

Bureau of Consumer Financial Protection
1700 G Street, NW
Washington, D.C. 20552



January 20, 2021

President Joseph R. Biden, Jr.
The White House
Washington, D.C. 20510

Dear Mr. President,

As requested, I hereby tender my resignation as Director of the Bureau of Consumer Financial Protection (Bureau or CFPB), effective January 20, 2021. I support the Constitutional prerogative of the President to appoint senior officials within the government who support the President's policy priorities, which ensures our government is responsive to the will of the people as expressed in presidential elections.

It has been an honor to serve the American people for over 20 years, and my privilege to do so alongside the many career and political civil servants who put country over self. As I testified during my confirmation hearing, throughout my career, I have focused on implementing common-sense solutions to complex problems and delivering real value for the American people. Over the past two years, that is precisely what I have done – with the law as my guide, with the support of the dedicated CFPB staff, and in partnership with the many stakeholders who join in the Bureau's mission "to ensure all consumers have access to markets for consumer financial products and services...that are fair, transparent, and competitive."

I am proud to highlight some of the Bureau's many accomplishments in delivering for American consumers. Our results demonstrate a clear commitment to effectively utilizing all four tools that Congress gave us: education, regulation and guidance, supervision, and enforcement. Education embodies our efforts to always start with the consumer and to empower consumers in the marketplace. During my tenure, the Bureau produced quality educational materials focusing on areas where we added unique value and ensuring those materials reached millions of consumers in a format best for them. For example, over 4.3 million users accessed our COVID-19-related educational web content, including more than 70 new blogs, web pages, and videos which were regularly updated and available in multiple languages. In addition, the Bureau developed and promoted new capabilities related to savings and to support our special populations, including Start Small, Save Up, the Paying for College tool, Financial inTuition podcasts, Elder Fraud Prevention and Response Networks, and Misadventures in Money Management for servicemembers and their families.

Regulation encompasses our efforts to provide clear rules of the road to financial institutions in the marketplace. During my tenure, the Bureau committed to transparency regarding our plans and actions, which extended to rulemaking, by ensuring robust stakeholder engagement, adherence to notice and comment processes, and evidence-based analysis and research. Through our innovation policies, we facilitated housing counseling services, banks offering small dollar products, and employers supporting earned wage access and savings, among other innovations. We also instituted new ways of promoting regulatory clarity for all stakeholders and engaging to improve compliance – through advisory opinions, the petitions process, our first tech sprint on adverse action notices, and a symposia series on challenging issues. Not only did the Bureau issue final regulations on the Fair Debt Collection Practices Act, the Home Mortgage Disclosure Act, and qualified mortgages/ability to repay, but we also produced guidance outlining responsible business conduct, discussing the use of alternative data in underwriting, furthering Special Purpose Credit Programs, serving Limited English Proficiency consumers, and enabling financial institutions to focus on best serving their customers during the pandemic.

Supervision seeks to embed a culture of compliance through a confidential oversight process. In FY2020, we started 104 supervisory exams at supervised entities and completed 140 supervisory exams/reviews at supervised entities. Furthermore, institutions paid more than \$80 million in restitution in connection with supervisory activities to more than 666,000 consumers. I sought to develop a more agile and risk-based approach to supervision – a challenge our examiners met through the extraordinary, innovative Prioritized Assessments (PAs) during the pandemic. As examiners were unable to do onsite, full-scale exams, the Bureau pivoted to a more real-time, broad sweep of product lines and hundreds of market participants to assess risk of consumer harm due to pandemic-related issues and address it timely.

Enforcement seeks swift justice for bad actors in the system who harm consumers. During my tenure, the Bureau's public enforcement actions have resulted in orders requiring over \$1.45 billion in total consumer relief as well as over \$370 million in civil money penalties. The total consumer relief ordered in 2019 and 2020 were the third and fourth highest amounts of annual consumer relief ordered in Bureau history. In 2020, the Bureau filed the second-highest number of public enforcement actions in its history at 49 actions, settled four previously filed suits, and opened investigations of banks and nonbanks in all the Bureau's markets.

In addition to our important mission work, I hope that my legacy will be the maturation of the CFPB itself and its role within the financial services regulatory framework. Building on a mission-driven culture, I sought to embed a commitment to continual improvement, diversity in all aspects, and inclusion (workforce and stakeholder). I advanced the diversity of our leadership team and our agency, bringing in staff with a variety of backgrounds, perspectives, and experience that is now 50% women and 41% minority employees with a leadership team of 49% women and 36% minorities. To engage and develop our workforce, I established a Workforce Effectiveness Committee, an agency mentoring program, and conflict resolution programs, including ADR. I empowered our Employee Resource Groups and Diversity and Inclusion

Council of Employees who then developed programs for financial education and recruitment. We successfully launched our High School Scholar Internship Program, despite the pandemic.

In conclusion, it has been an honor to lead the CFPB during these challenging times. I wish the best for you and the Nation going forward.

Sincerely,

A handwritten signature in blue ink, reading "Kathleen L. Kraninger". The signature is fluid and cursive, with the first name "Kathleen" being more prominent and the last name "Kraninger" following in a similar style.

Kathleen L. Kraninger