NOVEMBER 14, 2024

Financial report of the Consumer Financial Protection Bureau

Fiscal year 2024

Consumer Financial Protection Bureau

Message from Rohit Chopra

Director

I am pleased to present the Consumer Financial Protection Bureau's (CFPB's) Financial Report for Fiscal Year 2024.

As required by the Dodd-Frank Act, the CFPB prepared comparative financial statements for fiscal years 2024 and 2023. The Government Accountability Office (GAO) rendered an unmodified audit opinion on our financial statements. GAO found that CFPB maintained in all material respects, effective internal control over financial reporting as of September 30, 2024. Also, GAO reported that its test for compliance with provisions of applicable laws, regulations, contracts and grant agreements disclosed no instances of noncompliance for fiscal year 2024.

I want to acknowledge the hard work and dedication of all CFPB staff over the past year to accomplish the overall outcomes reflected in this report. The collective efforts of all CFPB staff help achieve our mandate to monitor market conditions to spot risks, ensure compliance with existing law, and promote competition to protect families and honest businesses.

Sincerely,

Rohit Chopra

Rohit Chopra

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1. Management's discussion and analysis

1.1 Overview of the Consumer Financial Protection Bureau

The Consumer Financial Protection Bureau (CFPB or Bureau) was established on July 21, 2010, under Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act Public Law No. 111-203 (Dodd-Frank Act). The CFPB was established as an independent bureau within the Federal Reserve System. The CFPB is an Executive agency as defined in Section 105 of Title 5, United States Code.

The Dodd-Frank Act authorizes the CFPB to exercise its authorities to ensure that, with respect to consumer financial products and services [1]:

1. Consumers are provided with timely and understandable information to make responsible decisions about financial transactions;

2. Consumers are protected from unfair, deceptive, or abusive acts and practices and from discrimination;

3. Outdated, unnecessary, or unduly burdensome regulations are regularly identified and addressed in order to reduce unwarranted regulatory burdens;

4. Federal consumer financial law is enforced consistently in order to promote fair competition; and

5. Markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation.

The CFPB is headed by a sole Director, appointed by the President, by and with the advice and consent of the Senate, to a five-year term. Rohit Chopra was nominated by President Biden and confirmed by the Senate on September 30, 2021.

[1] As set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111 (2010), Section 1021(b).

Funding required to support the CFPB's operations is obtained primarily through transfers from the combined earnings of the Federal Reserve System. Annual transfers to the CFPB may not exceed an amount equal to 12 percent of the Federal Reserve System's total 2009 operating expenses, adjusted annually based on the percentage increase in the employment cost index for total compensation for state and local government workers as specified in the Dodd-Frank Act. The transfer cap for fiscal year 2024 is $785.4 million.

CFPB Mission

To regulate the offering and provision of consumer financial laws and to educate and empower consumers to make better informed financial decsions. [2]

Organizational structure

To accomplish its mission, the CFPB is organized into six primary divisions:

1. **Consumer Response and Education:** delivers scalable services and tools designed to empower consumers to share their experiences in the marketplace, respond to challenges, and make better informed financial decisions.

2. **External Affairs:** builds and fosters diverse relationships with external stakeholders to promote a fair, transparent consumer financial marketplace.

3. **Supervision, Enforcement and Fair Lending:** ensures compliance with Federal consumer financial laws by supervising market participants and bringing enforcement actions when appropriate.

4. **Research, Monitoring and Regulations:** synthesizes market intelligence and insight from consumer populations, legal and regulatory expertise, and social science research to identify risks to household financial stability and to develop and implement policy choices that promote a fair, transparent, and competitive financial marketplace for all consumers.

5. **Legal:** ensures the CFPB's compliance with all applicable laws and provides advice to the Director and the CFPB's divisions.

6. **Operations:** builds and sustains the CFPB's operational infrastructure to support the entire organization.

[2] As set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203 (2010), Section 1011(a) and 1013(d).

In addition to the six primary divisions described above, the Office of the Director also includes offices focused on strategy, equal opportunity, civil rights, and fairness.

The CFPB workforce is spread across the country with its headquarters in Washington, D.C. The headquarters within Washington, D.C., utilizes space pursuant to an interagency agreement with the Office of the Comptroller of the Currency. In addition to its location within Washington D.C., the CFPB also utilizes space pursuant to occupancy agreements with the General Services Administration (GSA) for the regional offices in New York, Chicago, San Francisco, and Atlanta.

Additional information on the organizational structure and responsibilities of the Bureau is available on the CFPB's website at http://www.consumerfinance.gov/.

The CFPB established four advisory committees to provide consultation and advice to the Director and senior leadership on a range of issues within the CFPB's authority: the Consumer Advisory Board; the Community Bank Advisory Council; the Credit Union Advisory Council; and the Academic Research Council.

CFPB Positions and Funding Levels

Since its inception through fiscal year 2017, the CFPB experienced continuous growth in its number of employees and funding levels. In fiscal year 2018 staffing and funding levels began to decline, rising again in fiscal year 2020. In fiscal year 2024 CFPB staffing levels increased from 1,677 to 1,758 or 5.0 percent.

The charts below provide a historical depiction of the number of employees and funding levels over the past five fiscal years. The numbers provided below are as of the last pay period of each fiscal year – Pay Period 19.

FIGURE 1: CFPB EMPLOYEES BY FISCAL YEAR

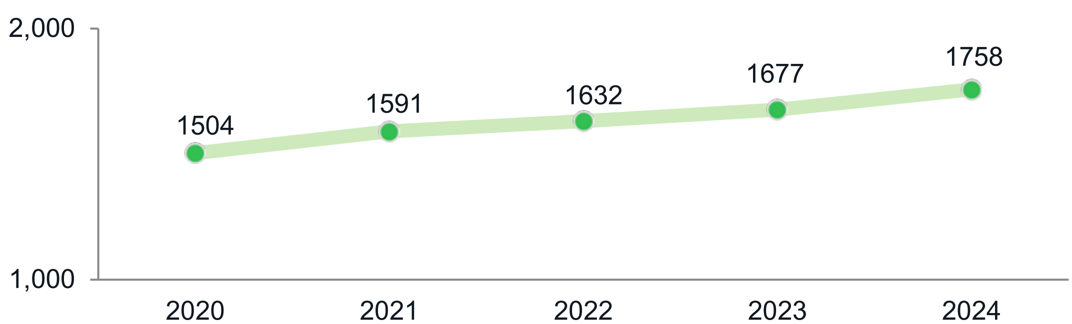
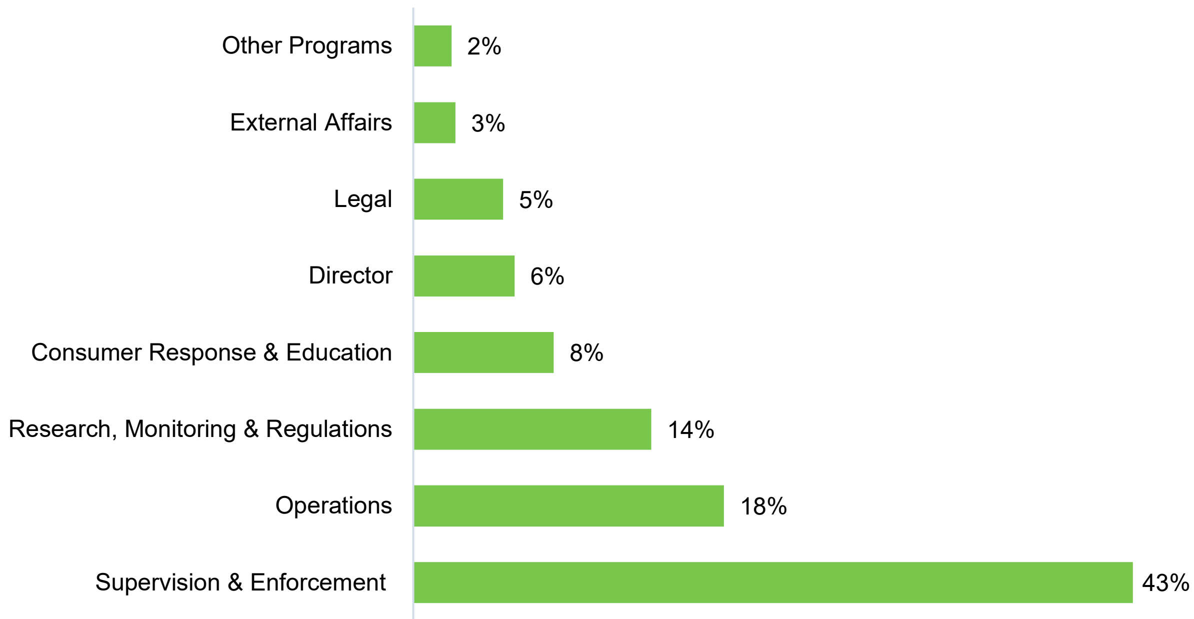
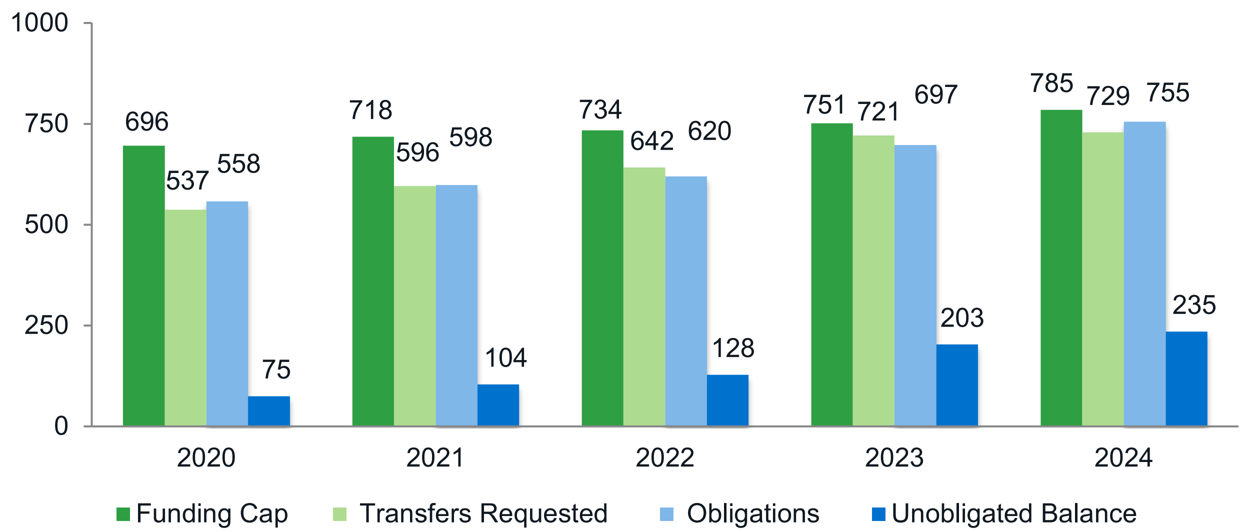


