

[Request for Information Regarding Bureau Enforcement Processes](#)

COMMENT LETTER

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May 14, 2018

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Monica Jackson,
Office of the Executive Secretary Consumer Financial Protection Bureau
1700 G Street, NW Washington, DC
Docket No. CFPB-2018-0003

Re: Request for Information Regarding Bureau Enforcement Processes

Dear Ms. Jackson,

The Conference of State Bank Supervisors (“CSBS” or “state regulators”) appreciates the opportunity to comment on the Consumer Financial Protection Bureau’s (“CFPB” or “Bureau”) Request for Information Regarding Bureau Enforcement Processes (RFI). 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 chartering and supervising 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. State regulators and the CFPB exercise concurrent regulatory, supervisory and enforcement authority over certain depository and nondepository institutions. In the spirit of cooperative federalism, this 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, nonbank financial services examinations with the CFPB.¹

The SCC was 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 unprecedented ways. 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 enforcement processes. Effective coordination and communication with state regulators regarding enforcement proceedings is integral to fulfilling the Bureau's statutory mission of enforcing Federal consumer financial law. Accordingly, it is vital that the Bureau coordinate its enforcement activities with state regulators with which the Bureau has overlapping jurisdiction.

Specifically, we believe that, pursuant to existing agreements² between the CFPB and state regulators, the Bureau should:

- To the greatest possible extent, promote efficient information sharing between the CFPB and state regulators;
- Consult with relevant state regulators throughout the course of a corrective action(s), enforcement proceedings or remediation efforts; and,
- Coordinate actionable matters with state regulators when feasible.

Overall, in revising its existing procedures and standards with respect to the Bureau's enforcement 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 its enforcement processes and look forward to the CFPB's continued dedication to coordinating supervisory efforts with state regulators 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
President & CEO

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

² See 2011 Memorandum of Understanding Between the Consumer Financial Protection Bureau and the Conference of State Bank Supervisors on the Sharing of Information for Consumer Protection Purposes, available [here](#).