



Offices of Inspector General

Board of Governors of the Federal Reserve System and
Bureau of Consumer Financial Protection

Department of the Treasury

Review of CFPB Implementation Planning Activities

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Abbreviations

Board	Board of Governors of the Federal Reserve System
CFPB	Bureau of Consumer Financial Protection
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
FDIC	Federal Deposit Insurance Corporation
HUD	Department of Housing and Urban Development
NCUA	National Credit Union Administration
OCC	Office of the Comptroller of the Currency
OIG	Office of Inspector General
OTS	Office of Thrift Supervision
Treasury	Department of the Treasury



Offices of Inspector General

July 15, 2011

Elizabeth Warren
Special Advisor to the Secretary of the Treasury on the
Consumer Financial Protection Bureau

This report presents the results of our offices' joint evaluation of the implementation planning activities of the Bureau of Consumer Financial Protection (CFPB). The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), enacted July 21, 2010, established CFPB as an independent agency within, but autonomous from, the Federal Reserve System. The Dodd-Frank Act provided CFPB with the authority to implement and, as applicable, enforce federal consumer financial law consistently to ensure that all consumers have access to markets for financial products and services, and that these markets are fair, transparent, and competitive.

We conducted our evaluation as part of our respective offices' joint oversight responsibilities of CFPB.¹ Our objective was to evaluate CFPB's development and execution of implementation plans and timelines to establish the agency's functions, including certain activities required by the Dodd-Frank Act. As part of this effort, we assessed CFPB's efforts to (1) identify mission-critical activities and legislative mandates, (2) develop and execute a comprehensive implementation plan and timeline for mission-critical activities and legislative mandates, and (3) communicate its implementation plan and timeline to certain key stakeholders.

¹ Both the Board of Governors of the Federal Reserve System (Board) Office of Inspector General (OIG) and the Department of the Treasury (Treasury) OIG currently have a role in overseeing CFPB. Under provisions of the Dodd-Frank Act, the Board OIG is responsible for overseeing CFPB. At the same time, the Treasury OIG has oversight authority of Treasury's interim activities to establish CFPB.

To accomplish our objective, we reviewed the Dodd-Frank Act, researched available studies describing best practices and lessons learned for comparable implementation efforts,² assessed relevant CFPB documentation, and interviewed CFPB officials. We conducted our fieldwork from April 2011 to July 2011. Appendix 1 contains a detailed description of our objective, scope, and methodology.

In brief, we found that CFPB identified and documented implementation activities critical to standing up the agency's functions and necessary to address certain Dodd-Frank Act requirements. Furthermore, CFPB developed and is implementing appropriate plans that support ongoing operations as well as the transfer of employees and functions that will occur on July 21, 2011. In addition, CFPB communicated its planning and implementation of standup activities to internal stakeholders, and provided information to other consumer regulatory agencies regarding its transfer planning. Nevertheless, CFPB's operational success will depend, in part, on its ability to effectively execute its plans. As part of our ongoing oversight efforts, we plan to continue to monitor the progress of CFPB's implementation activities. In a written response to a draft of this report, CFPB acknowledged our report's findings. CFPB's response is provided as Appendix 3.

Background

Title X of the Dodd-Frank Act, the Consumer Financial Protection Act of 2010, established CFPB as an independent entity within, but autonomous from, the Federal Reserve System. The Dodd-Frank Act provided CFPB with the authority to implement and, as applicable, enforce federal consumer financial law consistently to ensure that all consumers have access to markets for financial products and services, and that these markets are fair, transparent, and competitive. As mandated by the Dodd-Frank Act, a presidentially appointed, Senate-confirmed director is to lead the agency. A CFPB Director has not yet been appointed.

² A July 2003 Government Accountability Office report described the lessons learned from private and public sector mergers, acquisitions, and transformations to help the then-newly created Department of Homeland Security merge 22 federal agencies. Among other things, it identified setting implementation goals and timelines as a best practice. In addition, a May 2010 study commissioned by Treasury identified best practices and activities critical to establishing an agency's mission.

