

Charter of the Consumer Advisory Board



Consumer Financial
Protection Bureau

Section Contents

§ 1 Authority 2

§ 2 Duration and Termination 2

§ 3 Rules of Organization and Procedure 2

§ 4 Purpose, Objectives and Scope of Activities..... 3

§ 5 Members.. 3

§ 6 Meetings.. 4

§ 7 Committees..... 5

§ 8 Governance, Staffing and Budget..... 5

§ 9 Reports to the Bureau..... 6

§ 1 Authority.

Section 1014(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) provides: “The Director shall establish a Consumer Advisory Board 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.”

§ 2 Duration and Termination.

- (a) **Effective Date.** This Charter of the Consumer Advisory Board (the “Board”) will be effective when signed by the Director of the Consumer Financial Protection Bureau (the “Director”).
- (b) **Termination.** This Charter will terminate two years after the date of the first meeting of the Board conducted pursuant to this Charter (the “Charter Term”).
- (c) **Amendments.** The Director may amend this Board Charter from time to time during the Charter Term as the Director deems necessary to accomplish the purpose of the Board. The Board shall be promptly notified of any amendment of this Charter.

§ 3 Rules of Organization and Procedure.

The Board may at any time adopt rules of organization and procedure to govern its operations, provided, however, that these rules shall not conflict with the terms of this Charter. Such rules of organization and procedure may be amended or repealed at any time by the Board. The Bureau shall be promptly notified of the promulgation, amendment, or repeal of any such rules.

§ 4 Purpose, Objectives and Scope of Activities.

- (a) The purpose of the Board is outlined in Section 1014(a) of the Dodd-Frank Act, which states that the Board shall “advise and consult with the Bureau in the exercise of its functions under the Federal consumer financial laws” and “provide information on emerging practices in the consumer financial products or services industry, including regional trends, concerns, and other relevant information.”
- (b) To carry out the Board’s purpose, the scope of its activities shall include providing information, analysis, and recommendations to the Bureau. The Board will generally serve as a vehicle for market intelligence and expertise for the Bureau. Its objectives will include identifying and assessing the impact on consumers and other market participants of new, emerging, and changing products, practices, or services.
- (c) The Board will also be available to advise and consult with the Director and the Bureau on other matters related to the Bureau’s functions under the Dodd-Frank Act.

§ 5 Members.

- (a) Qualifications and background. The Director shall appoint the members of the Board. Section 1014(b) of the Dodd-Frank Act provides: “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.”
- (b) Number. The Board shall consist of no fewer than 16 members including the six members appointed upon the recommendation of the regional Federal Reserve Bank Presidents on a rotating basis. All members appointed by the Director shall serve at the pleasure of the Director.

- (c) Term. The term of office of each member of the Board shall be three years. However, the initial board members shall be randomly assigned one, two or three year terms as to allow staggered three year terms of all board members by 2015. Members may serve during a subsequent term if nominated and appointed again for such subsequent term. In no event shall a member serve for more than six consecutive years.
- (d) Resignation. Any member may resign at any time by giving notice to the Bureau. Any such resignation shall take effect upon its acceptance by the Director or the Director's designee. The Director shall have the authority to remove Board members and to appoint persons to fill vacancies on the Board as the vacancies occur.
- (e) Compensation. Members of the Board who are not full-time employees of the United States government shall be entitled to receive compensation for attending meetings of the Board while away from their homes or regular places of business. Members shall be allowed travel expenses, including transportation and per diem expenses in lieu of subsistence, as authorized by Federal travel regulations.

§ 6 Meetings.

- (a) Time. The Board shall meet in person from time to time at the call of the Director or the Director's designee, but at a minimum, shall meet at least two times in each year.
- (b) Agenda. Each meeting of the Board shall be conducted in accordance with an agenda formulated or approved by the Bureau.
- (c) Bureau representation. Each meeting of the Board shall be attended by a representative of the Bureau as designated by the Director or Director's designee who shall have authority to adjourn any meeting of the Board when such representative considers adjournment to be in the public interest.
- (d) Public nature.
 - (1) Each meeting of the Board shall be open to public observation, to the extent that a facility is available to accommodate the public, unless the Bureau, in accordance with paragraph (4) of this section, determines that the meeting shall be closed. The Bureau also will make reasonable efforts to make the meetings available to the public through live web streaming or other methods.