FIGURE 2: OFFICE PERCENTAGE OF TOTAL POSITIONS (AS OF SEPTEMBER 30, 2024)



All percentages provided above are rounded and may not total to 100 % due to the rounding.

FIGURE 3: BUREAU FUND FISCAL YEAR TRANSFERS REQUESTED COMPARED TO THE FUNDING CAP, OBLIGATIONS AND UNOBLIGATED BALANCE ($ MILLIONS)



Additional information on how the CFPB is funded can be found in Section 1.6 Financial Analysis.

1.2 The CFPB performance and results

This section provides a summary of the CFPB's key performance outcomes as well as selected accomplishments that it has achieved this past fiscal year.

The CFPB developed and issued a strategic plan consistent with the Government Performance and Results Act of 1993, as amended (GPRA) and the GPRA Modernization Act of 2010. (See https://files.consumerfinance.gov/f/documents/cfpb_strategic-plan_fy2022-fy2026.pdf.) The CFPB published its most recent strategic plan for fiscal years 2022 to 2026 late in fiscal year 2022, which identified four strategic goals and eleven associated performance objectives.

The Strategic Plan presents an opportunity to explain to the public how the CFPB intends to fulfill its statutory duties consistent with the strategic vision of its leadership. The Strategic Plan's mission statement is drawn directly from Sections 1011 and 1013 of the Dodd-Frank Act: "to regulate the offering and provisions of consumer financial products or services under the Federal consumer financial laws" and 'to educate and empower consumers to make better informed financial decisions.

In order to meet the required due date of preparing and issuing this financial report, not all performance measures could be included. However, a full Performance Report will be published in early calendar year 2025 on the CFPB's website. That report will include the results of all performance objectives, along with an analysis of the CFPB's efforts to achieve its performance goals. Results reported below for the selected measures contained in this report show that the CFPB has met or exceeded 6 of the 7 measures (86 percent).

Goal 1: Implement and enforce the law to ensure consumers have access to fair, transparent, and competitive markets that serve consumers' needs and protect consumers from unfair, deceptive, and abusive practices, and from discrimination.

Objective 1.2: Supervise institutions to ensure compliance with Federal consumer financial laws

Effective supervision of financial institutions to foster compliance with federal consumer financial laws requires prompt notice to institutions of matters requiring their attention and actions that they are expected to take to avoid further violations or consumer harm, to correct actions that violate the law, and to remediate consumers for identified harm. A thorough report development and review process ensures high-quality reports that appropriately explain what the examination team found and what corrective actions, if any, are expected.

Performance measures

TABLE 1: PERCENT OF EXAMINATION REPORTS OR LETTERS ISSUED WITHIN THE CFPB'S ESTABLISHED TIME PERIODS FOLLOWING THE FINALIZATION OF EXAM ANALYSIS

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Target	70%	70%	70%	70%	80%
Actual	92%	94%	93%	93%	92%

Progress update and future action

Because Supervision has historically performed well against this measure, it has been identified as an area where the division can be more efficient in its operations. In fiscal year 2025, Supervision is aiming to decrease the amount of time that it takes to produce an examination report or supervisory letter following the finalization of exam analysis, in order to deliver findings and corrective actions to entities faster. In January 2025 Supervision will implement revised internal report review processes and compressed timelines for producing these reports and letters: these improvements are based on historical performance and are intended to make internal processes more efficient and effective. Supervision will monitor and assess the quality and the timeliness of examination reports and supervisory letters issued throughout fiscal year 2025 and will determine whether the revised timelines and processes are effective in producing timelier results without decreasing the quality of the examination reports or supervisory letters. The CFPB intends to remain transparent about the goals of its supervision program and the steps being taken to achieve those goals, while protecting the confidentiality of the underlying financial institution-specific information.

Objective 1.3: Enforce federal consumer financial laws to hold violators accountable and deter misconduct and repeat offenses

This measure ensures that the CFPB successfully resolves as many actions as possible while pursuing complex and challenging actions when appropriate, even when success is not assured.

Performance measures

TABLE 2: PERCENT OF ALL PUBLIC ENFORCEMENT ACTIONS THAT WERE SUCCESSFULLY RESOLVED THROUGH LITIGATION, A SETTLEMENT, OR ISSUANCE OF A DEFAULT JUDGMENT, OR OTHER MEANS

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Target	75%	75%	75%	75%	75%
Actual	100%	100%	100%	96%	100%

Progress update and future action

During fiscal year 2024, the CFPB concluded 26 public enforcement actions through litigation, a settlement, or issuance of a default judgment. The CFPB successfully resolved 100 percent of these actions.

Goal 2: Empower consumers to live better financial lives, focusing on traditionally underserved people.

Objective 2.1: Engage with consumers, directly and through trusted partners, to provide information, guidance, and technical assistance regarding consumer financial products and services

The CFPB continues to offer consumers a variety of information, tools, and programs to assist consumers with understanding and asserting their rights and making financial choices to reach their life goals. For fiscal year 2024, the Bureau focused on assessing the effectiveness of its offerings while maintaining specific tools such as "Ask CFPB" and the print publications program. The goal of this evaluation is to determine which tools to sunset, maintain, or enhance to reduce duplication and better reach consumers. The CFPB also continues to publish resources and materials in eight languages to support consumers in languages they are most comfortable.

The CFPB works to make it easier for people to access financial education in their local communities and to foster a lasting local financial education infrastructure. An important way we do this is by integrating financial education into trusted and established community partners, such as workplaces, social service organizations, classrooms, military services, and government agencies. Major community partnerships in fiscal year 2024 included efforts to engage community partners in equipping their staff and networks to: prevent consumer fraud among older adults; address servicemembers' unique challenges; increase classroom opportunities to build youth financial capabilities; and provide translated resources to intermediaries who serve Limited English Proficient consumers. The education offered through these partners covers topics consumers frequently seek on our web site, consumerfinance.gov, as well as prevention topics like how to avoid fraud and scams.

Performance measures

TABLE 3: NUMBER OF PEOPLE WHO USE THE CFPB'S EDUCATIONAL RESOURCES ON WEB AND IN PRINT

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Target	9.0M	10.0M	10.0M	12.0M	12.5M
Actual	16.1M [3]	19.1M	21.2M	24.3M	14.9M

Progress update and future action

The CFPB continued to provide people with educational information and tools, via online, in print and through community channels. Its consumer financial education programs are designed to empower people to make better informed financial decisions to serve their own life goals.

Of the almost 15 million people reached with the CFPB's education resources in fiscal year 2024:

- Over 12 million ConsumerFinance.gov users accessed Ask CFPB. The number declined from fiscal year 2023. As a result, the tools are currently being evaluated to identify opportunities for both enhanced user experience and operational efficiency.
- More than 2.5 million publications were distributed to consumers. The print publications program went through significant changes in fiscal year 2023 to right size the program with the goal of moving to a digital-first education strategy.

The CFPB continues to support community engagement efforts to understand and respond to consumers' needs, including engagement with rural and urban communities, as well as limited English proficient consumers.

[3] Measure updated to incorporate web users of COVID-19 response resources into total count of web users accessing consumer educational resources. In fiscal year 2020 report, the web users accessing COVID-19 response resources were reported separately.

