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# CFPB Advisory Committees

Frequently Asked Questions

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# 1. Frequently Asked Questions

## 1.1 General

### What are Advisory Committees

Advisory committees serve the Bureau, and other government agencies, as formal means to solicit external feedback on a range of topics including consumer engagement, policy development, and research, among others. The CFPB's Consumer Advisory Board is authorized by §1014(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"). The purpose of the Consumer Advisory Board ("CAB" or "Board") is "to advise and consult with the Bureau in the exercise of its functions under the Federal consumer financial laws, and to provide information on emerging practices in the consumer financial products or services industry, including regional trends, concerns, and other relevant information."

The CFPB has organized four advisory committees<sup>1</sup>:

- Consumer Advisory Board
- Community Bank Advisory Council
- Credit Union Advisory Council
- Academic Research Council

### What is the difference between Federal Advisory Committees and Panels?

While CFPB advisory committees and panels aim to accomplish similar goals, they are distinguished by their structural aspects, such as scope, formality, and transparency requirements. An advisory committee is more formal, more transparent, and addresses a broader scope of issues than a panel. Advisory committees may consult with the agency on a variety of cross-cutting topics, will generally have a life-span of two years or more, will publicly report meetings prospectively, and will provide detailed minutes and/or summaries of the meetings. Panels or roundtables will consult on a single issue or a discrete topic area with

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<sup>1</sup> The other committees are described below.

interrelated or associated issues, have a life-span of not more than one year, publicly report meetings retrospectively, and provide high-level summaries of meetings.

## Who at the Bureau approves the establishment of Advisory Committees and appoints Members?

Except as provided by statute, regulation, or other Bureau directive, the authority to establish, utilize, renew, abolish, or appoint members to advisory committees is reserved to the Director of the Bureau (“Director”) and may be exercised only by her or him. Under the Dodd-Frank Act, which establishes the Consumer Advisory Board, the Director may also establish additional advisory committees and may appoint members to advisory committees.<sup>2</sup> To effectively carry out its mission of protecting consumers, offices within the Consumer Financial Protection Bureau (“CFPB” or the “Bureau”) rely on engagement with external stakeholders to solicit advice about their activities. The Director approves any advisory committee or panel established to provide advice and consultation to the Bureau.

## How have the advisory committees been used by the Bureau?

Whether we are writing regulations, redesigning forms to be easier to understand, or following new trends in consumer finance, we count on our advisory committees for advice and insight. In addition to our day-to-day work of gathering input, we also convene these independent groups for formal input on trends and themes in the consumer finance marketplace.

The Consumer Advisory Board is a source of market intelligence and expertise for us, they also advise and consult us on our work. The Community Bank Advisory Council advises us on regulations and consumer financial products and services from the unique perspectives of community banks. The Credit Union Advisory Council advises us on regulations, consumer financial products and services from the unique perspectives of credit unions. The Academic Research Council advises us on the Bureau’s strategic research planning process and research agenda, including views on the research that the Bureau should conduct relating to consumer financial products or services, consumer behavior, cost-benefit analysis, or other topics to

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<sup>2</sup> See also 41 C.F.R. 102-3.50(d) (Federal Advisory Committee implement regulations recognize that agency head has a general authority under Title 5 to establish advisory committees).

enable the agency to further its statutory purposes and objectives, as well as provided technical advice.

### What does the CFPB Consumer Advisory Board (CAB) do?

The Consumer Advisory Board (CAB) “advise[s] and consult[s] with the Bureau in the Bureau’s exercise of its functions under the Federal consumer financial protection laws,” and “provide[s] information on emerging practices in the consumer financial products and services industry, including regional trends, concerns, and other relevant information.” The CAB’s charter indicates that the function of the Board is to be solely advisory. The Bureau alone will decide what action it will take and policy it will express with respect to the Federal consumer financial laws.

