

## **Accountability Measures Unique to the CFPB**

- The CFPB is the only financial regulatory agency whose rules may be overturned by a vote of the Financial Stability Oversight Council (FSOC). Even after the CFPB finalizes a regulation, any member agency of FSOC that objects to a regulation can petition the FSOC to get it removed. With a 2/3 vote, the FSOC can stay or set aside any regulation passed by the CFPB that it deems to interfere with the “safety and soundness” of the U.S. financial or banking system. No other agency can have its rules overridden by other federal regulators.
- CFPB’s budget is capped at a fixed percentage of the operating expenses of the Federal Reserve System. No other financial regulator has a budget ceiling written into law.
- The CFPB must consult with other bank regulators when engaging in rulemaking, and there is no requirement for reciprocity.
- The other bank regulators have access to CFPB inspection reports. Any prudential regulator or federal agency that has jurisdiction over a financial institution has the ability to gain access to the CFPB’s examination reports on that institution.
- CFPB rules are subject to the Small Business Regulatory Enforcement Flexibility Act’s small business panel review process. CFPB must review potential rules with affect small businesses prior to the publication of such proposed rules.
- The CFPB is subject to mandatory cost-benefit analysis in doing rulemaking, with a particular requirement to assess the effect of its rules on small banks, credit unions and rural consumers.

## **Other Accountability Measures**

- Director is appointed by the President and can be removed for cause.
- Director must testify before Congress semi-annually. The CFPB Director must appear before committees in both houses of Congress twice a year. For these hearings, the CFPB must submit reports with a justification for the CFPB’s budget, a list of rules the CFPB has adopted, and a list of public supervisory and enforcement actions in which the CFPB has been involved.
- Annual GAO audit. The Comptroller General is required to annually audit the finances of the CFPB.
- Enforcement measures can be appealed. A party may appeal a CFPB decision to a United States Court of Appeals, asking that the decision be “modified, terminated, or set aside.”
- Reducing burdensome regulations is a major agency objective. The CFPB is required to identify and address “unduly burdensome regulations,” which is a particular concern of smaller financial institutions.
- Mandatory public and stakeholder input on proposed rules. The CFPB must inform the public of proposed rules and offer the opportunity to comment on the proposals.