive.

Objective 2.1

Protect consumers from unfair, deceptive, or abusive acts and practices and from discrimination.

- **Data sources:**
 - The Bureau captures and stores data about its supervision and enforcement activities in several systems of record, including LawBase, ENForce, and the Supervision and Examination System (SES). Metrics and measures for the performance goals in support of Strategic Goal 2 are updated based on data housed in these systems on a triannual basis, followed by focused management reviews to assess progress toward achieving the Bureau's Strategic Goals and Objectives.
- **Level of accuracy and data verification:**
 - ENForce, the new matter management system for enforcement matters, provides a streamlined workflow, and data validation controls that have been developed to ensure consistent data quality. ENForce capabilities include automated business workflows, which allow the Offices to more efficiently and effectively manage their work. For example, particular fields must be filled out with appropriate data in order for users to proceed in the system. This is not a feature that existed in the previous matter management system. ENForce also provides visibility, tracking, reporting, and several quantitative metrics that can help the Bureau more effectively hit its strategic goals.
 - The Bureau provides training to users on proper use of the data systems described above to ensure data verification and validation. The SES Data Entry Policy was updated in June 2017. Revisions included additional SES fields added as a part move to the new SES platform.
- **Advantages, limitations, and mitigating actions:**
 - Although the data is frequently reviewed for accuracy, as discussed above, the Bureau continues to improve its ability to track its supervision and enforcement activities. As

mentioned previously, the Bureau recently replaced its previous matter management system for enforcement matters with ENForce, a Salesforce tool that will allow for improved data organization, workflow tracking, and collaboration across offices. These modifications have significantly enhanced the Bureau's ability to measure its supervision and applicable enforcement activities. Continued improvements to SES and ENForce, as needed, will assist in capturing key supervisory and enforcement data.

Objective 2.2

Enforce federal consumer financial law consistently, without regard to the status of a person as a depository institution, in order to promote fair competition.

- **Data sources:**

- The Bureau captures and stores data about its supervision and enforcement activities in several systems of record, including LawBase, ENForce, and the Supervision and Examination System (SES). Metrics and measures for the performance goals in support of Strategic Goal 2 are updated based on data housed in these systems on a triannual basis, followed by focused management reviews to assess progress toward achieving the Bureau's Strategic Goals and Objectives.

- **Level of accuracy and data verification:**

- ENForce, the new matter management system for enforcement matters provides a streamlined workflow for enforcement matters, and data validation controls have been developed to ensure consistent data quality. ENForce capabilities include automated business workflows, which allow the Offices to more efficiently and effectively manage their work. For example, particular fields must be filled out with appropriate data in order for users to proceed in the system. This is not a feature that existed in the previous matter management system. ENForce also provides visibility, tracking, reporting, and several quantitative metrics that can help the Bureau more effectively hit its strategic goals.
- The Bureau provides training to users on proper use of the data systems described above to ensure data verification and validation. The SES Data Entry Policy was updated in June 2017. Revisions included additional SES fields added as a part move to the new SES platform.

- **Advantages, limitations, and mitigating actions:**

- Although the data is frequently reviewed for accuracy, as discussed above, the Bureau continues to improve its ability to track its supervision and enforcement activities. For example, SES was recently enhanced to allow for accurate tracking of supervisory and applicable enforcement actions.

Strategic Goal 3

Foster operational excellence through efficient and effective processes, governance and security of resources and information.

Objective 3.1

Safeguard the Bureau's information and systems.

- **Data sources:**

- The Bureau's 2018 Cybersecurity Review will produce a number of artifacts, including a list of Plan of Action and Milestones (POA&Ms), a gap analysis, a cyber roadmap, and an organizational assessment. The Bureau keeps track of all Cybersecurity POA&Ms via a database constructed of a front end application file and a back end database file.
- Reporting is maintained and managed via a series of reports and dashboards. The tool allows for a historical accounting of the activities associated with the POA&M. Additionally, a complete snapshot of the POA&Ms are taken weekly and kept for historical purposes. An auto-generated POA&M ID tracks each POA&M throughout its entire lifecycle. Bureau staff will also assess progress against the recommendations in the gap analysis, the cyber roadmap, and the organizational assessment.

