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To: Clients and Friends

From: David F. Dulock

Subject: CFPB Bulletin 2020-01 on Responsible Business Conduct

On March 6, 2020, the CFPB published [Bulletin 2020-01](#) on responsible conduct that updates CFPB [Bulletin 2013-06](#) on the same topic. The CFPB issued Bulletin 2020-01 to “clarify its approach to responsible conduct and to reiterate the importance of such conduct.” The CFPB also states in the Bulletin that “if an entity meaningfully engages in responsible conduct, the Bureau intends to favorably consider such conduct, along with other relevant factors, in addressing violations of Federal consumer financial law in supervisory and enforcement matters.” The Bulletin discusses the following four categories of conduct that the CFPB principally considers in evaluating and acknowledging responsible conduct by entities under the CFPB’s supervisory authority.

Self-assessing: This activity requires the commitment of resources for the prevention and early detection of Federal consumer financial law violations pursuant to a robust and effective compliance management system appropriate for the size and complexity of the entity’s business. Under this category, the Bulletin lists 17 questions the CFPB will consider in evaluating an entity’s self-assessing activity.

Self-reporting: This activity requires the *prompt* reporting of *likely* Federal consumer financial law violations. The CFPB considers this evidence of an entity’s commitment to responsibly address potential compliance issues. The Bulletin states that self-reporting of a potential violation does not require an entity to admit that it has committed a violation. Under this category, the Bulletin lists 6 questions the CFPB will examine in evaluating an entity’s self-reporting activity.

Remediating: This activity includes making consumers whole through compensation and other appropriate relief, as applicable, and providing consumers appropriate information related to the violations within a reasonable period of time. Under this category, the Bulletin lists 10 questions the CFPB will examine in evaluating an entity’s remediation activity.

Cooperating: This activity relates to the quality of an entity’s interactions with the CFPB after it becomes aware of a likely violation of Federal consumer financial law, either through self-reporting or the CFPB’s own efforts and depends on the extent to which an entity takes steps above and beyond what the law requires in its interactions with the CFPB. The Bulletin states that the CFPB “does not consider an entity’s good faith assertion of privilege in an enforcement investigation to be a lack of cooperation; an entity asserting privileges in good faith remains eligible for potential favorable consideration for cooperating.” Under this category, the Bulletin lists 14 questions the CFPB will examine in evaluating an entity’s cooperation activity.

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