# Request for Information Regarding Bureau Civil Investigative Demands and Associated Processes

COMMENT LETTER

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April 26, 2018
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March 27, 2018
Monica Jackson, Office of the Executive Secretary
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC
Docket No. CFPB-2018-001

*Re: Request for Information Regarding Bureau Civil Investigative Demands and Associated Processes*

Dear Sir or Madam,

The Conference of State Bank Supervisors ("CSBS" or "state regulators") appreciates the opportunity to comment on the Consumer Financial Protection Bureau's (CFPB) Request for Information (RFI) Regarding Bureau Civil Investigative Demands (CIDs) and Associated Processes. CSBS is the nationwide organization of state regulators from all 50 states, American Samoa, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands. CSBS supports the state banking agencies by serving as a forum for policy and supervisory process development, by facilitating regulatory coordination on a state-to-state and state-to-federal basis, and by facilitating state implementation of policy through training, educational programs, and exam resource development.

In addition to serving as the chartering and supervisory authority for 4,452 of the nation's banks, a figure that represents 79 percent of institutions with over five trillion in combined total assets, CSBS member agencies are also the primary regulators of over 20,000 non-depository financial services providers, including: residential mortgage lenders and servicers, money service businesses and money transmitters, debt collectors, consumer and small dollar loan lenders, and emerging and established financial technology companies. Thus, state regulators and the CFPB exercise concurrent regulatory, supervisory and enforcement authority over depository institutions and non-depository institutions. In the spirit of cooperative federalism, this concurrent authority has been exercised on a coordinated basis through the State Coordinating Committee (SCC), the multi-state regulatory oversight group responsible for the coordination of multi-state, non-bank financial services exams with the CFPB.[1]

Established in 2013 with the goal of maintaining consistent standards for examinations among state regulators, and between state regulators and the CFPB, the SCC has helped to improve state-to-state and state-to-federal

coordination in non-depository supervision in ways unprecedented. From routine meetings, to scheduling and monitoring coordinated examinations, to exchanging confidential supervisory information; these efforts make the supervision of non-bank financial services providers not only more efficient by eliminating regulatory redundancies but also more effective by enhancing the supervisory capacity of state and federal regulators.

State regulators appreciate the CFPB's willingness to review and seek public input on the efficiency and effectiveness of its existing CID processes. CIDs are tools available to CFPB to further its investigatory objectives; however, state regulators encourage the CFPB to ensure alignment of its CID processes with the processes of other agencies. Specifically, given our concurrent regulatory authority over non-depository financial services providers, we believe the Bureau should notify state regulators prior to the issuance of a CID to a recipient that is an entity within our shared jurisdiction. Prompt prior notification regarding forthcoming CID issuances will enable the CFPB to learn of any investigation pending at the state level and tailor the nature and scope of the CID to maximize the efficacy of CFPB investigative processes.

More generally, in revising its existing procedures and standards with respect to CIDs and associated processes, we encourage the CFPB to do so in a manner that recognizes that state regulators, through their licensing and supervisory authority, serve as the primary regulators of non-depository financial services providers. We appreciate the opportunity to comment on the CFPB's RFI Regarding CIDs and Associated Processes and we look forward to the CFPB's continued dedication to coordinating supervisory efforts through the SCC, for it is only through robust coordination that we achieve our shared supervisory mission of protecting consumers in the most efficient and effective manner possible.

Sincerely,

John Ryan

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*1 The SCC is comprised of members of representatives from six state financial regulatory associations, including: AARMR, CSBS, MTRA, NACCA, NACARA, and NASCUS.*