Objective 2.2: Collect consumers' inquiries and complaints, and work to ensure companies offering consumer financial products and services provide responses to consumers' complaints

The CFPB collects consumers' inquiries and complaints and sends complaints to companies for review and response. Companies are expected to review the information provided in the complaint, communicate with the consumer as needed, determine what action to take in response, and provide a written response to the CFPB and the consumer. When a company cannot take action on a complaint, the company can provide an administrative response that includes a statement or other evidence supporting this response. The CFPB expects companies to provide complaint responses tailored to the issues described in each consumer's complaint. A key element to a complaint response is timeliness:

- **Timeliness**: the company provided a response within 15 calendar days of the complaint being sent to the company. If a complaint could not be closed within 15 calendar days, the company provided an interim explanation to the consumer and the CFPB and then a final response within 60 calendar days of the complaint being sent to the company.

As part of its ongoing monitoring efforts, Consumer Response systematically reviews how companies respond to complaints relative to the CFPB's response expectations. These analyses assess the completeness, accuracy, and timeliness of companies' responses.

Performance measures

TABLE 4: PERCENTAGE OF COMPANY RESPONSES THAT ARE TIMELY

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Target	97%	97%	97%	97%	98%
Actual	99%	99%	99%	99%	99%

Progress update and future action

In fiscal year 2024, the CFPB continued to collect consumer complaints and work to ensure companies offering consumer financial products and services provide responses to consumers. Companies overwhelmingly met the timeliness expectation in their responses to the CFPB, providing a timely response to 99% of complaints sent to them for review.

While timely responses are important, the CFPB also cautions companies about closing complaints too quickly if it is to the detriment of completeness or accuracy. Companies continue to have up to 60 days from the date they received the complaint to provide a final response, if they provide an interim explanation to the consumer and the CFPB.

Goal 3: Inform public policy with data-driven analysis on consumers' experiences with financial institutions, products, and services.

Objective 3.2: Conduct and publish research focused on: (a) experiences of underserved communities and their access to credit, (b) consumer awareness, understanding, and behavior with respect to consumer financial products and services and with respect to disclosures and related communications, and (c) market developments impacting consumers, including competition and innovation.

The CFPB conducts research on consumer decision-making, consumer financial products and markets, and the effects of consumer financial regulations and policies. The CFPB publishes its research, including Data Spotlights, Issues Spotlights, Industry and Markets reports, "Data Point" reports, and staff reports and blogs. Additionally, the CFPB is statutorily required to research, analyze, and report on six topic areas related to consumer finance[4]:

- Developments in markets for consumer financial products or services, including market areas of alternative consumer financial products or services with high growth rates and areas of risk to consumers;
- Access to fair and affordable credit for traditionally underserved communities;
- Consumer awareness, understanding, and use of disclosures and communications regarding consumer financial products or services;
- Consumer awareness and understanding of costs, risks, and benefits of consumer financial products or services;
- Consumer behavior with respect to consumer financial products or services, including performance on mortgage loans; and

[4] As set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203 (2010), Dodd-Frank 1013(b).

- Experiences of traditionally underserved consumers, including un-banked and underbanked consumers.

Performance measures

TABLE 5: NUMBER OF PUBLISHED RESEARCH PRODUCTS

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Target	10	10	15	18	18
Actual	17	24	25	42	32

Progress update and future action

Below is a selection of the 32 CFPB-published research products released during Fiscal Year 2024. The full selection of CFPB research publications can be found at consumerfinance.gov.

Report: Making Ends Meet in 2023: Insights from the Making Ends Meet Survey. In December 2023, the CFPB released a report about consumer finances in 2023. Many consumers' finances improved in 2020 and 2021, but in 2022 financial stability and health deteriorated across a range of measures. Using the 2023 Making Ends Meet survey, the report demonstrated that in 2023 consumers were still on average somewhat better off financially than they were in 2019 but the trend is negative. Financial well-being was unchanged between 2022 and 2023 but more families had difficulty paying their bills. Income variability declined in 2023 but remains higher than in 2019. More families are unprepared for even a short interruption of income. Renters and consumers with student loans were particularly vulnerable to income disruptions and frequently had difficulty paying bills even before federal student loan payments resumed. Yet substantial liquidity remains for many consumers. Meanwhile, large disparities in financial stability and health continue across income, racial, and ethnic groups. Access to credit remains difficult for many consumers particularly Black and Hispanic consumers.

Report: Price Complexity in Laboratory Markets. In April 2024, the CFPB released a report that provides new insights on how price complexity may affect markets for consumer goods. The report was based on two laboratory experiments that investigated the effects of price complexity on market outcomes. The experiments had people interact in basic markets where sellers varied how complex they were allowed to make their prices. On average, researcher found that allowing more complex pricing led sellers to ask for higher total prices and buyers to make more mistakes (choosing higher-priced offerings). These effects translated into higher average transaction prices.

Data Point Report: Recent Changes in Medical Collections on Consumer Credit Records. Medical collections on consumer credit reports have been an area of focus for CFPB research in recent years. In addition to studying trends in medical debt as a whole, CFPB reports have documented the burden of medical debt on older Americans, and the incidence of medical collections in rural counties in Appalachia and the Deep South region. In March 2022, industry actions were taken to change how medical collections are reported. The three nationwide credit reporting companies voluntarily announced that they would no longer report certain medical collections. These changes had the potential to benefit some consumers by reducing the number of medical collections tradelines and the dollar amount of medical debt reported on consumer credit records. In a July 2022 report, CFPB documented the state of medical collections on consumer credit records through March 2022, prior to the announced changes, and described the consumers who were likely to have medical collections items removed as a result of the changes.

In a report released in April 2024, CFPB updated the July 2022 report with data through June 2023. Researchers found that the share of consumers with medical collections on their credit records fell from around 14 percent to around 5 percent between March 2022 and June 2023. The report explores how these changes were distributed across the population of consumers with a credit record.

Report: Borrower Experiences with Mortgage Servicing During the COVID-19 Pandemic. In June 2024, the CFPB released a report that explored evidence on the experiences of distressed mortgage borrowers trying to access loss mitigation programs during the COVID-19 pandemic. The report used data from the 2020 American Survey of Mortgage Borrowers (ASMB) to analyze distressed borrower experiences. The ASMB is a survey sample derived from the National Mortgage Database (NMDB). The 2020 ASMB was designed to focus on borrower experiences related to the COVID-19 pandemic by oversampling borrowers who were likely to be in distress.

Blog: Credit card delinquencies are higher than in 2019 because lenders took on more risk. In August 2024, CFPB released a blog demonstrating that after falling during the pandemic, the share of consumers with a delinquent credit card has increased rapidly since 2021 and is now higher than in 2019. While consumers with delinquencies clearly show signs of struggling, rather than being a sign of broader distress, this increase in delinquencies is explained by a substantial increase in the riskiness of recently issued credit cards.

Goal 4: Foster operational excellence and further commitment to workforce equity to advance the CFPB's mission.

Objective 4.1: Cultivate an engaged and informed workforce to maximize talent and development in alignment with the CFPB's mission

The CFPB assesses progress and performance on this goal by measuring management training outcomes, and employee perceptions of the technical competence of the workforce and diversity and inclusion. Strategies to improve in these areas target organizational effectiveness, talent development and diversity and inclusion initiatives.

One of the measures that the CFPB uses to assess progress on this goal is the extent to which managers are able to apply the skills they have learned from management training to their day-to-day management responsibilities. The CFPB has developed a metric that combines feedback from several training assessment surveys. This metric provides the CFPB with information that is used to evaluate and improve management training opportunities. This metric, along with 19 other data sources, is used to determine the effectiveness of current management training, assess the resources needed to promote and facilitate training, and identify the type of management training needed in the future.

Performance measures

TABLE 6: MANAGEMENT TRAINING SURVEY RATING ON APPLYING LEARNED SKILLS TO JOB RESPONSIBILITES (AGGREGATE OF THREE QUESTIONS ON SEVEN POINT SCALE)

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Target	5.75	5.00	5.75	5.75	5.75
Actual	6.34	6.26	5.70	6.20	5.98

Progress update and future action

The CFPB offered the following courses which have contributed to this metric for fiscal year 2024:

Course Name	Duration	Number of Deliveries
CFPB Supervisor Development Seminar	3 days	2
CFPB Supervisor Development Seminar Refresher	1 day	2
Leadership Excellence Seminars 1 & 2	2 days	4
Leadership Excellence Seminars 3 & 4	2 days	4
Leadership Excellence Seminars 5	2 days	2
Coaching Skills for CFPB Leaders	2 days	7

In fiscal year 2024, the CFPB continued to deliver management training meeting Federal mandates and finishing delivery of the Coaching Skills for CFPB Leaders course. This course was developed in fiscal year 2022 and delivered in fiscal year 2023 and 2024. This was achieved through live, virtual training deliveries to reach as many CFPB staff, and to reach all managers across various work locations and time zones. These courses continued to receive high evaluation scores once again in fiscal year 2024. CFPB also began development on a new course for all CFPB leaders, building on the Coaching Skills course. The design and development of the new course will be completed in fiscal year 2025, as will initial deliveries of the course via live, distance-based, virtual training delivery. The CFPB approach of on-going training to address mandates and implement a new management training course approximately every year and a half continues to prove to be a productive delivery rhythm, yet is nimble enough to be responsive to emerging needs of CFPB leaders.