- **Level of accuracy and data verification:**

- The list of POA&Ms are managed and maintained by the Information Security Systems Manager (ISSM) responsible for the system associated for the POA&M. While the application does control a reasonable level of quality control on the data being entered, it does allow for entries to be created with some flexibility. Through reporting in Tableau, any incomplete POA&Ms would be

identified and brought to the ISSM's attention to either complete or remove.

- **Advantages, limitations, and mitigating actions:**
 - Limitations of the POA&M tracker include various errors and crashing of the Database if the back and front ends are not split. Normalization may need to occur to get the most functionality out of this software.

Objective 3.2

Maintain a talented, diverse, inclusive and engaged workforce.

- **Data sources:**
 - Annual Employee Survey (AES) results are captured through an online survey administered under an Interagency Agreement (IAA) for reimbursable government services offered by the Office of Personnel Management's (OPM) Human Resources Solutions group. The IAA provides warranties that services provided for AES meet professional and legal standards. OPM's USASurvey branded online survey administration tool is used to gather data. This tool is subject to the variety of information security guidelines for government information technology projects and systems. To ensure that all intended employees are invited to complete the annual employee survey, email addresses for the employee population are provided to OPM as the basis for survey invitation.
- **Level of accuracy and data verification:**
 - In order to verify data summaries for item and index level results, OPM provides independent verification and reporting of Bureau-wide AES results prior to releasing data to the Bureau. The Bureau's Office of Human Capital (OHC) then conducts analysis and generates summary reports. Any and all discrepancies between posted and calculated results are subject to 100% verification in collaboration with OPM vendor.
 - At a broader level of verification, comparison data from OPM for government-wide results is monitored and verified through data cross checking. In the final steps of survey processing, the Bureau posts results to external website and sends internet link and posted results to OPM to meet regulatory guidance.

- **Advantages, limitations, and mitigating actions:**

- The Bureau continues to monitor and evaluate the reliability and validity of these metrics as additional baseline data become available. Adjustment to outcomes, components, or targets may be necessary as measures are better understood.

Objective 3.3

Manage risk and promote accountability within the Bureau.

- **Data sources:**

- The migration of data to cloud-based data centers is calculated through the Bureau's network management tools, which can be used to run reports and consolidate information. Calculation of FITARA score will be based on a self-assessment based on standards and templates from GAO and other organizations. The Office of Procurement tracks competition and reporting data measurements on an annual basis and has developed a live dashboard of procurement metrics, including competition, that is available to all Bureau employees.
- The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 requires GAO to conduct an audit of the Bureau's annual financial statements. The data for this measure comes from the audit report issued by GAO after the close of the fiscal year, which is provided to the Bureau directly and published on GAO's website. For the performance goal related to distribution of funds, the data is provided on an ongoing basis by the payments administrator assigned to each case.
- For the ERM performance goal, the data for this measure will come from the assessment report issued by an external organization.

- **Level of accuracy and data verification:**

- The Bureau can accurately calculate its footprint across on-premise data centers and can easily replicate those calculations. The Office of Procurement dashboard is regularly reviewed by staff for accuracy.
- The data for the audit opinion comes from and is verified against the audit report issued by GAO annually. GAO performs its review in accordance with Generally Accepted Government Auditing Standards. For the distribution of funds performance

goal, the Bureau reviews the data continuously and reviews up front the timelines by which the victim lists are approved and the date distributions commence.

- Data to measure the Bureau's ERM program comes from and is verified against the assessment report issued by an external organization annually. The Bureau will ensure the external organization performs its review in accordance with leading practices in ERM.
- **Advantages, limitations, and mitigating actions:**
 - No known limitations.

APPENDIX C:

Management challenges

As identified by the Bureau's OIG, the Bureau faces challenges in the areas of information security, workforce management, controls over management operations, and physical infrastructure.²⁷ As part of its ongoing improvement efforts, the Bureau is addressing these challenges.