### What does the CFPB Academic Research Council (ARC) do?

The ARC provides us with advice about its strategic research planning process and research agenda, including views on the research that the Bureau should conduct relating to consumer financial products or services, consumer behavior, cost-benefit analysis, or other topics to enable the agency to further its statutory purposes and objectives. The ARC also provides the Office of Research with technical advice and feedback on research methodologies, data collection strategies, and methods of analysis, including methodologies and strategies for quantifying the costs and benefits of regulatory actions.

### What does the Community Bank Advisory Council (CBAC) do?

The CBAC advises us generally on the Bureau’s regulation of consumer financial products or services provided by community banks and other related topics. They share information, analysis, and recommendations to better inform our policy development, rulemaking, and engagement work.

### What does the Credit Union Advisory Council (CUAC) do?

The CUAC advises us generally on the Bureau’s regulation of consumer financial products or services provided by credit unions and other related topics. They share information, analysis, and recommendations to better inform our policy development, rulemaking, and engagement work.

## Do any of the groups have sub-committees?

Currently the CAB, the CBAC, the CUAC, and the ARC do not have sub-committees; however, each advisory committee charter provides for the ability of the Bureau to create sub-committees in consultation with the committees.

## 1.2 Applications and Memberships

### Who are the members of the CAB and what qualifications do CAB members need?

CAB members are a diverse group comprised of members of the general public. The Dodd-Frank Act provides specific guidance to the Bureau about who can be a CAB member. Specifically it says, “in appointing the members of the Consumer Advisory Board, the Director shall seek to assemble experts in consumer protection, financial services, community development, fair lending and civil rights, and consumer financial products or services and representatives of depository institutions that primarily serve underserved communities, and representatives of communities that have been significantly impacted by higher-priced mortgage loans, and seek representation of the interests of covered persons and consumers, without regard to party affiliation.” The Director is also dedicated to selecting a CAB membership that is diverse in gender, ethnicity, and geography.

### What status will Advisory Committee members have with respect to government employment? Will the Advisory Committee members represent themselves or the organizations or institutions they are affiliated with?

In general, members of federal advisory committees are designated either as Special Government Employees (SGEs) or as “Representatives.” The Bureau’s advisory committee members can either be appointed as “Representatives” or “Special Government Employees.” Representatives are specifically appointed to the CAB or other advisory committees to provide the Bureau with the points of view of nongovernmental entities or of a recognizable group of persons (e.g., an industry sector, consumer group, labor union, etc.) that have interests in the subject matter under the committee’s charge. Special Government Employees are appointed to a committee to exercise their own individual best judgment on behalf of the government. It is also expected that SGEs will discuss and deliberate in a manner that is free from conflicts of

interests. In either capacity, advisory committee members are not authorized to speak on behalf of the Bureau or advisory committee. Finally, although advisory committee members may discuss information that has not been disclosed to the public, confidential supervisory and enforcement information will not be shared with any advisory committee.

## What are the terms for Advisory Committee Members?

Advisory committee members serve two year terms. The Bureau will introduce staggered terms for the committees, allowing for approximately half the membership to cycle off each calendar year.

## Who can apply to serve on an Advisory Committee?

Any interested person who meets the qualifications outlined below may apply for membership to an advisory committee.

Pursuant to Section 1014(b) of the Dodd-Frank Act, in appointing members to the Board, “the Director shall seek to assemble experts in consumer protection, financial services, community development, fair lending and civil rights, and consumer financial products or services and representatives of depository institutions that primarily serve underserved communities, and representatives of communities that have been significantly impacted by higher-priced mortgage loans, and seek representation of the interests of covered persons and consumers, without regard to party affiliation.” The determinants of “expertise” shall depend, in part, on the constituency, interests, or industry sector the nominee seeks to represent, and where appropriate, shall include significant experience as a direct service provider to consumers.

Pursuant to section 12 of the Community Bank Advisory Council Charter: “In appointing members to the committee, the Director shall seek to assemble members with diverse points of view, institution asset sizes, and geographical backgrounds. Only bank or thrift employees (CEOs, compliance officers, government relations officials, etc.) will be considered for membership. Membership is limited to employees of banks and thrifts with total assets of \$10 billion or less that are not affiliates of depository institutions or community banks with total assets of more than \$10 billion.”