Objective 4.3: Advance the work of the CFPB through innovative and optimized operational support

Federal Information Security Modernization Act of 2014 (FISMA) Maturity Model:

FISMA mandates the reporting of the information security posture for federal agencies through an annual audit conducted by the Office of the Inspector General (OIG). In fiscal year 2015, the Office of Management and Budget, the Department of Homeland Security, and the Council of the Inspectors General on Integrity and Efficiency established a maturation rating methodology to score the maturity and effectiveness of federal information security functions. These scores range from low to high with Level-1 (Ad-hoc), Level-2 (Defined), Level-3 (Consistently Implemented), Level-4 (Managed and Measurable) and Level-5 (Optimized). Since fiscal year 2017, the OIG has assessed the maturation of the CFPB's information security policies, procedures, and practices across five security domains, (Identify, Protect, Detect, Respond, and Recover) based on the National Institute of Standards and Technology (NIST) Cybersecurity Framework in this rating model. In fiscal year 2022, the OIG added a new security function, Supply Chain Risk Management, which impacted the scoring of the Identify security domains.

Performance measures

TABLE 7: ACHIEVE OIG MATURITY MODEL RATINGS OF LEVEL 4 (MANAGED & MEASURABLE) ACROSS MULTIPLE CYBERSECURITY FRAMEWORK AREAS

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Target	3 of 5	4 of 5	5 of 5	4 of 5	4 of 5
Actual	3 of 5	3 of 5	3 of 5	2 of 5	2 of 5

Progress update and future action

In fiscal year 2024, the OIG methodology includes core and supplemental metrics which factor differently depending on the function (identify, protect, detect, respond, and recover) and the overall program. The average of the two metrics make up the overall score, and the OIG determined that CFPB continued to operate at a Level-4. Metrics areas less than a 4 round up for program calculation, if over 3.5. The Office of Technology and Innovation (T&I) and other groups that make up these metrics worked to improve the areas of information security continuous monitoring, supply chain risk management, and efforts to meet zero-trust architecture requirements. Given the OIG scoring methodology, the CFPB's Information Security Program maintained an effective overall rating measured at the Level-4 (Managed and Measurable) maturity, with two areas scoring an absolute value of four or over, and three areas falling short of the absolute value of four.

In fiscal year 2025, CFPB will coordinate across the Operations Division to implement additional improvements in the areas of risk management, asset and configuration management, data protection and privacy, as well as identity and access management.

1.3 Civil Penalty Fund annual report

Section 1055(a) of the Dodd-Frank Act authorizes the CFPB to obtain any appropriate legal or equitable relief for violations of Federal consumer financial laws. That relief may include civil penalties. Section 1017(d) of the Dodd-Frank Act further establishes the Consumer Financial Civil Penalty Fund (Civil Penalty Fund), a victims relief fund, into which the CFPB deposits civil penalties it collects in judicial and administrative actions under Federal consumer financial laws.

Under the Act, funds in the Civil Penalty Fund may be used for payments to the victims of activities for which civil penalties have been imposed under the Federal consumer financial laws. To the extent that such victims cannot be located, or such payments are otherwise not practicable, the CFPB may use funds in the Civil Penalty Fund for the purpose of consumer education and financial literacy programs.

On May 7, 2013, the CFPB published the Civil Penalty Fund rule, 12 C.F.R. part 1075, a final rule governing the CFPB's use of the funds in the Civil Penalty Fund. That rule requires the CFPB to issue regular reports on the Civil Penalty Fund. Included in this Annual Report is a summary of the Civil Penalty Fund activity since inception through September 30, 2023, a description of Civil Penalty Fund collections in fiscal year 2024, a description of Civil Penalty Fund allocations in fiscal year 2024 and the basis for those allocations, and an overview of the distribution of those funds.

Additional background information on the Civil Penalty Fund can be found at: https://www.consumerfinance.gov/about-us/payments-harmed-consumers/

As of September 30, 2024, the Civil Penalty Fund had an unallocated balance of $118.9 million in funds that have been collected and are not otherwise allocated or set aside for administrative purposes. Table 8 below summarizes significant activity of the fund from inception through September 30, 2024:

TABLE 8: CIVIL PENALTY FUND SIGNIFICANT ACTIVITY

Activity	Amount	Total
Cash Collections:		
FY 2012-2022	$1,488,823,618	
FY 2023	$1,918,920,125	
FY 2024	$169,954,725	
Total Cash Collections		$3,577,698,469
Amounts Unallocated and Returned to the Fund:[5]		
FY 2017-2022	$99,061,638	
FY 2023	$10,106,209	

[5] This amount includes funds that were unallocated and returned to the Fund following the completion of distributions to victims or in situations where the allocation to a victim class was reduced. It also includes funds that were unspent and unallocated from consumer education and financial literacy purposes.

Activity	Amount	Total
FY 2024	$50,858,415	
Total Returned		$160,026,262
Less Allocations:		
Victim Compensation		
FY 2013-2022	($1,067,192,880)	
FY 2023	($417,443,832)	
FY 2024	($2,048,801,727)	
Subtotal: Allocations to Victim Compensation		($3,533,438,439)
Consumer Education and Financial Literacy Programs		
FY 2013-2016	($28,812,809)	
Subtotal: Allocations to Consumer Education and Financial Literacy Programs		($28,812,809)
Total Allocations		($3,562,251,248)
Less Administrative Set-aside:		
FY 2013-2022	($10,073,322)	
FY 2023	($2,500,000)	
FY 2024	($44,000,000)	
Total Administrative Set-aside		($56,573,322)
Total Unallocated Balance		**$118,900,160**[6]

[6] This total includes $10,283,886 collected in fiscal year 2018, $409,686 collected in fiscal year 2020, and $134,630 collected in fiscal year 2023 pursuant to 3 orders that are under appeal and thus are not yet "final orders" as defined in 12 C.F.R. § 1075.101. Those funds therefore are not available for allocation. The total also includes $9,687,419 that was subject to sequestration in fiscal year 2024. These funds were not available for allocation in fiscal year 2024 but will be available to the CFPB in fiscal year 2025. The total also includes $109,378,447 that was subject to sequestration in fiscal year 2023 and subsequently became available to the CFPB in fiscal year 2024.

Civil Penalty Fund collections

TABLE 9: FISCAL YEAR 2024 COLLECTIONS

Defendant Name	Civil Penalty Imposed	Civil Penalty Collected	Collection Date
TransUnion; Trans Union LLC; and TransUnion Interactive, Inc.	$5,000,000	$5,000,000	October 19, 2023
TransUnion Rental Screening Solutions, Inc., and Trans Union LLC	$4,000,000	$4,000,000	October 19, 2023
Chime, Inc. d/b/a Sendwave	$1,500,000	$1,500,000	October 27, 2023
Citibank, N.A.	$24,500,000	$24,500,000	November 17, 2023
Toyota Motor Credit Corporation d/b/a Toyota Financial Services	$12,000,000	$12,000,000	November 20, 2023
Enova International, Inc.	$15,000,000	$15,000,000	November 22, 2023
Bank of America, N.A.	$12,000,000	$12,000,000	December 5, 2023
Atlantic Union Bank	$1,200,000	$1,200,000	December 8, 2023
U.S. Bank National Association	$15,000,000	$15,000,000	December 20, 2023
Commonwealth Financial Systems, Inc.	$95,000	$95,000	December 21, 2023
BloomTech Inc. and Austen Allred – Defendant BloomTech Inc.	$64,235	$64,235	April 25, 2024
The Mortgage Law Group, LLP, et al.	$1,145,489	$1,145,489	April 26, 2024
BloomTech Inc. and Austen Allred – Defendant Allred	$100,000	$100,000	May 6, 2024

Defendant Name	Civil Penalty Imposed	Civil Penalty Collected	Collection Date
Chime Financial, Inc.	$3,250,000	$3,250,000	May 16, 2024
Western Benefits Group, LLC	$400,000	$400,000	May 31, 2024
Freedom Mortgage Corporation	$3,950,000	$3,950,000	June 26, 2024
Sutherland Global Services, Inc., Sutherland Mortgage Services, Inc., and Sutherland Government Solutions, Inc.	$5,000,000	$5,000,000	July 3, 2024
NOVAD Management Consulting, LLC	$1	$1	July 9, 2024
Fifth Third Bank, N.A. (Force-placed insurance matter)	$5,000,000	$5,000,000	July 18, 2024
Fifth Third Bank, N.A. (Sales Practices matter)	$15,000,000	$15,000,000	July 19, 2024
Daniel A. Rosen Inc., d/b/a Credit Repair Cloud, et al. – Defendant Credit Repair Cloud	$1,000,000	$1,000,000	August 21, 2024
Daniel A. Rosen Inc., d/b/a Credit Repair Cloud, et al. – Defendant Rosen	$2,000,000[7]	$500,000	August 21, 2024
Fay Servicing, LLC	$2,000,000	$2,000,000	August 29, 2024
New Day Financial, LLC	$2,250,000	$2,250,000	September 4, 2024

[7] The order requires Defendant Rosen to pay $500,000 by August 22, 2024, and the remaining $1,500,000 by November 11, 2024.

