

GAO@100 Highlights

Highlights of [GAO-21-393](#), a report to congressional requesters

Why GAO Did This Study

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, CFPB is responsible for two federal fair lending laws that protect consumers from discrimination: the Equal Credit Opportunity Act and the Home Mortgage Disclosure Act. In January 2019, CFPB completed a reorganization of its fair lending activities.

GAO was asked to review issues related to CFPB's oversight and enforcement of fair lending laws. This report examines how CFPB has (1) managed the reorganization of its fair lending activities, (2) monitored and reported on its fair lending performance, and (3) used Home Mortgage Disclosure Act data to support its fair lending activities.

GAO reviewed CFPB documents related to its fair lending activities (such as strategic and performance reports, policies and procedures) and to the reorganization of its Fair Lending Office. GAO evaluated implementation of this reorganization against relevant key practices identified in [GAO-18-427](#). GAO also interviewed CFPB staff.

What GAO Recommends

GAO recommends that CFPB (1) collect and analyze information on the outcomes of its fair lending reorganization and (2) develop and implement performance goals and measures specific to its fair lending supervision and enforcement. CFPB agreed with both recommendations and said it was committed to implementing them.

View [GAO-21-393](#). For more information, contact Alicia Puente Cackley at (202) 512-8678 or CackleyA@gao.gov.

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FAIR LENDING

CFPB Needs to Assess the Impact of Recent Changes to Its Fair Lending Activities

What GAO Found

In January 2018, the Consumer Financial Protection Bureau (CFPB) announced a reorganization of its fair lending activities that moved its Office of Fair Lending and Equal Opportunity (Fair Lending Office) from the Supervision, Enforcement, and Fair Lending Division to the Office of the Director and reallocated certain of its responsibilities (see figure).

- As CFPB planned and implemented the reorganization, it did not substantially incorporate key practices for agency reform efforts GAO identified in prior work—such as using employee input for planning or monitoring implementation progress and outcomes.
- GAO identified challenges related to the reorganization (including loss of fair lending expertise and specialized data analysts) that may have contributed to a decline in enforcement activity in 2018. However, CFPB has not assessed how well the reorganization met its goals or how it affected fair lending supervision and enforcement efforts.

Collecting and analyzing information on reorganization outcomes would help CFPB determine the impact of the changes and identify actions needed to address any related challenges or unintended consequences.

Key Changes in Fair Lending Responsibilities under CFPB's 2018 Reorganization

Enforcement



Shifted responsibility from specialist attorneys in the Fair Lending Office to generalist attorneys in the Office of Enforcement.

Supervision



Shifted subject matter expertise and examination support from dedicated supervision staff in Fair Lending Office to new team in Office of Supervision Policy.

Prioritization



Shifted responsibility for selecting institutions for fair lending examination and identifying enforcement priorities from Fair Lending Office to Supervision offices and Office of Enforcement.

Source: GAO review of information from the Consumer Financial Protection Bureau (CFPB). | [GAO-21-393](#)

As of February 2019, CFPB stopped reporting on performance goals and measures specific to fair lending supervision and enforcement—such as the number of completed examinations and the percentage of enforcement cases successfully resolved. Without these goals and measures, CFPB is limited in its ability to assess and communicate progress on its fair lending supervision and enforcement efforts, key components of CFPB's mission.

CFPB has used additional Home Mortgage Disclosure Act data that some lenders have had to report since 2018 to support supervisory and enforcement activities and fair lending analyses. CFPB incorporated these new loan-level data into efforts to identify and prioritize fair lending risks and support fair lending examinations. For example, the new data points improve CFPB's ability to compare how different institutions price loans, which helps its staff identify potentially discriminatory lending practices.