



Office of the Chairman

August 3, 2017

The Honorable Richard Cordray
Director
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

Dear Director Cordray:

RE: July 21st Letter

Thank you for your letter dated July 21, 2017, in which you assert that the Dodd-Frank Act prohibits the Consumer Financial Protection Bureau from taking the reasonable actions I suggested to address the treatment of federally insured credit unions under the CFPB's current examination and enforcement regime. While I continue to believe that the Act provides you the necessary legal authority to act on my request, I fully understand your current policy position. Maybe the scheduled meeting next week with our respective legal staffs will provide additional insights.

I continue to believe our discussions regarding examination and enforcement issues are consistent with congressional intent and the fundamental purpose of the Consumer Financial Protection Act, which is to protect consumers, be they bank depositors or credit union member-owners. Accordingly, I continue to urge you to consider the impact of the CFPB's actions on the member-owners of federally insured credit unions.

With regard to conducting joint examinations, I appreciate your willingness to work with the NCUA going forward. NCUA field supervisors will reach out to your team to coordinate our exam schedules for 2018. In that regard, we will strive to conduct concurrent NCUA-CFPB examinations so our staffs can communicate more directly on issues. We should also encourage our respective teams to keep each other abreast of material issues arising from the examinations, including joint vetting sessions prior to the release of the respective final reports to the credit unions.

Thank you again for your letter. I look forward to continuing our discourse on these and other important issues in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Mark McWatters".

J. Mark McWatters
Chairman