Defendant Name	Civil Penalty Imposed	Civil Penalty Collected	Collection Date
TD Bank, N.A.	$20,000,000	$20,000,000	September 18, 2024
Navient Corporation, et al.	$20,000,000	$20,000,000	September 19, 2024
Total	**$171,454,725**	**$169,954,725**	

In fiscal year 2024, the CFPB collected civil penalties totaling $170.0 million from 26 defendants.

Allocations from the Civil Penalty Fund

Under the Civil Penalty Fund rule, the Civil Penalty Fund Administrator allocates funds in the Civil Penalty Fund to classes of victims of violations for which civil penalties have been imposed under the Federal consumer financial laws and, to the extent that such victims cannot be located or such payments are otherwise not practicable, to consumer education and financial literacy programs. The Fund Administrator makes these allocations according to a schedule published in accordance with the rule. That schedule established six-month periods and provides that an allocation will be made within 60 days of the end of each period. The Fund Administrator may allocate only those funds that were available as of the end of the six-month period and may allocate funds to a class of victims only if that class had uncompensated harm as of the end of the six-month period.

Allocations in fiscal year 2024

Period 22: April 1, 2023 – September 30, 2023

On November 29, 2023, the CFPB made its twenty-second allocation from the Civil Penalty Fund. As of September 30, 2023, the Civil Penalty Fund contained an available unallocated balance of $1,980,060,536.[8] The Fund Administrator set aside $40,000,000 to cover administrative expenses associated with distributing funds to harmed consumers, reducing the amount available for allocation to $1,940,060,536.

[8] The unallocated balance amount does not include $10,828,201 in funds that were collected pursuant to three orders that were pending appeal and were thus not yet "final orders" as defined in 12 C.F.R. § 1075.101. Those funds were therefore not available for allocation under 12 C.F.R. § 1075.105(c). The amount includes $109,378,447 that was sequestered during fiscal year 2023. The sequestration amount was not available for allocation during fiscal year 2023 but was available to the Bureau in fiscal year 2024.

TABLE 10: PERIOD 22: CASES IN WHICH A CIVIL PENALTY WAS IMPOSED

Defendant Name	Date of Final Order[9]
Portfolio Recovery Associates, LLC	April 13, 2023
Citizens Bank, N.A.	May 23, 2023
OneMain Financial Holdings, LLC, et al.	May 31, 2023
Phoenix Financial Services, LLC	June 8, 2023
ACI Worldwide Corp. and ACI Payments Inc.	June 27, 2023
Bank of America, N.A. (Re-Presentment NSF Fees)	July 11, 2023
Bank of America, N.A. (Credit Card Rewards)	July 11, 2023
Freedom Mortgage	August 17, 2023
Realty Connect	August 17, 2023
Progrexion Marketing, Inc., et al. ("Lexington Law")	August 30, 2023
Tempoe, LLC	September 11, 2023

Civil penalties were imposed in 11 cases with final orders from Period 22. Of those 11 cases, two had classes of eligible victims with uncompensated harm that was compensable from the Civil Penalty Fund. Both cases, Tempoe, LLC, and Progrexion Marketing, Inc., et al. ("Lexington Law") received an allocation during this period. Victims in one prior period matter, Driver Loan, LLC, became eligible for compensation in Period 22 and received an allocation this period. The eligible harm associated with these three matters totals $2,856,001,246.

The allocations for each case are as follows:

- The Driver Loan case received an allocation of $2,863,648 from the Civil Penalty Fund. The class of victims who received the allocation are consumers who deposited funds with the defendants between June 1, 2020, and June 1, 2021. This allocation covers 100% of eligible consumer harm.

9 The Civil Penalty Fund rule defines the term "final order" as a consent order or settlement issued by a court or by the CFPB, or an appealable order issued by a court or by the CFPB as to which the time for filing an appeal has expired and no appeals are pending.

- The Tempoe case received an allocation of $192,259,616 from the Civil Penalty Fund. The class of victims who received the allocation are certain consumers who entered into lease agreements with Tempoe from January 1, 2015, to September 11, 2023, where the agreement extended six months after the initial term and disclosures were not provided. This allocation covers 100% of eligible consumer harm.
- The Lexington Law case received a total of $1,744,937,273 from the Civil Penalty Fund for two classes of consumers.
  - One class of consumers received an allocation of $1,725,937,273. The class of victims who received this allocation are certain consumers who purchased the defendants' credit repair services from March 8, 2016, through August 30, 2023. The eligible harm associated with this class of consumers is $2,641,877,981. Due to funding limitations, this class was pro-rated and received 65.3% of their eligible harm. The Bureau believes that this approach provides the maximum benefit to the public at the lowest administrative cost, therefore allowing the Bureau to dedicate the maximum amount of recovery to the public that otherwise would have no chance for compensation. If sufficient funds are available in future periods, these victims may receive additional allocations to provide full compensation up to 100% of their harm.
  - One class of consumers received an allocation of $19,000,000. The class of victims who received this allocation are certain consumers who made a payment to Lexington Law or CreditRepair.com from July 21, 2011, through March 7, 2016. This allocation covers 100% of eligible consumer harm.

The Fund Administrator exercised discretion and deferred an allocation to a class of consumers in matter, OneMain Financial Holdings, LLC, et al. In the OneMain case, the victim allocation is deferred while the CFPB pursues additional consumer level data. This case was reviewed as part of the Period 23 allocation.

Additionally, a review of the Northern Resolution Group (Gray) case, which had been deferred for allocation in prior periods, was completed. Consumes in this matter will not receive an allocation from the Civil Penalty Fund.[10] As of the time of this allocation, there were no prior period victim classes with uncompensated harm that is compensable from the Civil Penalty Fund.

No funds were available for allocation for Consumer Education and Financial Literacy purposes.

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[10] Due to data limitations, it is not practicable to compensate consumers in this matter.

The total allocation for Period 22 was $1,940,060,536.

TABLE 11: PERIOD 22 ALLOCATION SUMMARY

Case Name	Allocation Amount
Driver Loan	$2,863,648
Tempoe, LLC	$192,259,616
Lexington Law – Class A	$1,725,937,273
Lexington Law – Class B	$19,000,000
Total	**$1,940,060,536**

Period 23: October 1, 2023 – March 31, 2024

On May 30, 2024, the CFPB made its twenty-third allocation from the Civil Penalty Fund. As of March 31, 2023, the Civil Penalty Fund contained an available unallocated balance of $112,741,191.[11] The Fund Administrator set aside $4,000,000 to cover administrative expenses associated with distributing funds to harmed consumers, reducing the amount available for allocation to $108,741,191.

TABLE 12: PERIOD 23: CASES IN WHICH A CIVIL PENALTY WAS IMPOSED

Defendant Name	Date of Final Order
TransUnion; Trans Union LLC; and TransUnion Interactive, Inc.	October 12, 2023
Chime, Inc. d/b/a Sendwave	October 17, 2023
TransUnion Rental Screening Solutions, Inc., and Trans Union LLC	October 18, 2023
Citibank, N.A.	November 8, 2023
Enova International, Inc.	November 15, 2023
Toyota Motor Credit Corporation d/b/a Toyota Financial Services	November 20, 2023

[11] The unallocated balance does not include $10,828,202 in funds that were collected pursuant to three orders that were pending appeal and were thus not yet "final orders" as defined in 12 C.F.R. § 1075.101. Those funds were therefore not available for allocation under 12 C.F.R. § 1075.105(c). The amount also does not include $5,146,815 that was subject to sequestration during fiscal year 2024. It includes $8.78 in funds available due to rounding and other adjustments tied to prior-period cases.

Defendant Name	Date of Final Order
Prehired, LLC, Prehired Recruiting, LLC, and Prehired Accelerator, LLC	November 20, 2023
Bank of America, N.A.	November 28, 2023
Atlantic Union Bank	December 7, 2023
Commonwealth Financial Systems, Inc.	December 15, 2023
U.S. Bank National Association	December 19, 2023
The Mortgage Law Group, LLP, et al.	February 5, 2024

Civil penalties were imposed in 12 cases with final orders in Period 23. Of those 12 cases, one, Prehired, LLC, et al., had a class of eligible victims with uncompensated harm that is compensable from the Civil Penalty Fund and received an allocation this period. Victims in one prior period matter, Lexington Law (class A), received an allocation this period.

The allocations for each case are as follows:

- The Prehired, LLC, et al. case received an allocation of $4,248,249 from the Civil Penalty Fund. The classes of victims that received an allocation are consumers who made certain payments in connection with vocational education services offered by Prehired, LLC, from May 1, 2019, to March 31, 2023.
- The Lexington Law case (class A) received an allocation of $104,492,941 from the Civil Penalty Fund. The class of victims that received this allocation are certain consumers who purchased the defendants' credit repair services from March 8, 2016, through August 30, 2023.

The Fund Administrator exercised discretion and deferred an allocation to a class of consumers in one prior period matter, OneMain Financial Holdings, LLC, et al. In the OneMain case, the victim allocation is deferred while the CFPB pursues additional consumer level data. This case will be reviewed as part of the Period 24 allocation.