The Treasury Secretary designated July 21, 2011, as the date that certain authorities will transfer from seven federal regulatory agencies³ to CFPB. Accordingly, CFPB has been preparing for the rulemaking and supervisory functions that are being transferred from the other agencies. Until a CFPB Director is in place, section 1066(a) of Title X grants the Treasury Secretary the authority to carry out CFPB functions found under subtitle F of Title X.⁴ On the designated transfer date, subtitle F grants CFPB the authority to:

- prescribe rules, issue orders, and produce guidance related to the federal consumer financial laws that were, prior to the designated transfer date, within the authority of the Board, OCC, OTS, FDIC, and NCUA;
- conduct examinations (for federal consumer financial law purposes) of banks, savings associations, and credit unions with total assets in excess of \$10 billion, and any affiliates thereof;
- prescribe rules, issue guidelines, and conduct a study or issue a report (with certain limitations) under the enumerated consumer laws that were previously within the authority of the Federal Trade Commission prior to the designated transfer date;
- conduct all consumer protection functions relating to the Real Estate Settlement Procedures Act of 1974, the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, and the Interstate Land Sales Full Disclosure Act that were previously within the authority of the Secretary of HUD prior to the designated transfer date;
- enforce all orders, resolutions, determinations, agreements, and rulings that have been issued, made, prescribed, or allowed to become effective prior to the designated transfer date by any transferor agency or by a court of competent jurisdiction, in the performance of consumer financial protection functions that are transferred to CFPB, with respect to a bank, savings

³ Pursuant to the Dodd-Frank Act, those agencies transferring functions to the CFPB include the Board, Federal Deposit Insurance Corporation (FDIC), Federal Trade Commission, National Credit Union Administration (NCUA), Office of the Comptroller of the Currency (OCC), Office of Thrift Supervision (OTS), and Department of Housing and Urban Development (HUD).

⁴ These transferred authorities are found in sections 1061 and 1063 of the Dodd-Frank Act, which are effective on July 21, 2011, the designated transfer date.

association, or credit union with total assets in excess of \$10 billion, and any affiliates thereof; and

- replace the Board, OCC, OTS, FDIC, NCUA, and HUD in any lawsuit or proceeding that was commenced by or against one of the transferor agencies prior to the designated transfer date, with respect to a consumer financial protection function transferred to CFPB.

In addition to the transferred functions, CFPB has newly-established federal consumer financial regulatory authorities. The Treasury Secretary is not permitted to perform certain newly-established CFPB authorities if there is no Director by the designated transfer date. For example, if there is no Director by the designated transfer date, in general, the Treasury Secretary is not permitted to exercise the authority to:⁵

- prohibit unfair, deceptive, or abusive acts or practices under subtitle C in connection with consumer financial products and services;
- prescribe rules and require model disclosure forms under subtitle C to ensure that the features of a consumer financial product or service are fairly, accurately, and effectively disclosed both initially and over the term of the product or service;
- prescribe rules under section 1022 relating to, among other things, the filing of limited reports to CFPB for the purpose of determining whether a nondepository institution should be supervised by CFPB;
- supervise nondepository institutions under section 1024, including the authority to (a) prescribe rules defining the scope of nondepository institutions subject to CFPB's supervision, (b) prescribe rules establishing recordkeeping requirements that CFPB determines are needed to facilitate nondepository supervision, and (c) conduct examinations of nondepository institutions.

⁵ CFPB's newly-established authorities are found throughout Title X of the Dodd-Frank Act, including section 1024, and multiple provisions of section 1022 and subtitle C. According to the text of the Dodd-Frank Act, the Treasury Secretary's authority under section 1066(a) does not extend to these newly-established authorities.

Over the past year, CFPB officials have been designing the organizational structure, building a work force plan, and establishing the operations of CFPB. In planning for the possible creation of CFPB, in May 2010, Treasury commissioned a research study to gain further insight regarding the successes, challenges, and areas of improvement for federal mergers, stand-ups, and reorganizations. The study identified core business activities, such as payroll and information technology systems, among others, that are critical to a new agency. The study also identified best practices that included comprehensive implementation planning for core operational areas, as well as activities critical to the mission of an agency.

