
Pointers from banks that have been through CFPB exams

Tips for before, during, and after

This article is a companion to the July 2012 ABA Banking Journal Compliance Clinic, which featured “CFPB was here,” a recap of a session at ABA’s Regulatory Compliance Conference that described the experiences of three banks with early exam visits by the Consumer Financial Protection Bureau. Here are tips from Matthew Neels of Capital One, as well as Tina Shaver of FirstMerit, Akron, Ohio, and Jeff Asher of FirstBank Holding Company, Lakewood, Colo.

Before the Exam

1. Read the CFPB website daily.
2. Create a news-feed and keep your bank’s key players up to date on major issues at CFPB.
3. Monitor developments relating to CFPB’s regulatory agenda.
4. Read CFPB’s published exam procedures and prepare a gap analysis to see potential rough spots for your bank.
5. Take advantage of industry meetings to make relationships with CFPB players outside of the exam process. (CFPB had representatives speaking in about half a dozen sessions at ABA’s Regulatory Compliance Conference.)
6. Discuss the CFPB exam process with bankers who have been through it, trade association staff, and third parties such as consultants and outside attorneys who have assisted clients through it.
7. Know your bank’s state of compliance going into the exam. Make sure past matters requiring attention are up to date.
8. Prepare business line employees for the exam--this should not be a “staff takes the lead” exercise.

During The Exam

1. Remember this is a new relationship and CFPB examiners have no institutional memory with your bank.
2. Be ready to tell exam team members about your bank's products, processes, risk management strategies, and more.
3. Be proactive--offer information, don't just wait for questions.

Post Exam

1. Remember that the Federal Reserve Board, the Comptroller's Office, and FDIC remain engaged and interested in compliance and still rate it.
2. Remember the reputation risk inherent in compliance errors.
3. Communication in all directions is key.

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