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CFPB's Five Year Strategic Plan

Recently, the Consumer Financial Protection Bureau (CFPB) published for comment on its website its draft [Strategic Plan for 2013 - 2018](#) (Plan).

According to the CFPB, the plan includes the following four goals:

- (1) Prevent financial harm to consumers while promoting good practices that benefit them.
- (2) Empower consumers to live better financial lives.
- (3) Inform the public, policymakers, and the CFPB's own policymaking with data-driven analysis of consumer finance markets and consumer behavior.
- (4) Advance the CFPB's performance by maximizing resource productivity and enhancing impact. For each goal, the plan identifies outcomes to be achieved and how progress will be measured.

Submit comments to StrategyPlanComments@cfpb.gov before October 25, 2012.

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Goals, Strategies, and Metrics

The Plan outlines these goals, strategies, and metrics:

- Four strategic goals that outline what the CFPB aims to achieve.
- Desired outcomes in support of its goals.
- Strategies that state the actions the CFPB will take to accomplish our outcomes.
- Performance measures that CFPB will track against specific targets in order to assess its progress toward achieving its outcomes.
- Indicators that the CFPB will track and use to assess progress toward achieving our outcomes. (Unlike performance measures, indicators do not reflect targets.)

Goal 1

Prevent Financial Harm to Consumers while Promoting Good Practices

The CFPB stated that, prior to Congress enacting the Consumer Financial Protection Act (CFPA) as Title X of the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203, dated July 21, 2010), consumer financial protection had not been the primary focus of any one Federal agency, and no agency had effective tools to set the rules for and oversee the whole market.

Per the CFPB, the result was a system without sufficiently effective rules or consistent enforcement of the law. The CFPB believes that the consequences can be seen both in the 2008 financial crisis and in its aftermath.

The CFPB increased accountability in government by consolidating consumer financial protection authorities that had existed across seven different federal agencies into one, the Consumer Financial Protection Bureau. In addition to establishing the CFPB's enforcement powers, the CFPA gives the CFPB the authority to supervise and examine many financial institutions that were not previously subject to Federal oversight, such as nonbank mortgage companies, payday lenders, and private education lenders.

With the consolidation of existing and new federal authorities under one roof, the CFPB seeks to be properly focused and equipped to prevent financial harm to consumers while promoting

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practices that benefit consumers across financial institutions.

Goal 2

Empower Consumers to Live Better Financial Lives

This second goal of the CFPB is "to arm consumers with the knowledge, tools, and capabilities they need in order to make better informed financial decisions by engaging them in the right moments of their financial lives, in moments when the consumer is most receptive to seeking out and acting on assistance."

The CFPB plans to develop and maintain a variety of tools, programs, and initiatives that provide targeted, meaningful, and accessible assistance and information to consumers at the moment they need it.

To reify this goal, the CFPB has predicated two outcomes.

Outcome # 1:

The first outcome will collect, monitor, respond to, and share data associated with consumer complaints and inquiries about consumer financial products or services.

The CFPB has asserted that the consumer response function is central to its mission. The CFPB would provide direct assistance to consumers, in real-time, through its [Consumer Response](#) team. (See our [October 4, 2012 article on Consumer Complaints and the Consumer Response team](#).) This team hears directly from consumers about the challenges they face in the marketplace and brings their concerns to the attention of the financial institutions that the CFPB regulates for investigation and resolution.

The Consumer Response team is tasked also to learn from the experiences of already operating complaint centers, for instance, by using the historical data from the FTC's [Consumer Sentinel](#) network, which is a collection of consumer complaint data from a variety of contributors, to inform its approach to handling complaints.

Performance metrics are applied by deriving data from complaint volume, the percentage of complaints routed through the dedicated company portal, and the complaint cycle time (i.e., intake cycle time, from receipt to company referral; company cycle time, from referral to company response; consumer cycle time, from company closure response to dispute; investigations cycle time, from investigations queue to closure).

Outcome # 2:

The second outcome helps consumers understand the costs, risks, and tradeoffs of financial decisions; build trusted relationships that are interactive and informative to help consumers take control of their financial choices to meet their own goals; and raise effectiveness of those who provide financial education services to increase financial literacy.

In this outcome, the CFPB aims to provide consumers with the information, knowledge, and financial education needed in order to make well-informed decisions to enhance the financial knowledge and capability of the country as a whole. In addition to improving overall financial literacy, the CFPB plans to focus on addressing the unique financial challenges faced by four specific populations: students, older Americans, servicemembers, and the economically vulnerable and underserved.

Performance metrics are applied by deriving data from targeted populations or organizations directly servicing targeted populations reached by digital content, decision tools, educational materials and resources, and outreach work; the number of outreach activities on fair lending and access to credit; and, mechanism in place to identify key success factors in financial education.

Goal 3

Inform The Public

This goal is designed to inform the public, policy makers, and the CFPB's own policy-making with data-driven analysis of consumer finance markets and consumer behavior.