In addition, the Dodd-Frank Act requires CFPB to implement several activities related to developing and standing up its functions, programs, offices, and operations. For example, CFPB is to establish specific offices and positions within its organizational structure. Additional Dodd-Frank Act implementation requirements relate to identifying CFPB's primary mission areas, transferring other agencies' employees, developing a uniform pay and classification system, building information security processes, and establishing financial management and accounting capabilities.

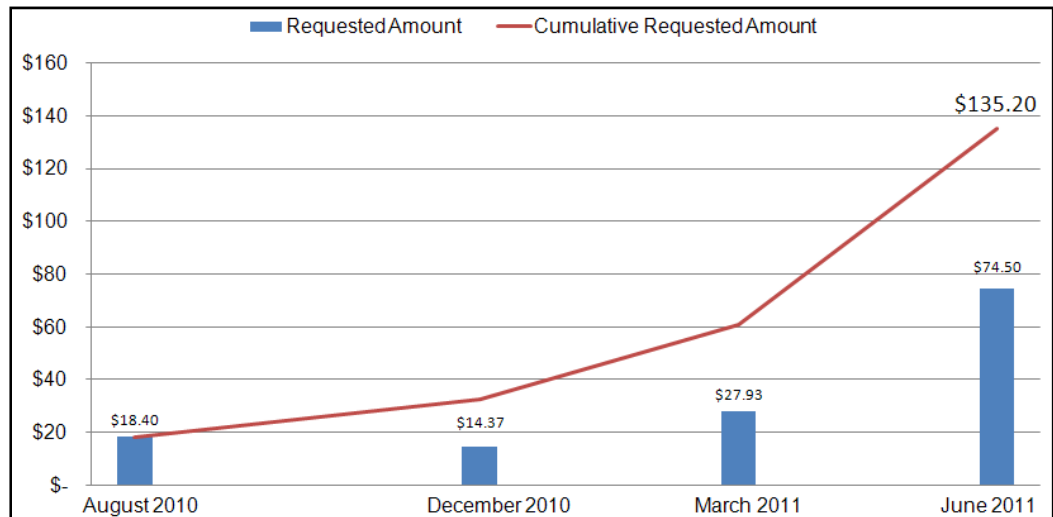
To accomplish these standup activities and to operate the agency's core mission areas, CFPB plans to have, by the end of 2012, more than 1,200 employees on-board in its Washington, DC; Chicago; New York; and San Francisco offices.

As shown in the chart below, as of June 21, 2011, the Treasury Secretary (or designee) has requested more than \$135 million for standup activities from the Board.⁶ Furthermore, CFPB projects that it will spend approximately \$143 million in fiscal year 2011 and approximately \$329 million in fiscal year 2012.⁷

⁶ The Dodd-Frank Act requires the Board to transfer funds to CFPB from the combined earnings of the Federal Reserve System.

⁷ These figures were reported in the Appendix to the *Budget of the United States Government, Fiscal Year 2012*.

**Summary of CFPB’s Funding Requests to the Board, as of June 21, 2011
(in millions)**



Results of the Joint Review

CFPB Identified and Documented Mission-Critical Activities and Legislative Mandates

Based on CFPB planning documents and interviews of agency officials, we found that CFPB identified and documented implementation activities critical to standing up the agency’s functions and necessary to address certain Dodd-Frank Act requirements. In addition to activities necessary to establish the primary mission areas identified by the Dodd-Frank Act, such as supervision and enforcement, CFPB designed its organizational structure to account for other mandated functional units as well, including offices for financial education, fair lending, and service member affairs, among others. Moreover, CFPB identified the activities necessary to complete the transfer of employees and data from the transferring agencies in a timely manner. CFPB identified in its plans the need to establish a pay and classification system, information security processes, and financial management capabilities—areas required by the Dodd-Frank Act.

In addition, CFPB prepared documentation addressing critical activities vital to establishing a new agency. For example, CFPB’s plans identified core business activities—such as securing office space, establishing procurement capabilities, building payroll and

benefits functions, and designing an information technology infrastructure, among others.