1. Ensuring an effective information security program

Ensuring effective information security presents an important challenge to the Bureau and all federal agencies due to the advanced and persistent threats to information technology (IT) infrastructures.

The Bureau has transitioned its IT infrastructure from the U.S. Department of the Treasury and continues to mature its information security program. However, it has yet to fully implement its information security continuous monitoring program.

Agency actions

The Bureau has taken several steps to develop and implement an information security continuous monitoring program consistent with federal requirements. Additionally, the Bureau's internal cyber operations team coordinates with its network provider to monitor and protect against the unauthorized transfer of data and other threats. The Bureau is also currently evaluating additional solutions to centralize and automate its information security continuous

²⁷ Office of Inspector General: Board of Governors of the Federal Reserve System, Consumer Financial Protection Bureau, 2017 List of Major Management Challenges for the CFPB.

monitoring program and activities.

Responsible Executive: Associate Director, Operations

Related Objective: 3.1

Related Performance Goal: 3.1.1

2. Maturing the Human Capital Program

Since 2011, the Bureau has worked to build its human capital programs and develop a high-performing and engaged workforce. Looking forward, the Bureau should seek to further develop its human capital programs by strengthening its workforce planning processes, including succession planning, and fully implementing its new performance management system.

Agency actions

In 2017, continued its 3 year change management initiative related to the new performance management program, including the implementation of new performance standards for all Bureau employees, and a new format for annual performance coaching aimed at building a high-performing and engaged workforce. The Bureau also implemented a newly negotiated Awards and Recognition program to ensure that outstanding employee contributions were acknowledged, including the Bureau's highest honor, the Director's Mission Achievement Award. In 2017 the Bureau conducted hiring planning with each division and implemented several new hiring process improvements to enhance the manager and applicant hiring experience. These new hiring tools helped to ensure the continuity of knowledge and leadership across the agency. Late in 2017 the Bureau began recruitment activities to create a new workforce planning function in the Office of Human Capital that will work on gathering data, conducting analysis, and planning succession management program activities for coming years. The Bureau worked with a vendor to review its compensation program and structure to ensure that the agency is aligned with leading practices and that the approach promotes mission and workforce priorities. The Office of Human Capital is also working on an initiative to provide greater transparency to managers and employees on the Bureau's current pay process.

Responsible Executive: Associate Director, Operations

Related Objective: 3.2

Related Performance Goal: 3.2.1 and 3.2.2

3. Strengthening the System of Internal Controls

The Bureau continues to strengthen its internal controls by enhancing policies and procedures and associated training and implementing an enterprise risk management program.

Agency actions

In the past year, the Bureau finalized an internal control policy and implemented its annual internal controls testing and evaluation program. The Bureau also improved its inventory management system. The Bureau took action to resolve numerous OIG recommendations focused on developing and implementing policies and procedures, and also made progress in establishing an enterprise risk management (ERM) program. It has organized an executive steering committee composed of the agency's top leadership to direct the ERM process and is working to define its overall risk profile by identifying its main strategic and operational risks in concert with conducting risk assessments.

Responsible Executive: Associate Director, Operations

Related Objective: 3.3

Related Performance Goal: 3.3.3

4. Managing and acquiring sufficient workspace to support Bureau activities

Effectively managing workspace can present significant risks and challenges. Although the Bureau recently completed renovation of its headquarters office building in Washington, D.C., it will continue to manage five occupancy agreements in four cities.

The Bureau does not yet have a process in place for consistently collecting, maintaining, and using information to help inform future space-planning decisions. The Bureau is working to implement such a process to effectively plan for and utilize its office space to meet long-term mission needs.

Agency actions

The Bureau is committed to being a responsible steward of resources, which is critical to maintaining the public trust that enables the Bureau to achieve its mission. The Bureau is planning to develop a long term space plan. Additionally, the Bureau is implementing a system that will help manage its workspace, with functions such as space capacity and occupancy planning, space mapping, and space reporting.

Responsible Executive: Associate Director, Operations

Related Objective: 3.3

Related Performance Goal: N/A