As of the time of this allocation, Lexington Law (class A) was the only prior-period victim class with uncompensated harm that is compensable from the Civil Penalty Fund. This class received an allocation of $1,725,937,273 in Period 22 and after this allocation, the remaining uncompensated harm associated with this victim class is $811,447,767. If sufficient funds are available in future periods, these victims may receive additional allocations to provide full compensation up to 100% of their harm.

No funds were available for allocation for Consumer Education and Financial Literacy purposes.

The total allocation for Period 23 was $108,741,191.

TABLE 13: PERIOD 23 ALLOCATION SUMMARY

Case Name	Allocation Amount
Prehired, LLC, et al.	$4,248,249
Lexington Law – Class A	$104,492,941
Total	**$108,741,191**

Fiscal year 2024 cases eligible for allocation in fiscal year 2025

On or before November 29, 2024, the CFPB will make its twenty-fourth allocation from the Civil Penalty Fund. There will be a total of 14 cases considered for allocation. As of September 30, 2024, the Civil Penalty Fund had an unallocated balance of $118.9 million. Of this amount, $108.1 million is available for allocation pursuant to 12 C.F.R. § 1075.105(c) (see Table 8 above for more information). (See Note 9 for further information on the allocation.)

Civil Penalty Fund distributions

In fiscal year 2024, Civil Penalty Fund distributions began for eight cases.

TABLE 14: CIVIL PENALTY FUND DISTRIBUTIONS INITIATED IN FISCAL YEAR 2024

Defendant	Period	Amount Allocated	Amount Distributed	Number of Checks Mailed	Year & Quarter of Initial Distribution
Frank Ronald Gebase, Jr.	20	$240,995	$240,994	845	FY24 Q1
Certified Forensic Loan Auditors, LLC, et al.	16	$3,000,000	$174,417	108	FY24 Q1
Mark Corbett; Andrew Gamber, et al.;	13, 14, 17	$15,591,895	$5,126,262	232	FY24 Q1

Defendant	Period	Amount Allocated	Amount Distributed	Number of Checks Mailed	Year & Quarter of Initial Distribution
Katharine Snyder, et al. (Vets Lending)					
Performance SLC, LLC, et al.	20	$10,950,818	$ 10,734,630	8,267	FY24 Q2
LendUp Loans, LLC	19	$39,833,927	$39,833,749	118,085	FY24 Q3
Think Finance, LLC, et al.	20	$384,010,544	$384,009,581	191,671	FY24 Q3
BrightSpeed Solutions, Inc.	19	$54,000,000	$ 53,885,244	122,507	FY24 Q4
All American Check Cashing, Inc., at al.	21	$8,231,553	$8,048,477	43,647	FY24 Q4
Total		**$515,859,732**	**$502,053,354**	**485,362**	

The table above identifies cases for which distributions of Civil Penalty Fund monies to harmed consumers began in fiscal year 2024. It reflects the period(s) in which an allocation was made to victims in the case, the total amount allocated, the total dollar amount that has been mailed to harmed consumers, the number of consumers to whom initial checks were mailed, and when distributions began. More information about active distributions is available at https://www.consumerfinance.gov/about-us/payments-harmed-consumers/

Additional funds were also mailed to consumers in the Siringoringo matter, for which the distribution was initiated in the fourth quarter of fiscal year 2020. Specifically, $31,998 was distributed to consumers in the second quarter of fiscal year 2024. This brings total distributions in the Siringoringo matter through the end of fiscal year 2024 to $2,305,902.

Distributions are expected to begin in fiscal year 2025 for the; Edmiston Marketing, LLC, d/b/a Easy Military Travel; Universal Debt & Payment Solutions, LLC, et al.; Access Funding, et al.; BounceBack, Inc.; Hello Digit, LLC; Future Income Payments, LLC, et al.; Driver Loan, LLC; Tempoe, LLC; Lexington Law; and Prehired, LLC, et al. cases.

TABLE 15: CIVIL PENALTY FUND DISTRIBUTIONS CONCLUDED IN FISCAL YEAR 2024

Defendant	Amount Allocated	Amount Distributed	Number of Checks Mailed	Percent of Distributed Funds Cashed	Year & Quarter of Distribution Conclusion
Omni Financial of Nevada, Inc.	$79,437,227	$79,435,149	58,070	77%	FY24 Q2
Yorba Capital Management, LLC, et al.	$860,000	$859,923	8,410	41%	FY24 Q2
Premier Student Loan Center, et al.	$89,366,096	$75,082,373	70,186	70%	FY24 Q3
U.S. Equity Advantage, Inc.	$8,400,000	$8,399,724	109,448	87%	FY24 Q3
SMART Payment Plan, LLC	$6,000,000	$5,735,440	71,693	90%	FY24 Q4
Total	**$184,063,323**	**$169,512,609**	**317,807**		

The table above reflects the cases where a distribution concluded in fiscal year 2024. For each case, it displays the amount allocated from the Civil Penalty Fund, the total dollar amount that was mailed to harmed consumers, the number of consumers to whom checks were mailed, the percent of the distributed funds that were claimed, and when the distribution concluded.

In fiscal year 2024, the CFPB distributed $35,858 in direct payments to consumers in the Omni Financial and The Mortgage Law Group cases. The distributions to consumers by the CFPB’s third-party administrators in these cases concluded and unclaimed funds were returned to the CFPB. The CFPB subsequently made direct payments to victims who requested reissued payments.

1.4 Bureau-administered redress

Dodd-Frank Act Section 1055 authorizes a court in a judicial action, or the CFPB in an administrative proceeding, to grant any appropriate legal or equitable relief for a violation of Federal consumer financial law. Such relief may include redress for victims of the violations, including refunds, restitution, and damages. Relief that is intended to compensate victims is treated as fiduciary funds and deposited into the "Legal or Equitable Relief Fund" established at the Department of the Treasury. The CFPB refers to these collections as Bureau-Administered Redress.

TABLE 16: BUREAU-ADMINISTERED REDRESS COLLECTIONS IN FISCAL YEAR 2024

Defendant	Amount Collected	Date of Collection
Consumer Advocacy Center, Inc., d/b/a Premier Student Loan Center, et al. – Defendant Consumer Advocacy Center, Inc.	$124,873	October 18, 2023
RAM Payment, LLC	$3,176,373	February 29, 2024
The Mortgage Law Group, LLP, et al.	$10,854,511	April 26, 2024
Sutherland Global Services, Inc., Sutherland Mortgage Services, Inc., and Sutherland Government Solutions, Inc.	$11,500,000	June 27, 2024 July 1, 2024
James R. Carnes, et al.	$1,987,417	June 28, 2024 July 5, 2024 July 11, 2024 July 31, 2024
Fay Servicing, LLC	$3,000,000	August 28, 2024
Navient Corporation, et al.	$100,000,000	September 19, 2024
Total	**$130,643,174**	

In fiscal year 2024, the CFPB collected $130.6 million in Bureau-Administered Redress funds from seven defendants. Funds are distributed in accordance with the terms of the final order for the case.

Bureau-administered redress distributions

In fiscal year 2024, distributions of Bureau-Administered Redress began for two cases.

TABLE 17: BUREAU-ADMINISTERED REDRESS DISBURSEMENTS INITIATED IN FISCAL YEAR 2024

Defendant	Year & Quarter of Initial Distribution	Amount Distributed	Number of Checks Mailed
Candy Kern, Howard Sutter III, and Upstate Law Group LLC (Vets Lending)	FY24 Q1	$721,991	32
Performance SLC, LLC, et al.	FY24 Q2	$201,988	304
Total		**$923,979**	**336**

The table above reflects matters for which redress funds were collected, the time period when distributions began, the total dollar amount that has been mailed to harmed consumers, and the number of consumers to whom checks were mailed. More information about active distributions is available at https://www.consumerfinance.gov/about-us/payments-harmed-consumers/

Four Bureau-Administered Redress distributions concluded in fiscal year 2024. In these cases, unclaimed funds are treated in accordance with the terms of the final order for each case.

TABLE 18: BUREAU-ADMINISTERED REDRESS DISBURSEMENTS CONCLUDED IN FISCAL YEAR 2024

Defendant	Year & Quarter of Distribution Conclusion	Amount Distributed	Number of Checks Mailed	Percentage of Funds Cashed
Premier Student Loan Center, et al.	FY24 Q3	$19,974,916	17,099	69%
U.S. Equity Advantage, Inc.	FY24 Q3	$900,000	11,785	86%
SMART Payment Plan, LLC	FY24 Q4	$1,500,000	18,750	88%
Total		**$22,374,916.36**	**47,634**	

The table above reflects the cases in which a distribution concluded in fiscal year 2024. For each case, it displays when the distribution concluded, the total dollar amount that was mailed to harmed consumers, the number of consumers to whom checks were mailed, and the percent of the distributed funds that were claimed.

In fiscal year 2024, the CFPB distributed $7,567 in direct payments to consumers in the Main Street and Morgan Drexen cases. The distributions to consumers by the CFPB's third-party administrators in these cases concluded in prior fiscal years and unclaimed funds were returned to the CFPB. The CFPB subsequently made direct payments to victims who requested reissued payments.