Pursuant to section 12 of the Credit Union Advisory Council Charter: “In appointing members to the committee, the Director shall seek to assemble members with diverse points of view, institution asset sizes, and geographical backgrounds. Only credit union employees (CEOs, compliance officers, government relations officials, etc.) will be considered for membership.

Membership is limited to employees of credit unions with total assets of \$10 billion or less that are not affiliates of depository institutions or credit unions with total assets of more than \$10 billion.”

Pursuant to Section 12 of the Academic Research Council Charter: “In appointing members to the committee, the Director shall seek to assemble members who are economic experts and academics with diverse points of view; such as experienced economists with a strong research and publishing or practitioner background, and a record of involvement in research and public policy, including public or academic service. Additionally, members should be prominent experts who are recognized for their professional achievements and rigorous economic analysis including those specializing in household finance, finance, financial education, labor economics, industrial organization, public economics, and law and economics; and experts from related social sciences related to the Bureau’s mission. In particular, the Director will seek to identify academics with strong methodological and technical expertise in structural or reduced form econometrics; modeling of consumer decision-making; survey and random controlled trial methods; benefit cost analysis, welfare economics and program evaluation; or marketing.”

## I know what the CAB does, what do the other advisory committees – the Community Bank, Credit Union, and/or Academic Research Advisory Councils - do?

In addition to the CAB, the CFPB has also organized additional advisory committees which provide the Bureau with feedback and recommendations to inform its policy development, research, rulemaking, and engagement functions. These groups are: the Credit Union Advisory Council (CUAC); the Community Banks Advisory Council (CBAC); and the Academic Research Council (ARC). The Dodd-Frank Act and Federal Advisory Committee Act (FACA) gives the CFPB authority to create advisory councils as an additional way to reach out to stakeholders with an interest in the CFPB’s activities.

The CFPB supervises depository institutions and credit unions with total assets of more than \$10 billion and their respective affiliates, but other than the limited authority conferred by § 1026 of the Dodd-Frank Act, the CFPB does not have supervisory authority regarding credit unions and depository institutions with total assets of \$10 billion or less. As a result, the CFPB does not have regular contact with these institutions, and it would therefore be beneficial to create a mechanism to ensure that their unique perspectives are shared with the Bureau.

The CBAC and CUAC shall fill this gap by providing an interactive dialogue and exchange of ideas and experiences between community bankers, credit unions and Bureau staff. These committees advise generally on the Bureau's regulation of consumer financial products or services and may provide information, analysis, and recommendations to the Bureau. Members of the CBAC and the CUAC are appointed by the CFPB Director and must be employed by an institution with total assets of \$10 billion or less that is not an affiliate of a credit union or community bank with total assets of more than \$10 billion. The CBAC and CUAC will convene publicly and provide public summaries or reports of their meetings. Members on both committees serve two-year terms.

The CFPB conducts research, performs analysis, and reports on topics relating to the Bureau's mission, including developments in markets for consumer financial products and services, consumer awareness, and consumer behavior. To support the Bureau's commitment to fact-based policy development, the CFPB established the Academic Research Council, a consultative body comprised of experts with relevant subject matter expertise. The ARC provides the Bureau with advice about its strategic research planning process and research agenda, including views on the research that the Bureau should conduct relating to consumer financial products or services, consumer behavior, cost-benefit analysis, or other topics to enable the agency to further its statutory purposes and objectives. The ARC also provides the Office of Research with technical advice and feedback on research methodologies, data collection strategies, and methods of analysis, including methodologies and strategies for quantifying the costs and benefits of regulatory actions. The ARC will meet in-person approximately twice a year and maintain ongoing communications throughout the year.

## What is the time commitment to serve on a committee?

Committee members will meet at least twice per year or sometimes more at the call of the Director. The in-person meetings last a full day. There are also conference calls and regular opportunities to connect with Bureau staff throughout the committee member's term.

