

Client Alert

February 2018

Reform From Within: CFPB Announces New Strategic Plan

Since Acting Director Mick Mulvaney has taken the reins of leadership at the CFPB, he has taken a number of actions that signal an effort to use the director's extensive power to reform the CFPB from within. The most recent signal about his reform efforts is the issuance of a new strategic plan for the CFPB (the 2018 Strategic Plan), which will replace the original strategic plan that covered the period of 2013 through 2017 (the 2013 Strategic Plan). According to the CFPB, the 2018 Strategic Plan has been influenced by several discussions between the CFPB and Congress, as well as comments from the general public. As will be highlighted in this alert, the 2018 Strategic Plan reflects a decision by the new leadership to restrain the CFPB's activities to the mission mandated by Congress when it enacted Dodd-Frank. The 2018 Strategic Plan is intended to cover 2018-2022, but the agency notes that external factors like judicial and legislative actions, cyber threats and evolving technology may affect its strategic outlook.

A New Mission Statement

The first noticeable change under the CFPB's new five-year plan is the new mission statement. The restated mission of the agency is to "regulate the offering and provision of consumer financial products or services under the Federal consumer financial laws and educate and empower consumers to make better informed financial decisions."¹ This is a noticeably less aggressive mission in comparison to the previous mission statement, which was created in 2013 and focused more on "consistently and fairly enforcing" consumer finance rules.² The CFPB plans to effectuate this new mission by doing the following.

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

New Long-Term Goals

The 2018 Strategic Plan establishes the following three new goals to help achieve its mission.

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

¹ Consumer Fin. Prot. Bureau (CFPB), Strategic Plan FY 2018-2022 (Feb. 2018).

² CFPB, Overview of the CFPB, (2013), <http://www.consumerfinance.gov/strategic-plan/>.

³ For comparison, 2013 Strategic Plan stated that the CFPB's goals were to:

1. Prevent financial harm to consumers while promoting good practices that benefit them.
2. Empower consumers to live better financial lives.

While the new goals are significantly different from the CFPB's goals set forth in the 2013 Strategic Plan, they mirror very closely the purpose set out in the original text of the Dodd-Frank Act.⁴ The 2018 goals are consistent with the statements of Acting Director Mulvaney that the plan of the CFPB should fulfill its statutory purpose, but no longer push the envelope of consumer protection laws to trample upon the liberties of our citizens and the participants in the consumer finance industry.

Noticeably missing from the 2018 Strategic Plan are the wide range of performance goals like those detailed in 2013 Strategic Plan.⁵ The 2018 Strategic Plan drops the numerous timing goals, lists of consumer complaints to be targeted and laws slated for increased enforcement. The decision to eliminate targets was likely done in response to criticism that the previous mission of the CFPB exceeded the mandate of the Dodd-Frank.

What the 2018 Strategic Plan will mean for consumers and the industries regulated by the CFPB is yet to be seen, but we are keeping abreast of this constantly changing area of law.

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3. Inform the public, policy makers, 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.

⁴ The Bureau shall seek to implement and, where applicable, enforce Federal consumer financial law consistently for the purpose of ensuring that all consumers have access to markets for consumer financial products and services and that markets for consumer financial products and services are fair, transparent, and competitive. 12 U.S. Code § 5511(a).

⁵ See CFPB, Overview of the CFPB, (2013).