1.5 Management assurances and audit results

Statement of Management Assurance

Fiscal Year 2024, November 7, 2024

The management of the Consumer Financial Protection Bureau (CFPB) is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act of 1982 (FMFIA). Continuous monitoring and periodic evaluations provide the basis for the annual assessment and report on management's controls, as required by FMFIA. CFPB is leveraging the established OMB Circular A-123 and the FMFIA assessment methodologies to assist in assessing the applicable entity-wide controls, documenting the applicable processes, and identifying and testing the key controls. Based on the results of these ongoing evaluations, CFPB can provide reasonable assurance that internal control over the effectiveness and efficiency of operations and compliance with applicable laws and regulations meet the objectives of FMFIA, and no material weaknesses were found in the design or operation of the internal controls as of September 30, 2024.

Section 1017(a)(4)(D) of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires CFPB to provide a management assertion as to the effectiveness of CFPB's internal control over financial reporting. CFPB conducted its assessment of the effectiveness of internal control over financial reporting based on the criteria established under 31 U.S.C. Sec. 3512(c) and applicable sections of OMB Circular A-123. Based on the results of this evaluation, CFPB can provide reasonable assurance that its internal control over financial reporting as of September 30, 2024 was operating effectively and no material weaknesses were found in the design or operation of the internal control over financial reporting.

Section 1017(a)(4)(C) of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires CFPB to maintain financial management systems that comply substantially with Federal financial management systems requirements and applicable Federal accounting standards. CFPB utilizes financial management systems that substantially comply with the requirements for Federal financial management systems and applicable Federal accounting standards.

Rohit Chopra

Director
Consumer Financial Protection Bureau

Analysis of Systems, Control, and Legal Compliance

Federal Managers' Financial Integrity Act

The Consumer Financial Protection Bureau was established as an independent bureau in the Federal Reserve System under the Dodd-Frank Act Section 1011 (a). As an independent, non-appropriated bureau, CFPB recognizes the importance of Federal laws associated with implementing effective risk management, including the Federal Managers' Financial Integrity Act. This includes ensuring that CFPB operations and programs are effective and efficient and that internal controls are sufficient to minimize exposure to waste and mismanagement.

In fiscal year 2024, the CFPB performed an evaluation of its risks and systems of internal controls. Based on the results of those evaluations, the CFPB is able to provide a reasonable statement of assurance that the internal control over the effectiveness and efficiency of operations, and compliance with applicable laws and regulations meet the objectives of FMFIA, and no material weaknesses were found in the design or operation of the internal controls as of September 30, 2024. While there were no material weaknesses identified, the CFPB continues to remediate one (1) significant deficiency that is listed below. The CFPB is committed to continuously enhancing and improving its systems of internal control and realizing more effective and efficient ways to accomplish its mission; as well as taking appropriate steps to implement timely corrective actions.

Information Technology Controls (*Significant Deficiency*)

In fiscal year 2016, the CFPB identified a significant deficiency in the operational effectiveness of certain information technology controls. In fiscal year 2024, the CFPB continued to implement corrective actions to mitigate the risks of this deficiency. During fiscal year 2025, the CFPB will continue to implement and improve these information technology processes to enhance internal control and improve operational effectiveness.

Federal financial management systems requirements

Section 1017(a)(4)(C) of the Dodd-Frank Act requires the CFPB to implement and maintain financial management systems that substantially comply with Federal financial management systems requirements and applicable Federal accounting standards. The CFPB performs or is subject to a number of other assessments in order to further support compliance with the requirement set forth within the Dodd Frank Act requiring the CFPB to implement and maintain financial management systems that comply substantially with the Federal financial management systems requirements and applicable accounting standards. Assessments include but are not limited to:

- Internal Control over Financial Reporting (ICOFR)
- Federal Information Security Management Act (FISMA)
- Improper Payments
- Federal Managers' Financial Integrity Act of 1982 (FMFIA)

Based on the results of these assessments, the CFPB provided reasonable assurance that as of September 30, 2024, the CFPB financial management systems substantially comply with the requirements for Federal financial management systems and applicable Federal accounting standards.

Additionally, as discussed in the section on Financial Management System Strategy below, the CFPB has entered into an agreement with the Bureau of the Fiscal Service, Administrative Resource Center (BFS/ARC) for the cross-servicing of the CFPB's core financial management system needs. As such, BFS/ARC has provided assurances to the CFPB that BFS/ARC's system is in compliance with the Federal Financial Management Improvement Act (FFMIA) whereby the system is substantially compliant with:

- Federal financial management system requirements,
- Applicable federal accounting standards, and
- The United States Standard General Ledger at the transaction level.

BFS/ARC has reported that its system substantially complies with these three requirements of FFMIA and recently completed a System and Organization Controls (SOC) 1, Type 2 report in accordance with Statements on Standards for Attestation Engagements No. 18, AT-C Section 320, *Report on an Examination of Controls at a Service Organization Relevant to User Entities' Internal Control Over Financial Reporting*. The independent auditors opined in the SOC 1, Type 2 report that BFS/ARC's controls were suitably designed and operating effectively to provide reasonable assurance that control objectives would be achieved if customer agencies applied the complementary customer agency controls. The CFPB determined that the scope of the SOC 1, Type 2 report was sufficient to support its assessment of internal control over financial reporting.

The CFPB evaluated its internal controls over the processing of transactions between the CFPB and BFS/ARC. The CFPB has determined it has adequate complementary customer controls in place.

Financial statement audit and audit of internal control over financial reporting

Sections 1017(a)(4)(B) and (D) of the Dodd-Frank Act require the CFPB to prepare and submit to GAO annual financial statements and an assertion of the effectiveness of the internal control over financial reporting. Section 1017(a)(5)(A) and (B) of the Dodd-Frank Act also require GAO to audit those financial statements and report their results to the CFPB, Congress and the President. The CFPB prepared comparative financial statements for fiscal years 2024 and 2023.

GAO issued an unmodified audit opinion on the CFPB's fiscal years 2024 and 2023 financial statements. GAO opined that the CFPB maintained, in all material respects effective internal control over financial reporting as of September 30, 2024. Also, GAO reported that its tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2024 that would be reported under U.S. generally accepted government auditing standards.

Financial management systems strategy

The CFPB recognized during its initial years of operation that it needed to leverage from other federal agencies existing financial management resources, systems and information technology platforms. The CFPB continues to maintain an agreement with the BFS/ARC for the cross-servicing of a commercial off-the-shelf core financial management system designed and configured to meet generally accepted accounting principles (GAAP) for Federal entities. In addition to the core financial management system, BFS/ARC provides services that include transactional processing, financial reporting, human resource services, procurement services, and travel services. The CFPB's goal is to continue providing an effective strategy that supports our financial management systems.

The CFPB recognizes the importance of financial management systems and oversight as a part of the capital planning and investment control process. Accordingly, the CFPB relies on its Investment Review Board (IRB) as the executive advisory body responsible for ensuring that business and technology investments are aligned to the CFPB's mission, vision, strategic goals and initiatives, and utilize program management best practices to achieve the maximum return on investments. The IRB, which is chaired by the Chief Financial Officer (CFO), reviews investments over $1.0 million.

Federal Information Security Management Act

The Federal Information Security Management Act (FISMA) requires Federal agencies to develop, document, and implement an agency-wide program to provide security for the information and information systems that support the operations and assets of the agency. The

CFPB has developed a Cyber Security Program in accordance with FISMA that is grounded in a foundation of well-documented policies, standards and processes. The CFPB relies on the soundness of this program to conduct reviews of its third-party service organizations including other federal entities with whom we have cross servicing agreements that enable us to leverage their existing information technology and platforms. As the CFPB continues to mature and grow, the security program will adjust as well to ensure the safety and protection of the CFPB's data and assets.

Improper payments

The Payment Information Integrity Act of 2019 (PIIA) requires agencies to review their programs and activities annually to identify those susceptible to significant improper payments. While the CFPB's Bureau Fund is not subject to the PIIA, it was determined that the CFPB's Civil Penalty Fund is subject to the PIIA. The Office of Finance and Procurement (OFP) conducted a review of the Civil Penalty Fund for fiscal year 2024 and conducted a program risk assessment of the Civil Penalty Fund during fiscal year 2024 and determined that the program is low risk and not susceptible to significant improper payments. The Office of Management and Budget's (OMB) guidance only requires an agency to conduct a program risk assessment once every three years if a prior risk assessment determined the program to be low risk. Additionally, the OFP determined that the Civil Penalty Fund did not meet the reporting threshold for fiscal years 2024 and 2023.

Fraud reduction report

The PIIA requires OMB to establish guidelines for federal agencies to establish financial and administrative controls to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments. These guidelines are intended to incorporate the leading practices identified in the report published by the Government Accountability Office on July 28, 2015, entitled "Framework for Managing Fraud Risks in Federal Programs." While the Bureau is not obligated to comply with the OMB-issued guidance, the CFPB views the guidance as a best practice.

During fiscal year 2024, the CFPB continued to raise awareness of fraud risks and fraud risk management requirements under the PIIA. As part of the CFPB's annual internal control assessment, the CFPB evaluated the maturity of its fraud risk management activities and to what extent fraud controls have been implemented into the CFPB's overall internal control framework. The evaluation focused on the five areas related to fraud risk management: (1) Fraud Risk Governance, (2) Fraud Risk Management, (3) Fraud Control Activities, (4) Fraud Investigation and Corrective Action, and (5) Fraud Monitoring Activities to determine enhancements to the CFPB's fraud risk management activities. The evaluation highlighted areas of focus for the CFPB as it continues its efforts to develop a framework of anti-fraud practices.

