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 13 IN THE UNITED STATES DISTRICT COURT
 FOR THE NORTHERN DISTRICT OF CALIFORNIA
 14 OAKLAND DIVISION

15 CALIFORNIA REINVESTMENT
 16 COALITION, NATIONAL ASSOCIATION
 FOR LATINO COMMUNITY ASSET
 17 BUILDERS, DEBORAH LYNN FIELD, and
 18 RESHONDA YOUNG,

19 Plaintiffs,

20 v.

21 KATHLEEN L. KRANINGER, Director,
 22 Consumer Financial Protection Bureau, In Her
 Official Capacity, and CONSUMER
 23 FINANCIAL PROTECTION BUREAU,

24 Defendants.

Case No. 4:19-cv-02572-JSW

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 28 **DEFENDANTS' FIRST STATUS
 REPORT**

1 Consistent with paragraph 12 of the parties' Stipulated Settlement Agreement, which the
2 Court entered and approved on February 26, 2020, ECF No. 53, the Consumer Financial
3 Protection Bureau and its Director in her official capacity respectfully submit their First Status
4 Report detailing the Bureau's progress with respect to promulgating regulations to implement
5 Section 1071 of the Dodd-Frank Act.

6 1. The Bureau is continuing to work on the significant legal and policy issues that must be
7 resolved to implement the Section 1071 regulations. *See generally* Pahl Decl. ¶¶ 16-36 (ECF No.
8 44-3). As part of that process, Bureau staff are briefing the Bureau's Director on these issues.

9 2. Bureau staff have started drafting sections of the outline of proposals under consideration
10 and alternatives considered, consistent with the Small Business Regulatory Enforcement Fairness
11 Act of 1996 (SBREFA), 5 U.S.C. § 609. Bureau staff have also begun preliminary internal work
12 on the selection of the small entity representatives who will consult with the SBREFA panel.

13 3. On January 17, 2020, the Bureau published in the Federal Register a notice seeking
14 comment on its plan to survey lenders to obtain estimates of the one-time costs that lenders
15 would incur to prepare and collect data required by Section 1071. 85 Fed. Reg. 3036. However,
16 on March 26, 2020, the Bureau announced that it was temporarily postponing this survey in light
17 of the challenges that lenders are facing as they respond to the coronavirus pandemic. *See*
18 [https://www.consumerfinance.gov/about-us/newsroom/cfpb-provides-flexibility-during-covid-
19 19-pandemic/](https://www.consumerfinance.gov/about-us/newsroom/cfpb-provides-flexibility-during-covid-19-pandemic/). While this delay may mean that survey results are not available for inclusion in
20 the Bureau's SBREFA outline, the Bureau believes that, if necessary, it can conduct the
21 SBREFA process without these results.

22 4. While the Bureau believes that it is on track to meet its obligations under the Stipulated
23 Settlement Agreement to release a SBREFA outline by September 15, 2020, and to convene a
24 SBREFA panel by October 15, 2020 (or if panel members are not available to convene, as soon
25 as practicable thereafter), it notes that the ongoing coronavirus pandemic may introduce
26 uncertainty with respect to the Bureau's future ability to meet these deadlines.

27 5. Despite the impact the pandemic has had on Bureau staff, the agency has proceeded with
28 the Section 1071 rulemaking while continuing to work to meet its targeted timeframes in other

1 rulemakings and engaging in substantial coronavirus-related response efforts to address the
2 enormous impact that the pandemic is having on consumer financial markets. However, the
3 ongoing impact of the pandemic may have an effect on the Bureau's future ability to meet the
4 deadlines the Stipulated Settlement Agreement established for the Section 1071 rulemaking.
5 Furthermore, the Bureau must coordinate its SBREFA process with the Small Business
6 Administration and the Office of Management and Budget's Office of Information and
7 Regulatory Affairs. *See* Pahl Decl. ¶¶ 38-45. These agencies have important responsibilities in
8 responding to the economic consequences of the coronavirus pandemic, including the oversight
9 and administration of the Paycheck Protection Program and other relief programs for small
10 businesses. In addition, the coronavirus pandemic may affect the ability of the Bureau to recruit
11 small entity representatives to participate in the SBREFA process. Small entities may be unable
12 to divert resources from ongoing business operations in order to review and discuss the Bureau's
13 outline of proposals under consideration.

14 6. Consistent with the Stipulated Settlement Agreement, the Bureau will notify Plaintiffs if
15 it believes that an extension of the agreement's SBREFA deadlines is warranted.

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18 DATED: May 26, 2020

Respectfully submitted,

19 /s/ Christopher J. Deal

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