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Short-term CFPB director not short on changes to bureau

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Interim director of the Consumer Financial Protection Bureau (CFPB) Mick Mulvaney has not been shy about changing the bureau's organization and structure during his short tenure on the job. Since he was named acting director in November 2017, Mulvaney has made adjustments within the department aimed at reducing oversight and redundancies, including his recent reorganization of two major offices within the bureau. What those actions will ultimately mean for individual buyers remains to be seen, but there are some potentially significant changes for two large groups of consumers that are worth keeping an eye on over the coming months.

The Office of Fair Lending and Equal Opportunity (OFLEO) and the Office of Students and Young Consumers (OSYC) were both reorganized and relocated to new divisions within the bureau. With these changes, each of these offices saw a reduction in their investigatory and enforcement responsibilities in favor of more educational services. The reduction in prosecutorial powers by these offices has left many wondering what that will mean for consumers within those groups.

The Office of Fair Lending was moved from under the Supervision, Enforcement, and Fair Lending Division (SEFL) to the preveue of the bureau director as a part of the Office of Equal Opportunity and Fairness (OEOF). With this move, the Office of Fair

Lending will have a more informative role for consumers, since they will no longer have the same enforcement powers as they did under the SEFL. This means that any enforcement related to violations of fair lending will be spread across the remainder of the SEFL. This distribution of resources could lead to a slowdown in general enforcement throughout the bureau.

The other office that has seen the biggest change under Mulvaney is the Office of Students and Young Consumers. The OSYC has been folded into the Office of Financial Education. With this move, the OFYC will no longer have the power to bring investigations that could result in enforcement actions. Instead, the OSYC's new role will be educational, helping students learn about financial concerns and other economic issues.

Mulvaney additionally disbanded the Consumer Advisory Board, dismissing all 25 members in favor of creating a new board with fewer members. To replace this board, Mulvaney proposed implementing more of a town hall/roundtable structure in an effort to encourage more consumer input. The town hall configuration could allow more consumers to weigh in on financial issues and, Mulvaney hopes, address more day-to-day consumer concerns. This may also be an opportunity for consumers to become more directly involved in the organization.

Something to keep in mind is that all of these changes are not necessarily final or even long-term. On June 18, 2018, President Trump named his nominee for CFPB director, Kathleen Kraninger, to take over for Mulvaney. And while Kraninger is currently going through the nomination process, her confirmation is far from assured. Regardless of whoever eventually takes over for the interim director, he or she will have the choice to adopt the new changes as currently structured, return to the old arrangement or make entirely new reforms of his or her own.

Notwithstanding the uncertainty of who the future director may be, change within the bureau is inevitable, whether they are Mulvaney's proposals or not. Any changes within the CFPB will likely have major impacts on consumers and financial institutions, so staying up to date with the changes as they progress helps to ensure compliance with new or changing bureau procedures.