I'd like to welcome all of you virtually and thank you all for joining. Although it has been nearly a year since we have convened in person, I'd like to thank the ARC for continuing to play an active role in the Bureau's activities despite the disruptions. I'd like to highlight a couple of areas, which may not be widely appreciated by our audience. First, thank you for your quick response in sharing your insights on the pandemic. Being able to harness your expertise on short notice has helped with the challenge of making quick decisions to support consumers in a rapidly changing environment easier. Second, I am thrilled and grateful that you have taken on the responsibility of providing external peer review to our most important research products. These products are often key to our policy making, and it's important for the public to feel confident that our policies are based on robust evidence, especially evidence that the Bureau produces. As impartial experts, you can provide that assurance through rigorous, objective review of our research.

Commented [BJ(1]: I know the Director invited them to submit comments early on, and I recall a session at the last mini-meeting devoted to the pandemic, although I don't remember if any ARC members spoke.

Today, we look forward to your thoughts and perspective in three sessions. Let me introduce each of them briefly.

Task Force

Commented [BJ(2]: The March write-up is dated. I'll leave to ABC to write something.

The idea to create the Taskforce was inspired, in part, by one of the last times the federal government stepped back to take a comprehensive look at the full, interwoven regime of consumer protection and financial laws and regulations.

In 1968 the Consumer Credit Protection Act was passed, which in turn established the National Commission on Consumer Finance, or NCCF. The NCCF was chartered to conduct original research and provide recommendations relating to the regulation of consumer credit. Its report led to significant legislative and regulatory developments in consumer finance.

Since publication of that report nearly 50 years ago, a lot has happened. Decades of advancements and innovations have occurred in the financial services industry – and the federal and state governments have worked in piecemeal to try to address the rapidly evolving landscape. Over time, many rules were written and overlapping jurisdictions between federal regulators, as well as with state entities developed. And we have seen the creation of an entirely new federal organization, the Consumer Financial Protection Bureau.

Like with the mission given to the NCCF, I instructed the Taskforce to develop and deliver to me a set of recommendations to improve the financial consumer protection system. Recommendations applicable to the present environment and well out into the next ten or fifteen years as the state of consumer finance inevitably evolves. The recommendations I accept and decide to move forward may require referrals to Congress for legislative action, the writing of new and amending of existing regulations, the development of new systems of coordination between federal regulators, the promotion of different federal-state working relationships, or the targeting of areas of concern that need further research. Today is an opportunity for Academic Research Counsel's members to offer their insights and help inform the Taskforce's recommendations.

Cost-Benefit Analysis

Dodd-Frank requires the Bureau to conduct a general cost-benefit analysis of most rules that the Bureau issues. Specifically, the Bureau must consider the potential benefits and costs of a rule to both consumers and to the providers of consumer financial products and services. And it must take into

account the potential reduction of access to credit by consumers. The Bureau must also consider the potential impact of its rules on banks and credit unions with assets of $10 billion or less, and the impacts on consumers in rural areas.

This statutory requirement is unique among federal financial regulators. Of course, government agencies generally use data and economic analysis to try to understand the expected effects of their rules. We are not unique in that regard. But our stakeholders expect the Bureau to meet high standards for this work because it is a statutory obligation. And so we strive to meet high expectations for transparency and consistency in this work, and to quantify important effects when it is reasonably feasible to do so. Staff from the Office of Research are part of every major rulemaking team, they are accountable for the cost-benefit analyses required by statute, and they write the portion of each Federal Register notice where these analyses are presented.

The Bureau hosted a symposium on July 29 bringing together outside experts to critique our use of cost-benefit analysis. I hope that members of the Academic Research Council will partner with the Bureau and help us advance this work, too. You have all done research on public policy. Regulation is policy—it incentivizes certain business conduct and product features and discourages others. It shapes market outcomes and changes consumer welfare. Predicting and understanding those effects is at the core of any cost-benefit analysis, and the analysis can only be as good as the models and data available to us. There are many ways you can help us improve these models and identify informative data. I hope that you come away from this session with exciting ideas about how we can work together.

COVID-19

Obviously the leading issue of the day is the pandemic. The Bureau has taken a number of actions to help consumers during this time. This includes producing over 70 blogs and videos that have been directly accessed by over 3 million users. And through our social media reach, we estimate that our materials have been viewed by over 41 million users. In addressing the pandemic and associated economic consequences, we have our battery of tools—education, regulation, supervision, and enforcement—to work with. But of course to make wise policy decisions, we need evidence on how consumers and markets are being affected or are likely to be affected—and that requires rigorous research. We at the Bureau have tools that can inform the questions about the pandemic, and our researchers have been studying those questions with our data. The Bureau produced a piece in May on how the pandemic affected credit applications. And today you'll see our latest work, looking at how access to credit and adverse credit outcomes have changed since the start of the pandemic. We look forward to sharing this work with you and getting your thoughts on what you think we—and others doing research—should be looking at going forward.

Commented [BJ(3]: Paraphrased from House Financial Services testimony.

Conclusions

Finally, I'd like to acknowledge the imminent transitions that are taking place on the ARC. First, this Mike Baye's final session of chairing the ARC. I appreciate his leadership over the past year and would especially like to single out some of his biggest contributions: serving as the keynote speaker to our research conference last December, developing and implementing the peer review program I mentioned earlier, and . Also, this is the last meeting with ARC members Karen Dynan, John Lynch and Brigitte

Commented [BJ(4]: Anything else of note? Could just talk about helping us set an agenda for the ARC.

Madrian. I'd like to extend my appreciation and the appreciation of the Bureau for their contributions to the ARC for the last X years. And I also want to extend an invitation to remain involved in the Bureau through your own research, your continued engagement with us, and your advocacy of our work. This ARC meeting exemplifies how important outside expertise is to us. Whether it's the ARC members, the Taskforce, or through symposia like the cost-benefit symposium, experts outside the Bureau can inform the decisions we make in many different ways. And one of my priorities as Director is to harness that expertise. We can only do so much ourselves, but there is a much larger community of researchers who are passionate about consumer financial well-being and can help us stay informed of the issues we need to understand, as well as provide us with evidence we can use in making policy. So Karen, John, and Brigitte, we look forward to your continued partnership with us.

Commented [BJ(5]: 3?