## After I submit my application, when will I learn whether I have been selected?

The CFPB anticipates that the selection process may last several months. After an application has been received by the Bureau, applicants will be regularly updated on the status of the process and their application.

I applied for membership to the CAB last year, do I need to reapply? If I applied to serve on the CAB previously may I use the same application materials on different applications?

Yes, you will need to reapply to serve on the CAB or any advisory committee.

I know someone who I think would make a great candidate for a committee can I just nominate that person?

You may provide a written letter of recommendation in support of someone applying for membership to a committee. If you know someone who you think should apply, please share our application materials with them.

After I submit my application, what are the next steps?

After you submit your completed application packet, applicants will receive an email from the Bureau confirming receipt of the application. At the end of the application materials, the Bureau will begin reviewing submitted materials. The Bureau will periodically notify candidates on the status of the process. At the end of the process when selections have been made, all applicants will be notified.

I'm having trouble printing my application, where (on the application) do I go to Print?

If you are having troubles with printing, please follow answers below;  
Use the "Print as image" option. Click the Advanced button in the Print dialog box.

How do visually impaired applicants access the application materials?

We are committed to complying with the Rehabilitation Act of 1973 by offering programs and activities that are accessible to all members of the public. If you need an accommodation, you can [make a request](#).

Should I send additional material other than what is requested with my submission?

A complete application packet is sufficient; no additional materials are required and need be submitted. The CFPB will only consider information provided in the resume, completed application, and letter of recommendation.

What criteria does the Bureau use to evaluate and then appoint candidates to an advisory committee?

In considering membership to any advisory committee, the Bureau will look to statutory guidelines in the case of the CAB and Charter language in the cases of the CBAC, CUAC and ARC. Additionally, the Bureau will consider its priorities and mission as outlined in its Unified Agenda and its Strategic Plan in selecting members of the CAB, CBAC, CUAC, and ARC.

## 1.3 Process

What is required before an Advisory Committee can meet?

The advisory committee will not meet or take any action until a charter has been filed with the standing committees of the Senate and House of Representatives that have legislative jurisdiction over the Consumer Financial Protection Bureau as well as the Library of Congress. Charters must be filed upon establishment or renewal of advisory committees.

Are there Charters or organizing documents for these groups that I can review?

Yes, each advisory committee has an organizing charter which explains the scope, structure and function of each committee. Advisory committee charters are renewed every two years and are available to view <https://www.consumerfinance.gov/about-us/advisory-committees/>.

What does a Charter contain and how often is it renewed?

The purpose of a charter is to specify the advisory committee's mission or charge, specific duties, and general operational characteristics.

All advisory committees require re-chartering by the filing of a new charter every 2 years with consultation from the General Services Administration (GSA). Charters will contain the following information:

- the advisory committee's official designation;
- the advisory committee's objectives and the scope of its activity;
- the period of time necessary for the advisory committee to carry out its purposes;
- the agency or official to whom the advisory committee reports;
- the agency responsible for providing the necessary support for the advisory committee;

- a description of the duties for which the advisory committee is responsible, and, if
- such duties are not solely advisory, a specification of the authority for such functions;
- the estimated number and frequency of advisory committee meetings;
- the estimated budget for the advisory committee;
- the advisory committee's termination date, if less than two years from the date of the committee's establishment; and
- the date the charter is filed.

## How are committees organized? Is there a Chair/Vice Chair? Are there Committees?

Each committee has a distinct governance structure outlined in their respective charters. Each advisory committee has a Chairperson and Vice Chairperson which are appointed by the Director. The Chairperson and Vice Chairperson are selected from among the members of the committee, and serves at the pleasure of the Director.

## How will I know what the Advisory Committees have discussed? Does the CFPB maintain meeting minutes for its Advisory Committees?

The Bureau complies with the Federal Advisory Committee (FACA) by providing transparency into the discussions of each advisory committee. Information for each committee meeting is posted to <https://www.consumerfinance.gov/about-us/advisory-committees/> regularly.

