

Overview

Mission Statement

To make markets for consumer financial products and services work for Americans by promoting transparency and consumer choice and preventing abusive and deceptive financial practices.

Program Summary by Budget Activity

Dollars in Thousands

	FY 2010 Actual	FY 2011 Estimated	FY 2012 Estimated	Change FY10 to FY12 \$ Change	% Change
Consumer Financial Protection Bureau	\$9,200	\$142,825	\$329,045	\$186,220	130%
Total Resources	\$9,200	\$142,825	\$329,045	\$186,220	130%
Total FTE	0	342	1,225	883	258%

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Section 1 – Purpose

1A – Description of Bureau Vision and Priorities

The *Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010* (Dodd-Frank Act) established the Bureau of Consumer Financial Protection (CFPB or Bureau) as an independent bureau within the Federal Reserve System and made it responsible for protecting consumers from abusive financial services practices. The Secretary of the Treasury is authorized to perform certain functions of the Bureau until the Director of the Bureau is appointed. On the designated transfer date, July 21, 2011, certain consumer protection authorities will transfer to the Bureau from seven existing federal agencies.

Once fully established, the CFPB will have important authorities under the Dodd-Frank Act and other consumer laws to look out for consumers as they borrow money or use other financial services. Among other things, the new consumer agency will:

- Conduct rule-making, supervision, and enforcement for Federal consumer financial protection laws;
- Restrict unfair, deceptive, or abusive acts or practices;
- Create a center to take consumer complaints;
- Promote financial education;
- Research consumer behavior;
- Monitor financial markets for new risks to consumers; and
- Enforce laws that outlaw discrimination and other unfair treatment in consumer finance.

The CFPB plans to have six primary divisions: Supervision and Enforcement; Consumer Engagement and Education; Research, Markets, and Regulations; External Affairs; General Counsel; and Chief Operating Officer.

The CFPB is funded by authorized transfers from the Federal Reserve System, subject to limits established in the Dodd-Frank Act. The CFPB is also authorized to request up to \$200 million in discretionary appropriations if the amount transferred by the Federal Reserve System is not sufficient. The CFPB is not requesting a discretionary appropriation in FY 2011 or FY 2012.

1B – Program History and Future Outlook

Consumer Financial Protection Bureau

The Department of the Treasury is responsible for setting up the new agency, and, on September 17, 2010, President Obama and Treasury Secretary Geithner named Elizabeth Warren as Assistant to the President and Special Advisor to the Secretary of the Treasury on the CFPB. The CFPB implementation team includes full-time Treasury employees and detailees from Treasury bureaus and other federal agencies.

Leading up to the July 21, 2011 transfer date, the CFPB implementation team is:

- Meeting with consumer groups and financial services companies to ensure the Bureau's work targets real problems people encounter in the marketplace;
- Setting up and training the teams that will be responsible for supervising and enforcing Federal consumer financial laws;
- Laying the groundwork for the Bureau to write new rules required by the Dodd-Frank Act;
- Developing a website and toll-free hotline for consumers; and
- Preparing to open offices to assist specific groups of consumers, including offices for Service member Affairs and Financial Protection for Older Americans, as specifically required under the Dodd-Frank Act.

Section 2 – Budget Adjustments and Appropriation Language

2.2 – Operating Levels Table

Dollars in Thousands

Consumer Financial Protection Bureau	FY 2010 Actual	FY 2011 Estimated	FY 2012 Estimated
FTE	-	342	1,225
Object Classification			
11.1 Full-Time Permanent Positions	\$0	\$44,027	\$167,549
12.0 Personnel Benefits	\$0	\$14,601	\$58,642
21.0 Travel.	\$0	\$3,422	\$12,273
22.0 Transportation of things	\$0	\$1,000	\$875
23.1 Rental Payments to GSA.	\$0	\$7,360	\$22,080
23.3 Communications, Utilities, & Mi	\$0	\$2,896	\$8,688
25.0 Contractual Services	\$0	\$56,059	\$48,907
26.0 Supplies and Materials	\$0	\$766	\$2,510
31.0 Equipment	\$0	\$4,593	\$7,522
225.1 Reimbursable Obligations	\$9,200	\$8,101	\$0
Total Budget Authority	\$9,200	\$142,825	\$329,045
Budget Activities:			
Consumer Financial Protection Bureau	\$9,200	\$142,825	\$329,045
Total Budget Authority	\$9,200	\$142,825	\$329,045

2.3 – Resource Detail Table

Dollars in Thousands

	FY 2010 Actual		FY 2011 Estimated		FY 2012 Estimated		% Change FY 2011 to FY 2012	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Budgetary Resources:								
Revenue / Offsetting Collections								
Transfers-in		\$18,400		\$133,625		\$329,045		146%
Total Revenue / Offsetting Collections		\$18,400		\$133,625		\$329,045		146%
Unobligated balances, Start of year		\$0		\$9,200		\$0		-100%
Recoveries of prior year obligations		0		0		0		0%
Net transfers (includes capital transfers)		0		0		0		0%
Total Budgetary Resources Available		\$18,400		\$142,825		\$329,045		130%
Expenses/Obligations								
Consumer Financial Protection Bureau	0	\$9,200	342	\$142,825	1,225	\$329,045	258	130%
Total Expenses / Obligations	0	\$9,200	342	\$142,825	1,225	\$329,045	258	130%

The CFPB budget estimates are based on the best available information at the time the Budget was prepared. As planning continues on the design and operations of the CFPB, predicting future costs is challenging. Nevertheless, the Bureau is focused on measured and deliberate growth over 2011 and 2012 as it judiciously deploys resources during the implementation process.

One of the largest cost elements in the CFPB budget is personnel costs, constituting 44 percent of the estimated budget in FY 2011 and 69 percent of total costs by the end of FY 2012. Another significant cost is contracted services needed for key systems and services to create and support the Bureau as it grows. The budget consists of several other types of expenses that are consistent with running a federal financial regulatory agency, such as rent, travel costs, and reimbursable detailed staff. For some of these estimates, CFPB has predicted specific future costs. In other areas, benchmarks from other Federal financial regulators have been used.

2B – Appropriations Language and Explanation of Changes

CFPB is not requesting any appropriations from Congress.

Section 3 – Budget and Performance Plan

CFPB is currently working on developing a strategic plan for agency operations. There are no specific measures for managing CFPB performance at this time. Additional information on CFPB is available on www.treasury.gov and www.consumerfinance.gov.