According to the CFPB, this goal offers an understanding of how consumer financial markets work, the avenues for innovation in financial products and services, and the potential for risk to consumers is a core component of the CFPB's mission. As the CFPB states: "the CFPB's aim is to ground all of its work - from writing rules and litigating enforcement actions to its outreach and financial literacy efforts - in the realities of the marketplace and the complexities of consumer behavior."

To reify this goal, the CFPB has predicated two outcomes.

Outcome # 1:

Evidence based analysis obtained by monitoring markets and conducting research to bring to the surface financial trends and emergent risks relevant to consumers.

The following chart provides the CFPB's approach to building and maintaining the technological infrastructure required to support market intelligence through the integration of diverse internal and external data.

Performance metrics are applied by measuring the percentage of the credit card market monitored through data percentage of mortgage market monitored, and the percentage of the mortgage originations and servicing market monitored through data.



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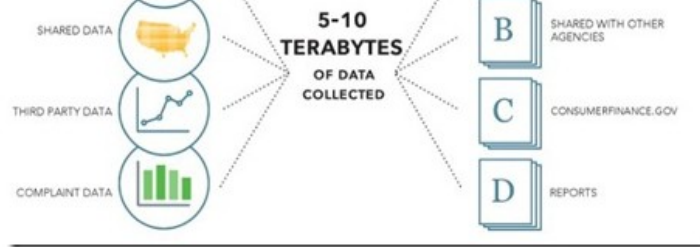
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Data Sources and Data Outputs

Outcome # 2:

This goal requires a research-driven, evidence-based perspective on consumer financial markets, consumer behavior, and regulations to inform the public discourse, inform CFPB thinking on priority areas, identify areas where CFPB intervention may improve market outcomes, and support efforts to reduce outdated, unnecessary, or unduly burdensome regulations.

Performance metrics are applied by reports produced about specific consumer financial products, markets, or regulations research reports produced, and reports or research projects produced on consumer decision-making.

Goal 4

Maximizing Resources and Impact

The CFPB's Plan expects to advance its performance by "maximizing resource productivity and enhance impact."

In order to maximize the effectiveness the consumer protections established by Federal consumer financial law, the CFPB wants to acquire, maintain, support, and direct its resources in a way that enables it to operate efficiently, effectively, and transparently. This means developing, maintaining, and continuously, improving the policies and controls in place to ensure the CFPB has the resources it needs and puts those resources to the best use possible.

A "key mission" of the CFPB is to make financial products and services more transparent in the consumer marketplace. Accordingly, the CFPB will strive to achieve the same level of transparency in its own activities, subject to consumer privacy and other confidentiality interests.

To accomplish this, the CFPB plans to "develop and implement mechanisms and provide channels to maintain an open, collaborative dialogue with the public."

To reify this goal, the CFPB has predicated four outcomes.

Outcome # 1:

Attract, engage, and deploy a workforce that meets dynamic challenges and provides effective oversight of the consumer financial marketplace.

The CFPB will continue to identify and adopt 'best practices' from the private and public sectors to hire, train, develop, and retain a "world-class workforce with the knowledge, skills, and abilities required to effectively execute against our mission."

The CFPB is working to develop a sustainable pipeline of diverse candidates and will continue to engage and develop its staff through education and training programs.

Performance metrics are applied by achievement of workforce profile goals, assessing the level of employee engagement, evaluating the effectiveness of learning and development program, and the determining the effectiveness of performance management program.

Outcome # 2:

Enable the innovative use of technology for the benefit of efficient internal communications and effective public engagement.

The CFPB will deploy "cutting edge" technology and leverage its technological resources to provide significant business value with lower costs. The Plan states that "technology will be core to the CFPB accomplishing its mission."

Performance metrics are applied by reviewing the efficiency of internal processes and procedures as well as the external use of and public contributions to the CFPB's software.

Outcome # 3:

Enable the operation of a high-performing organization by ensuring effective and efficient management, protection of CFPB resources, rigorous internal controls, and full compliance with the law.

The CFPB will monitor its operations and conduct periodic evaluations to ensure it maintains good financial practices and robust internal controls.

Performance metrics are applied by providing unqualified "clean" audit opinion on financial statements, and a procurement process that continually evaluates the percentage of contracts competitively awarded.

Outcome # 4:

Increase public confidence in consumer financial markets by maintaining the CFPB's transparency, accountability, and meaningful channels for feedback.

The CFPB expects to maintain transparency as the core of how it operates; therefore, the CFPB will provide clear information both on the use of resources and on its performance by

CFPB will provide clear information both on the use of resources and on its performance by communicating substantively and frequently across a wide range of industry and consumer group sectors.

Accordingly, the Plan calls for the CFPB to actively engage all stakeholders that could potentially be affected by the agency, with the understanding that there is much insight to be gained from varied perspectives that represent many distinct points of view.

Performance metrics are applied by engaging in public field hearings, town hall meetings, Congressional testimonies, open press events, meetings with stakeholders, and providing "CFPB-administered redress" through announcing the percentage of funds collected that are distributed to victims within 24 months.

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Strategic Plan 2013 - 2018

Draft for Public Comment

Consumer Financial Protection Bureau

September 25, 2012



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