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TO CFPB Staff

FROM Mark R. Paoletta
Chief Legal Officer

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SUBJECT 2025 SUPERVISION AND ENFORCEMENT PRIORITIES

This document sets out the Bureau's supervision and enforcement priorities. The Bureau will focus its enforcement and supervision resources on pressing threats to consumers, particularly service members and their families, and veterans. To focus on tangible harms to consumers, the Bureau will shift resources away from enforcement and supervision that can be done by the States. All prior enforcement and supervision priority documents are hereby rescinded.

1. To avoid the ever-increasing number of supervisory exams, which are multiplying the cost of running businesses and raising consumer prices, Supervision shall decrease the overall number of "events" by 50%. The focus should be on conciliation, correction, and remediation of harms subject to consumers' complaints. Supervision should focus on collaborative efforts with the supervised entities to resolve problems so that there are measurable benefits to consumers.
2. The Bureau's focus will shift back to depository institutions, as opposed to non-depository institutions. In 2012, 70% of the Bureau's supervision focused on banks and depository institutions and 30% on nonbanks. Now that proportion has completely flipped, with over 60% on nonbanks and less than 40% on banks and depository institutions. The Bureau must seek to return to the 2012 proportion and focus on the largest banks and depository institutions.
3. The Bureau will focus on actual fraud against consumers, where there are identifiable victims with material and measurable *consumer damages* as opposed to matters based on the Bureau's perception that consumers made "wrong" choices. The areas of priorities are:
 - a. Mortgages (getting the highest priority).

- b. FCRA/Reg V data furnishing violations.
 - c. FDCPA/Reg F relating to consumer contracts/debts.
 - d. Various fraudulent overcharges, fees, etc.
 - e. Inadequate controls to protect consumer information resulting in actual loss to consumers.
4. The Bureau will focus on redressing tangible harm by getting money back directly to consumers, rather than imposing penalties on companies in order to simply fill the Bureau's penalty fund.
5. The Bureau will focus on providing redress to service members and their families, and veterans.
6. The Bureau will respect Federalism:
- a. The Bureau will deprioritize participation in multi-state exams unless *required* by statute (rather than merely permitted).
 - b. The Bureau will deprioritize supervision where States have and exercise ample regulatory and supervisory authority, unless required by statute (rather than merely permitted).
 - c. The Bureau will minimize duplicative enforcement, where State regulators or law enforcement authorities are currently engaged in or have concluded an investigation into the same matter.
7. The Bureau will respect other federal agencies' regulatory ambit:
- a. The Bureau will eliminate duplicative supervision or supervision outside of the Bureau's authority (e.g., no supervision of M&A, just because regulated entities are involved, or attempt to insert itself into bankruptcy supervision).
 - b. To the extent feasible, the Bureau will coordinate exams' timing with other/primary federal regulators.
 - c. The Bureau will minimize duplicative enforcement, where another federal regulator is currently engaged in or has concluded enforcement.
8. The Bureau will not pursue supervision under novel legal theories, including of the Bureau's authority. It will focus on areas that are clearly within its statutory authority.
9. The Bureau will not engage in or facilitate unconstitutional racial classification or discrimination in its enforcement of fair lending law:
- a. The Bureau will not engage in redlining or bias assessment supervisions or enforcement based solely on statistical evidence and/or stray remarks that may be susceptible to adverse inferences.
 - b. The Bureau will pursue only matters with proven actual intentional racial discrimination and actual identified victims. Such matters shall be brought to the leadership's attention and maximum penalties will be sought.

10. The Bureau will deprioritize the following:
 - a. Loans or other initiatives for “justice involved” individuals (criminals).
 - b. Medical debt.
 - c. Peer-to-peer platforms and lending.
 - d. Student loans.
 - e. Remittances.
 - f. Consumer data.
 - g. Digital payments.
11. The Bureau’s primary consumer enforcement tools are its disclosure statutes. The Bureau shall not engage in attempts to create price controls.