

Cooperative Credit Union Association, Inc.
Bureau of Consumer Financial Protection Key Recommendations

Leadership:

The Dodd-Frank Act requires that a director must be confirmed by the U.S. Senate and will serve a five-year term. The Office of Management and Budget's ("OMB") Mick Mulvaney is currently the agency's interim director, having been named to the position by Trump in November, following the resignation of Richard Cordray.

Recently, President Donald Trump nominated White House budget official Kathy Kraninger to lead the Bureau of Consumer Financial Protection. Kraninger, an associate director at the OMB, previously worked for the Department of Homeland Security and the Senate Appropriations Committee.

Key Recommendations:

- Utilize rulemaking exemption authority for credit unions fully;
- Transfer examination authority for consumer protection regulations over credit unions with over \$10 billion in assets to the NCUA and/or the appropriate state regulator;
- Streamline current examination processes and abandon a "one-size-fits-all" approach to examining financial institutions under its jurisdiction;
- Examination timing, frequency and scope should be based on the structure, operation model, and complexity of the financial institution;
- Coordinate information requests with the NCUA or the appropriate state regulator to prevent duplicative efforts and wasted resources;
- Narrowly tailor information requests and clearly communicate them to credit unions;
- Frequently update the Examination Manual, a helpful resource to credit unions, to reflect changes in regulations and interpretations; notify institutions of updates;
- Improve the efficiency of the examination process by minimizing the physical presence of examiners;
- Collect examination data and information in advance to better allocate resources where most needed;
- Review information off site and outside of the credit union;
- Employ well-trained, competent examiners that have specific experience and knowledge of credit unions and their unique not-for-profit structure and business model; be knowledgeable about the specific credit union and the characteristics of its membership and community it serves;
- Apply guidance or best practices carefully as recommendations, not requirements enforceable by regulation or a regulatory standard;
- Meet with credit union staff and discuss preliminary examination findings prior to the exit meeting;

- Increase transparency in examinations by communicating concerns and plans to correct the issue; examiner job performance should not be based on the amount of issues or problems found in the credit union examination;
- Adopt procedures in place for more timely examination reports, communications and feedback to credit unions;
- Increase the clarity, organization, and quality of communications that report the results of supervisory activities, including oral communications from examiners and Supervisory Letters and Examination Reports; and
- Increase the clarity of matters requiring attention (“MRA”) and the reasonability of timing requirements to satisfy MRAs used to address violation(s) of federal consumer financial law or compliance management weaknesses.

6.17.18