- (2) Notice of the time, place and purpose of each meeting, as well as a summary of the proposed agenda, shall be published in the Federal Register not more than 45 or less than 15 days prior to the scheduled meeting date. Shorter notice may be given when the Bureau determines that the Board's business so requires; in such event, the public will be given notice at the earliest practicable time.
- (3) Minutes of meetings, records, reports, studies, and agenda of the Board shall be posted on the Bureau's Web site (www.consumerfinance.gov).
- (4) The Bureau may close to the public a portion of any meeting, for confidential discussion. If the Bureau closes a meeting or any portion of a meeting, the Bureau will issue, at least annually, a summary of the Board's activities during such closed meetings or portions of meetings.

§ 7 Committees.

- (a) The Board may establish and dissolve committees, in consultation with the Bureau. Any committees shall report to the Board and not directly to the Bureau. Committees may include as participants individuals who are members of the Board and/or staff of the Bureau. Committees may, from time to time, call on individuals who are not members of the Board or staff of the Bureau, for the sole purpose of providing specific domain expertise and knowledge.
- (b) Each committee will be led by a committee Chairperson who shall be appointed and may be removed by the Chairperson of the Board. Meetings of the Board's committees will be called by the committee Chairperson and shall be conducted via teleconference unless the Bureau's staff and committee Chairperson determine that an in-person meeting is necessary.

§ 8 Governance, Staffing and Budget.

- (a) Staff Director. The Director shall designate a Staff Director, who shall be an employee of the Bureau, and who shall have the following responsibilities:
 - (1) Exercise control and supervision over the establishment, procedures, and accomplishments of the Board, and provide Bureau staff to perform such other necessary functions in order for the Board to accomplish its purpose and objectives;
 - (2) Attend all meetings of the Board and the committees of the Board;
 - (3) Assemble and maintain the reports, records, and other papers of the Board and its committees; and

- (4) Carry out, on behalf of the Bureau, the provisions of the Freedom of Information Act, 5 U.S.C. 552, as amended, with respect to such reports, records, and other papers of the Board;
 - (5) Other responsibilities as further delegated by the Director.
- (b) Staff Secretary. The Staff Director shall designate a member of the Bureau's staff to act as secretary of the Board (the "Staff Secretary"). The Staff Secretary shall record and maintain minutes of the meetings of the Board and shall certify to the accuracy of the minutes of the meetings.
- (c) Staffing the Board. The Staff Director, in coordination with the Bureau's Chief Financial Officer, is responsible for providing adequate support to the Board, including the performance of the following functions: (1) notifying members of the time and place for each meeting; (2) maintaining records of all meetings, including committee activities; (3) maintaining a record of meeting attendance; (4) preparing the minutes of all meetings of the Board, including committees and other working group activities, if applicable; (5) attending to official correspondence; (6) maintaining official Board records and filing all papers and submissions prepared for or by the Board, including those items generated by committees, if applicable; (7) acting as the Board's agent to ensure the collection, validation and payment of all expenditures; and (8) facilitating the activities of committees.
- (d) Chairperson and Vice Chairperson. The Director shall appoint a Chairperson and a Vice Chairperson from among the members of the Board, who shall serve at the pleasure of the Director. The Chairperson or, in the Chairperson's absence, the Vice Chairperson shall call to order and preside at all meetings of the Board. The Director or the Staff Director may appoint a Chairperson pro tem who shall preside at a meeting of the Board in the absence of the Chairperson and Vice Chairperson.
- (e) Budget. To the extent permitted by law, the Bureau shall provide the funding and administrative support necessary, as determined by the Director, to operate the Board for the Charter Term. The annual operating costs are presently estimated to be \$200,000 for FY 2012 and \$300,000 for FY 2013 (including estimated personnel cost of one (1.0) FTE composed of two individuals). In addition, from time to time, the Board or its committees may submit requests for research, data or other resources necessary to carry out the Board's purposes hereunder to the Staff Director. The Staff Director shall timely review such requests based on staffing, budget and other relevant factors and submit such requests for approval by the Director if appropriate.

§ 9 Reports to the Bureau.

- (a) The Staff Director will work with the Chairperson to provide the Director with a report semi-annually that summarizes the activities and progress of the Board and its committees during the prior period.
- (b) The Board's report may also include, when available, recommendations to the Bureau relating to the purpose and objectives of the Board as set forth in Section 4, as well as recommendations of possible improvements in the structure and process of the Board.
- (c) The report will not require a vote by the Board. All Board members will be given the opportunity to provide a separate written statement relating to the report.

Signed:

Richard Cordray

Director

Consumer Financial Protection Bureau

Dated:

May 10, 2012