CFPB Developed and Is Implementing Appropriate Plans

We found that CFPB developed and is implementing appropriate plans that support ongoing operations as well as the transfer of employees and functions that will occur on July 21, 2011. CFPB planned for mission-critical standup activities and certain Dodd-Frank Act requirements. In July 2010, Treasury officials created a document that, according to a CFPB official, served as a roadmap for implementation. Overall, CFPB's approach was to create detailed planning documents at the division level to provide input for the agency-wide strategic plan. Most CFPB divisions maintained a draft strategic plan, organizational chart, and "dashboards" that tracked implementation progress and potential risks. The division-level strategic plans generally included division-level missions, goals, deliverables, and coordination activities. We also noted that these plans included multiple phases that span beyond the designated transfer date.

CFPB also created several agency-wide documents that identified and tracked priorities and milestones for implementation. For example, one priority for CFPB was the transfer of employees from other agencies. To implement this priority, CFPB maintained a detailed recruitment schedule, developed coordination agreements with other agencies, and allocated resources from the various divisions to timely complete the employee transfer process.

In reviewing the agency's planning documents and discussing the standup status with CFPB officials, we found that the agency has completed elements of its implementation plans and is making progress on others, including its overall strategic plan. Nevertheless, CFPB's operational success will depend, in part, on its ability to effectively execute its plans.

The following is an overview of the status of CFPB's implementation progress for certain activities identified in the agency's plans.

Leadership Positions As of June 17, 2011, CFPB had hired four of its six planned associate directors or equivalent positions (Chief Operating Officer; General Counsel; Associate Director for

Research, Markets, and Regulations; and Associate Director of Consumer Education and Engagement). Within CFPB's divisions, 19 of the 35 assistant director or equivalent positions have been filled. We were told that the agency has hired a Regional Director for its San Francisco office and is in the process of recruiting leaders for its Washington, DC; Chicago; and New York offices. For the status of CFPB's headquarters leadership positions, see Appendix 2.

According to a CFPB official, in the absence of a CFPB Director, the agency is prepared to operate under the Treasury Secretary's authority beyond the designated transfer date. However, until a Director is in place, as noted in the Background section of this report, CFPB will have limited authority to conduct its nondepository institutions supervisory program as well as some other new responsibilities authorized by the Dodd-Frank Act.

Staffing and Transfer of Employees As of June 30, 2011, CFPB offered transfers to 349 employees from other federal regulatory agencies.⁸ As of that date, 172 employees have accepted CFPB's offer, and CFPB officials were waiting for additional responses to their offers. According to timelines established in agency planning documents, CFPB was on track to bring those employees on-board within 90 days of the designated transfer date, in accordance with the Dodd-Frank Act.

CFPB has also been hiring external applicants to fill positions in its various divisions. A CFPB official estimated that they have received several thousand external applications. According to CFPB officials, the agency is meeting its overall staffing targets; however, hiring will continue beyond the designated transfer date, particularly in the Supervision, Fair Lending, and Enforcement division and the Consumer Education and Engagement division.

Transfer of Information According to CFPB documents, the agency has information sharing agreements in place with each federal regulatory agency that is transferring functions to CFPB, as well as 5 state banking regulator associations, bank and financial service regulators in more than 30 states, and other entities and agencies

⁸ This figure does not include other federal agency employees who may have applied to an external posting for a position at CFPB.

such as the Federal Financial Institutions Examination Council⁹ and the Financial Crimes Enforcement Network.¹⁰ According to officials, CFPB has received a substantial amount of information from the federal regulatory agencies in preparation for its assumption of supervisory authorities. CFPB is analyzing this information as it sets its supervisory priorities. Based on the agency's review of supervisory data and other considerations, CFPB has started to plan its initial examinations. According to a CFPB official, the agency plans to use an OTS system as a "bridge system" to maintain supervisory information until the agency is able to develop its own system. Additionally, a core handbook of examination policies and procedures was nearing completion as of July 1, 2011.

