



Executive Summary:

The CFPB Can Enhance the Effectiveness of Its Examiner Commissioning Program and On-the-Job Training Program

2017-SR-C-014

September 20, 2017

Purpose

We conducted an evaluation of the effectiveness of the Consumer Financial Protection Bureau's (CFPB) management of the Examiner Commissioning Program (ECP) and On-the-Job Training (OJT) program. As part of this evaluation, we assessed the design, implementation, and execution of the ECP and OJT program. Our scope did not include the Interim Examiner Commissioning Program that was effective from August 2012 to October 2014.

Background

The Dodd-Frank Wall Street Reform and Consumer Protection Act established the CFPB to regulate the offering and provision of consumer financial products or services under federal consumer financial laws. The CFPB's Division of Supervision, Enforcement, and Fair Lending (SEFL) is staffed with examiners who conduct supervisory reviews and examinations of institutions under the CFPB's jurisdiction. In October 2014, the CFPB transitioned from the Interim Examiner Commissioning Program to its ECP, which the agency described as a "critical building block" for its supervision program and for the professional development of its examination workforce. Within SEFL, Supervision Learning and Development (SL&D) is responsible for training and commissioning the CFPB's examination staff, and it oversees the ECP as well as the agency's OJT program.

Findings

Although SL&D has taken steps to enhance the ECP since its implementation in October 2014, we identified additional ways in which SL&D can improve the program. First, we found that some examiners appeared to be pursuing components of the ECP before being fully prepared, which limited their likelihood of success and affected employee morale. Further, when examiners require multiple attempts to pass ECP components, they are not available to work on examinations, which detracts from the number of available resources for examinations. Second, some examiners did not appear to receive adequate training or developmental opportunities and exposure to certain CFPB internal processes prior to proceeding to certain components of the ECP. Third, SL&D did not have a formal method to evaluate and update the ECP, which may present the risk that the program is not operating effectively and best developing supervisory staff to support SEFL's mission. Fourth, we determined that the CFPB did not consistently communicate ECP requirements to prospective employees. Communicating this information more consistently as part of the interview process could improve morale by ensuring that individuals are sufficiently informed of the ECP requirements before accepting a position. Fifth, the ECP policy should be updated to clarify when the 5-year time requirement for examiners' obtaining their commissioning begins. Without a clear understanding of this time requirement, examiners may proceed through the ECP before they are ready.

Finally, the CFPB can enhance its implementation of the OJT program. Specifically, we determined that CFPB regions have not consistently implemented the OJT program and examiners have not clearly understood the requirements, expectations, and purpose of OJT. Without consistent implementation and a clear understanding of the purpose or expectations of OJT, examiners may not view it as important or consider it a priority.

Recommendations

Our report contains recommendations designed to enhance the effectiveness of the CFPB's ECP and OJT. In its response to our draft report, the CFPB concurs with our recommendations and describes actions and planned activities to address our recommendations. We will follow up to ensure that the recommendations are fully addressed.