Specifically,

- Meeting summaries
- Membership biographies
- Meeting agendas
- Annual reports

## How often does each Advisory Committee meet?

Committees meet an average of two times per year.

## How can I find out what was discussed during an Advisory Committee meeting?

Minutes of meetings, recordings, reports, studies, and agendas of the committees shall be posted on the Bureau's website <https://www.consumerfinance.gov/about-us/advisory-committees/>.

## Are Advisory Committee Meetings open to the public?

Each meeting of the committee meetings shall be open to public observation, to the extent that a facility is available to accommodate the public. The Bureau also will make reasonable efforts to make the meetings available to the public through live web streaming or other methods.

## Are Advisory Committee members compensated?

Advisory committee members are not compensated; however, committee members receive reimbursement for travel and lodging expenses. CAB members are also entitled to reimbursement of meals and incidental expenses (M&IE).

# 1.4 Regulation of Advisory Committees

## What is the Federal Advisory Committee Act (FACA) and does it apply to the Advisory Committees?

FACA was enacted in 1972 (and then amended in 1977) to control the growth and operation of the "numerous committees, board, commissions, councils, and similar groups which have been established to advise officers and agencies in the executive branch of the Federal Government." 5 U.S.C. App. 1, § 2(a). FACA is the legal foundation defining how federal advisory committees operate. The law has special emphasis on open meetings, chartering, public involvement, and reporting. 5 U.S.C., App.

FACA assigns the General Services Administration (GSA) responsibility for government oversight of advisory committees. GSA's Implementing Regulations for FACA are found at 41 CFR 102-3, *et. seq.*

As part of its responsibility under FACA, GSA issues government-wide guidelines and regulations for Federal Advisory Committee Management.

The Bureau's advisory committees are organized to be transparent and operate under FACA principles. For example:

a. FACA requires that a charter be approved by the head of the agency and filed with both GSA and Congress before the Advisory Committee may convene.

The Bureau's advisory committees all have charters which have been approved by the Director and filed with Congress. Additionally, the Bureau's advisory committee charters follow FACA requirements and include:

- i. The committee's official designation
- ii. The committee's objectives and the scope of its activity
- iii. The period of time necessary for the committee to carry out its purpose
- iv. The agency or official to whom the committee reports
- v. The agency responsible for providing the necessary support for the committee
- vi. A description of the duties for which the committee is responsible and, if such duties are not solely advisory, a specification of the authority for such functions
- vii. The estimated number and frequency of committee meetings
- viii. The charter's termination date, if less than two years from the date of the committee's establishment
- ix. A description of the committee's membership and other membership provisions
- x. The name of the designated federal officer to chair or attend each meeting of the advisory committee
- xi. If the committee is to be composed of formal subcommittees or subgroups, and if so, their identity and function
- xii. The specific statutory authority for the committee
- xiii. The date the charter is filed

b. FACA requires open meetings, noticed in the Federal Register, recorded and archived.

This requirement is consistent with the CFPB vision and the CFPB committee charters contemplate public access to meetings, which will be noticed in the Federal Register, recorded and archived.

c. FACA requires balanced representation

Section 1014 of the Dodd-Frank Act requires representation on the CAB of a broad array of interests and viewpoints regarding consumer financial products. In selecting CAB and other council members, the Bureau developed standards for ensuring the diversity outlined in the statute before the selection process for the advisory committees began.

Are advisory committee members subject to any standards of conduct or ethics? How does the Bureau manage committee members and conflicts of interests?

Executive branch ethics provisions apply to SGEs (and “regular” employees) who serve as committee members, but do not apply to committee members who serve as “representatives” or who are independent contractors. Advisory committee members will be advised of the standards of conduct for employees and encouraged to be aware of these standards and abide by them.

The GAO has issued several reports stressing the importance of financial conflicts review for advisory committee members. Those reports have strongly encouraged use of the SGE mechanism to appoint federal advisory committee members. The Bureau’s appointment mechanism for committee appointment includes financial disclosure review and a criminal background check for all members.