According to a CFPB official, the agency received information from one of the current federal regulatory agencies on some of the nondepository affiliates of the depository institutions that will come under CFPB's supervision. In addition, in preparation for its nondepository supervisory responsibilities, CFPB is collecting data from other sources, including state regulators, and conducting external industry research. CFPB is also collecting comments on how it should define "larger participants" in other industries (beyond mortgages, payday loans, and private student loans) as it prepares to launch a new federal program for nondepository supervision.¹¹

Payroll, Compensation, and Benefits On February 13, 2011, CFPB developed an interim pay structure to implement a payroll system. On May 8, 2011, the agency refined its pay structure, which comprises 9 pay bands consisting of 18 pay ranges. According to CFPB documents, the pay structure was designed to comparably align with the pay scales at the Board and OCC. In July 2011,

⁹ The Federal Financial Institutions Examination Council is a formal interagency body empowered to prescribe uniform principles, standards, and report forms for the federal examination of financial institutions by the Board, FDIC, NCUA, OCC, and OTS, and to make recommendations to promote uniformity in the supervision of financial institutions.

¹⁰ The Financial Crimes Enforcement Network, a Treasury bureau, promotes the nation's security through strengthened U.S. and international financial systems. This role includes ensuring safer and more transparent domestic and international financial systems through the administration of the Bank Secrecy Act.

¹¹ *Defining Larger Participants in Certain Consumer Financial Products and Services Markets*, 76 Fed. Reg. 38059 (June 29, 2011) (12 C.F.R. Chapter X). This Notice and Request for Comment document is available on the following website: <http://www.gpo.gov/fdsys/pkg/FR-2011-06-29/pdf/2011-15984.pdf>.

CFPB completed enrollment for various employee benefits using CFPB's own benefits program, according to a CFPB official. CFPB's Chief Operating Officer did not anticipate any significant human resource challenges that would hinder the agency from standing up.

Procurement CFPB established a procurement function, led by an Assistant Director for Procurement, and has been entering into contracts for goods and services. Treasury also had awarded some contracts on CFPB's behalf.

Information Technology and Financial Management Systems According to CFPB documents, the agency plans to continue using Treasury's Bureau of the Public Debt Administrative Resource Center to provide for its financial management. CFPB also plans to continue relying on Treasury's infrastructure for its general support systems, such as email. Contractors provide additional information technology support. Going forward, CFPB has detailed plans and timelines to implement its own information technology infrastructure. According to the Chief Operating Officer, the agency's systems currently being used or in development follow Treasury's protocols for information security.

Regional Structure and Office Space In addition to its planned headquarters office building in Washington, DC, CFPB plans to establish three regional offices, located in San Francisco, Chicago, and New York. According to a CFPB official, the agency finalized a contract to secure the needed office space for the regional locations. Because CFPB anticipates experiencing short-term capacity challenges in Washington, DC, the agency plans to temporarily secure other office space in addition to its current location. The agency plans to eventually move into a permanent location at 1700 G Street NW, Washington, DC, which currently serves as OTS's headquarters.¹² CFPB also plans to implement a nationwide teleworking framework.

Examiner Training CFPB is planning to train and staff a single pool of examiners for both bank and nondepository supervision. CFPB has an agreement with the Board to provide consulting services for

¹² Pursuant to the Dodd-Frank Act, OTS's powers and authorities will transfer to other federal financial regulators on July 21, 2011. Accordingly, OCC assumes ownership of the OTS building located at 1700 G Street, NW. CFPB has a letter of intent to enter into a lease with OCC to occupy this building.

the development of some examiner training modules. The agency plans to provide 2 weeks of initial orientation and interpersonal skills training, followed by 2 weeks of case-based, consumer examination training for new examiners. A CFPB official told us that training will be delivered through a combination of internal instructors and vendor-led programs. In this regard, the first training sessions have started.

Consumer Response Center According to CFPB officials, a Consumer Response Center will be operational by July 21, 2011, but will not be fully functional. CFPB is expected to take website inquiries and phone calls, initiate the complaint inquiry process, and begin case management for tracking complaints. However, the agency plans to initially only process complaints about credit cards. According to a CFPB timeline, the agency plans to process complaints about other consumer financial products over the course of the next year. Until then, CFPB will refer consumers to the appropriate federal regulators to handle complaints on other products. A CFPB official told us that they have an understanding with the other federal regulators as to the process for handling the complaints and that the agency is in the process of formalizing this understanding in agreements.

CFPB Communicated Its Planning and Implementation Activities

We found that CFPB communicated its planning and implementation of standup activities to internal stakeholders, and provided information regarding its transfer planning to other federal regulatory agencies.

