



**OLA**  
Online Lenders Alliance


## Exam Readiness: What to Expect and How to Maximize Its Value

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## Regulatory Overview

Types of Regulatory Authority

1. Rulemaking
2. Enforcement
3. Supervisory
4. Licensing

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## Primary Regulators -- CFPB

- Primary federal regulator for many non-banks
- Sole focus is consumer protection
- Supervisory authority
  - Banks with \$10B+ assets
  - Payday lending
  - Larger participants in auto lending
  - Student lending
  - Mortgage lending
  - CFPB can expand its supervision authority though Larger Participant rules (industries) and Risk-Based Determinations (individual companies)

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## Primary Regulators – CFPB, cont.

- Expansive Enforcement Authority
- Substantial Rulemaking Authority
- Other CFPB authorities to gather info – e.g., market monitoring, proposed registries
- No Licensing Authority

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## Primary Regulators – State Non-Bank Regulators

- Primary state regulator for non-bank entities
- Focus on consumer protection and also safety and soundness
- Supervisory authority
- Licensing
- Rulemaking
- May share enforcement authority with State Attorneys General

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## Primary Regulators – Federal/State Bank Regulators

- Primary regulators for federal and state banks, credit unions, depository institutions
- Safety and soundness as well as consumer protection
- Supervisory authority over chartered/licensed entities
- Enforcement authority in certain areas; often shared with CFPB
- Licensing authority
- Rulemaking authority

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## Examination Objectives

1. Assess adequacy of company's compliance systems
2. Identify violations of law
3. Assess safety and soundness
4. Gather information to inform other regulatory activity

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## Exam Process – Pre-Exam

- How agencies determine their exam priorities
- Pre-exam risk assessment
- Exam notification and initial request
- CFPB Exam Manual

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## On-Site Exam

- Entrance Meeting
- Interactions with Exam Staff
- Supplemental Requests
- Closing Meeting

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## Post-Exam

- Exam Report
- Possible outcomes
  - Matters requiring attention (MRAs)
  - Compliance rating
  - Appeals
  - Referral to enforcement – PARR letter

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## Practice Tips for Exams

- Exam Preparation - identify issues, sensitive information, process, etc.
- Prepare for First Day Meeting
- Establish Process for Fielding, Tracking Requests/Responses
- Seek Help if Needed
- IT issues
- Common Pitfalls

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