Internally, through various CFPB-established committees and working groups, agency leadership shared implementation planning activities, schedules, and progress updates with staff. According to a CFPB official, these committees and working groups operate at three decision-making levels: (1) the “strategic level” with the Special Advisor to the Secretary of the Treasury on CFPB (Special Advisor) and the senior CFPB leadership team; (2) the “operational level” with the divisions’ leadership; and (3) the “tactical level” with working teams from within each of the divisions. In addition, the Special Advisor regularly meets with senior agency leadership to discuss the status of implementation activities as well as potential challenges. The Chief of Staff also prepares and distributes a weekly report to the agency’s staff that provides an

overview of the week's events, updates on policies, updates on outreach activities, the latest news from management, and the Special Advisor's proposed schedule for the upcoming week.

Externally, CFPB has shared planning information and timelines with the other federal regulatory agencies affected by the employee transfer process. According to a CFPB official, the agency also has held "town hall meetings" at five of the federal regulatory agencies that are transferring staff to CFPB. In addition, CFPB and each of the transferring agencies coordinated the process to guide the transfer of employees.

CFPB has posted its planned organizational structure as well as its agency mission on its website. Several updates related to implementation activities also have been posted. For example, CFPB announced when it was able to start hiring staff. CFPB also publicly announced its plan to occupy 1700 G Street, NW, Washington, DC, as its permanent headquarters. Further, CFPB also has publicly released budget and high-level spending information. In addition to its website, CFPB launched a YouTube channel, Twitter account, and Facebook account to share some of its activities with the public.

* * * * *

We appreciate the courtesies and cooperation provided to our staffs during the evaluation. If you wish to discuss the report, you may contact our respective offices at the Board and CFPB OIG, (202) 973-5000, or the Treasury OIG, (202) 927-5400. Major contributors to this report are listed in Appendix 4.

/s/

Anthony J. Castaldo
Associate Inspector General for
Inspections and Evaluations
Board and CFPB OIG

/s/

Marla A. Freedman
Assistant Inspector General for Audit
Treasury OIG

We conducted our evaluation as part of our respective offices' joint oversight responsibilities of CFPB. Our objective was to evaluate CFPB's development and execution of implementation plans and timelines to establish the agency's functions, including certain activities required by the Dodd-Frank Act. More specifically, we assessed CFPB's efforts to (1) identify mission-critical activities and legislative mandates, (2) develop and execute a comprehensive implementation plan and timeline for mission-critical activities and legislative mandates, and (3) communicate its implementation plan and timeline to certain key stakeholders. We conducted our fieldwork from April 2011 to July 2011.

To accomplish our objective, we performed the following work:

- We reviewed Title X of the Dodd-Frank Act and analyzed the actions CFPB has taken or is planning to take to meet certain requirements related to standing up the new agency.
- We compared CFPB's implementation planning efforts to best practices identified by the Government Accountability Office,¹³ as well as a lessons learned report commissioned by the Department of the Treasury for the purpose of establishing CFPB.¹⁴
- We assessed relevant CFPB planning documentation and determined the status of standing up the agency, with a focus on critical areas identified in its implementation plans.
- We interviewed CFPB officials, including the Chief of Staff, the Chief Operating Officer, the Deputy General Counsel, the Assistant Director for Large Bank Supervision, and the Assistant Director for Nonbank Supervision.

¹³ GAO-03-669: *Results-Oriented Cultures; Implementation Steps to Assist Mergers and Organizational Transformations*, July 2003. The report described the lessons learned from private and public sector mergers, acquisitions, and transformations to help the then-newly created Department of Homeland Security merge 22 federal agencies. Among other things, it identified as a best practice to "set implementation goals and a timeline to build momentum and show progress from day one."

¹⁴ Booz, Allen, Hamilton report to Treasury: *Research & Analysis: Organizational Stand-ups Lessons Learned and Key Insights*, May 2010. The study identified core business activities, such as payroll and information technology systems, among others, that are vital to a new agency. The study also identified best practices that included comprehensive implementation planning for core operational areas, as well as activities critical to the mission of an agency.

We performed this review in accordance with the *Quality Standards for Inspection and Evaluation*, issued by the Council of the Inspectors General on Integrity and Efficiency. Consistent with the evaluation objective, we did not assess CFPB's overall internal control or management control structure, review its budgeting process, obtain data from its information systems, or assess the effectiveness of CFPB's information system controls. In addition, we did not perform a detailed compliance review of all Dodd-Frank Act requirements.

Appendix 2
 Status of Leadership Positions for CFPB's Headquarters as of June 17, 2011

Division	Position	Status
	Director	Vacant
Office of the Director	Deputy Director	Vacant
	Special Advisor to the Secretary of the Treasury	On-Board
	Chief of Staff	On-Board
	Chief Operating Officer	On-Board
Chief Operating Officer	Assistant Director/Deputy Chief Operating Officer	On-Board
	Assistant Director for the Response Center	Vacant
	Assistant Director for Operations and Facilities	Vacant
	Assistant Director for Procurement	On-Board
	Chief Technology Officer	On-Board
	Chief Information Officer	Vacant
	Chief Financial Officer	Vacant
	Assistant Director for Human Capital	On-Board
	Assistant Director for Inclusion	Vacant
	Assistant Director for FOIA, Privacy and Records	Vacant
General Counsel	General Counsel	On-Board
	Principal Deputy General Counsel	On-Board
	Deputy General Counsel	On-Board
	Deputy General Counsel	On-Board
	Administrative Law Judge Staff Director	Vacant
Supervision, Fair Lending, and Enforcement	Associate Director for Supervision, Fair Lending, and Enforcement	Vacant
	Assistant Director for Large Bank Supervision	On-Board
	Assistant Director for Nonbank Supervision	On-Board
	Assistant Director for Enforcement	On-Board
	Assistant Director for Fair Lending and Equal Opportunity	On-Board
Research, Markets, and Regulations	Associate Director for Research, Markets, and Regulations	On-Board
	Assistant Director for Research	On-Board
	Assistant Director for Regulations	On-Board
	Assistant Director for Card Markets and Deposit and Payments Markets	On-Board
	Assistant Director for Mortgage Markets	On-Board
	Assistant Director for Credit Information Markets and Specialty Finance Markets	On-Board
Consumer Education and Engagement	Associate Director of Consumer Education and Engagement	On-Board
	Assistant Director for Financial Education	Vacant
	Assistant Director for Consumer Engagement	Vacant
	Assistant Director for Older Americans	Vacant
	Assistant Director for Service Member Affairs	On-Board
	Assistant Director for Students	Vacant
	Assistant Director for Community Affairs	On-Board
External Affairs	Associate Director for External Affairs	Vacant
	Assistant Director for Media Relations	Vacant
	Assistant Director for Legislative Affairs	Vacant
	Assistant Director for Intergovernmental Affairs	Vacant
	Assistant Director for Community Banks and Credit Unions	On-Board
	Ombudsman	Vacant
Consumer Advisory Board	Vacant	

Appendix 3
Management Comments



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

July 15, 2011

Elise M. Ennis
Acting Inspector General
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Eric M. Thorson
Inspector General
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Ms. Ennis and Mr. Thorson:

The Consumer Financial Protection Bureau (CFPB) has received and reviewed your draft report entitled, "Review of CFPB Implementation Planning Activities," prepared as part of your offices' joint oversight responsibilities. The report evaluates the development and execution of an implementation plan for establishing the CFPB. Treasury and CFPB officials have been hard at work preparing for the stand-up of the CFPB, and we appreciate the report's recognition of our efforts.

In particular, we appreciate the report's findings that the CFPB has identified implementation activities and statutory mandates critical to standing up the agency's functions, and that the CFPB has developed and implemented appropriate plans to support ongoing operations as well as the transfer of functions and employees that will occur on July 21, 2011. The report also recognizes that the CFPB has provided information regarding its transfer planning to other federal regulatory agencies and has shared information with both internal stakeholders and the public.

We appreciated the professionalism and courtesies provided by the staff of both Offices of Inspector General, and we look forward to working with your offices in the future.

Thank you for the opportunity to provide comments on this draft report.

Sincerely,

/s/

Elizabeth Warren

**Board of Governors of the Federal Reserve System
and Bureau of Consumer Financial Protection OIG**

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