Limitations of the financial statements

The financial statements contained in this report have been prepared to present the financial position and results of operations of the CFPB pursuant to the requirements of the Dodd-Frank Act Section 1017(a)(4)(B). While the statements have been prepared from the books and records of the CFPB, in accordance with generally accepted accounting principles for the Federal Government, and follow the general presentation guidance provided by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared using the same books and records. The financial and performance data in this report are reliable and complete. The statements should be read with the understanding that they are for a component of the U.S. Government, a sovereign entity.

1.6 Financial analysis

Analysis of fiscal year 2024 Financial Condition and Results

The data provided in Table 19 below report on significant financial changes between fiscal years 2024 and 2023.

TABLE 19: SUMMARY OF FINANCIAL INFORMATION

(In Dollars)	Percentage Change	Fiscal Year 2024	Fiscal Year 2023
Total Assets	-9%	$2,986,925,389	$3,274,981,955
Total Liabilities	-12%	$2,367,992,148	$2,689,264,833
Total Net Position	6%	$618,933,241	$585,717,122
Total Net Cost of Operations	-66%	$920,604,801	$2,742,240,170
Total Budgetary Resources and Status of Budgetary Resources	7%	$3,836,811,340	$3,573,458,245
Total Outlays	57%	$1,237,809,771	$789,464,008

Total Assets are $2,986.9 million as of September 30, 2024, a decrease of $288.1 million (or -9 percent) over fiscal year 2023. The main factors contributing to the reduction were a $508.9 million decrease in Cash in the Civil Penalty Fund offset by a $219.7 million increase in the Fund Balance with Treasury.

Total Liabilities are $2,368.0 million as of September 30, 2024, a decrease of $321.3 million (or -12 percent) over fiscal year 2023. The CFPB's liabilities generally represent the resources due to others such as benefits owed to employees and payments owed to vendors and Federal agencies for goods and services provided. Liabilities also include victim compensation amounts allocated from the Civil Penalty Fund (net of distributions to date). The reduction in total liabilities is primarily associated with the net decrease of $285.7 million in the Civil Penalty Fund liability for anticipated future payments to harmed consumers.

Total Net Position increased from $585.7 million at the end of fiscal year 2023 to $618.9 million at the end of fiscal year 2024 (an increase of $33.2 million or 6 percent). This is primarily due to increases in Transfers from the Board of Governors of the Federal Reserve System of $8.2 million and Interest from Investments of $7.9 million as well as decreases in Net Cost of Operations of $1,821.6 million. This activity is offset by decreases in the Beginning Balance of Cumulative Results of Operations of $108.8 million and in Civil Penalties of $1,696.9 million from fiscal year 2023 to fiscal year 2024.

Total Net Cost of Operations decreased from $2,742.2 million in fiscal year 2023 to $920.6 million in fiscal year 2024 (a decrease of $1,821.6 million or -66 percent). This reduction was primarily due to a decrease of $1,832.0 million in the year-end Civil Penalty Fund accrual for probable allocations to victims.

Total Budgetary Resources and Status of Budgetary Resources increased from $3,573.5 million in fiscal year 2023 to $3,836.8 million in fiscal year 2024 (an increase of $263.4 million or 7 percent). The main factors contributing to the increase included a rise of $1,787.0 million in Unobligated Balance from Prior Year Budget Authority, Net, offset by a decrease of $1,523.9 million in Funds Available for Obligation. The reduction in Funds Available for Obligation was primarily due to a decrease of $1,696.9 in Civil Penalties offset by the net effect of sequestration of Civil Penalties increasing Funds Available for Obligation by $199.3 million. New Obligations and Upward Adjustments increased from $836.9 million in fiscal year 2023 to $1,478.4 million in fiscal year 2024 (an increase of $641.4 million or 77%). A main factor was an increase of $582.9 million in Civil Penalty Fund obligations for distributions to harmed consumers and related contract administrative and support services. Unobligated Balance at End of Year (Exempt from Apportionment, Unexpired Accounts) was $2,358.5 million as of September 30, 2024, a decrease of $378.1 million (or -14 percent) from fiscal year 2023.

Total Outlays increased from $789.5 million in fiscal year 2023 to $1,237.8 million in fiscal year 2024 (an increase of $448.3 million or 57%). Primary factors included a rise in distributions to harmed consumers of $364.5 million and an increase in salary and benefit costs of $52.2 million due to higher staffing levels from 2023 to 2024.

How the CFPB is funded and other sources of revenue and collections

TABLE 20: OVERALL SUMMARY OF CFPB RECEIPTS BY TYPE AND FISCAL YEAR

Fiscal Year	Transfers Requested	Civil Penalty Fund Receipts	Fiduciary Receipts	Custodial Receipts
2024	$729,400,000	$169,954,725	$135,706,567	$3,933,690
2023	$721,200,000	$1,918,920,125	($2,509,470)	$3,211,583

Bureau fund

Under the Dodd-Frank Act, the CFPB is funded principally by transfers from the Board of Governors of the Federal Reserve System up to a limit set forth in the statute. The CFPB requests transfers from the Board of Governors in amounts that are reasonably necessary to carry out its mission. Funding is capped at a pre-set percentage of the total 2009 operating expenses of the Federal Reserve System, subject to an annual adjustment. Specifically, the Bureau fund transfers are capped as follows:

- In fiscal year 2011, up to 10 percent of these Federal Reserve System expenses (or approximately $498.0 million),
- In fiscal year 2012, up to 11 percent of these expenses (or approximately $547.8 million),
- In fiscal year 2013, up to 12 percent of these expenses (or approximately $597.6 million), and
- In fiscal year 2014 and beyond, the cap remains at 12 percent but will be adjusted annually based on the percentage increase in the employment cost index for total compensation for State and local government workers published by the federal government.

The Dodd-Frank Act requires the CFPB to maintain an account with the Federal Reserve – "Consumer Financial Protection Bureau Fund" (Bureau Fund). Funds requested from the Board of Governors are transferred into the Bureau Fund. Bureau funds determined not to be needed to meet the current needs of the CFPB are invested in Treasury securities on the open market. Earnings from the investments are also deposited into this fund. During fiscal year 2024 four transfers totaling $729.4 million were received from the Board of Governors. The amount transferred from the Board of Governors to the CFPB was $56.0 million less than the funding cap of $785.4 million for fiscal year 2024.

The Dodd-Frank Act explicitly provides that Bureau funds obtained by or transferred to the CFPB are not government funds or appropriated funds.

Civil Penalty Fund

As discussed previously in Section 1.3 of this report entitled, "Civil Penalty Fund Annual Report," the CFPB collected civil penalties from judicial or administrative actions in the amount of $170.0 million for fiscal year 2024 and $1,918.9 million for fiscal year 2023.

Other collections

During fiscal year 2024, the CFPB collected $77,200 compared to $71,900 collected in fiscal year 2023 in filing fees pursuant to the Interstate Land Sales Full Disclosure Act (ILSA) of 1968. The fees were deposited into an account maintained by the Department of the Treasury and are retained and available until expended for the purpose of covering all or part of the costs that the CFPB incurs to operate the ILSA program.

Fiduciary activity and custodial revenue

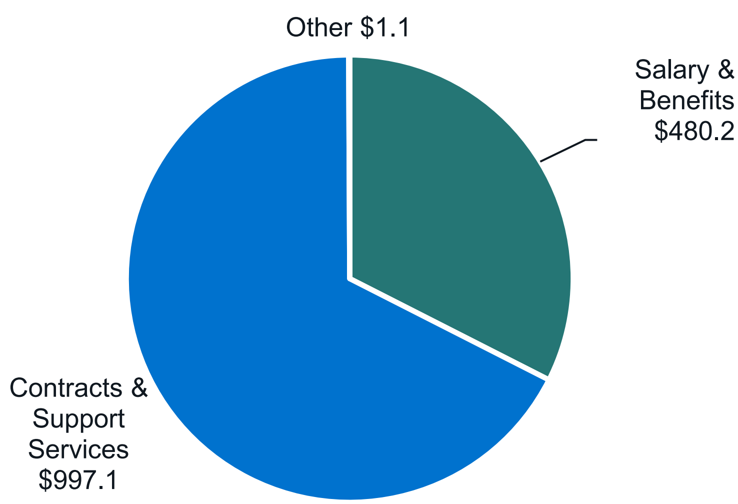
Section 1055 of the Dodd-Frank Act authorizes a court in a judicial action, or the CFPB in an administrative proceeding, to grant any appropriate legal or equitable relief for a violation of Federal consumer financial law. Such relief may include redress for victims of the violations, including refunds, restitution, and damages. Relief that is intended to compensate victims is treated as fiduciary funds and deposited into the "Legal or Equitable Relief Fund" established at the Department of the Treasury. Fiduciary assets are not assets of the CFPB and are not recognized on the balance sheet. For fiscal year 2024, the CFPB reported $135.7 million in Fiduciary Revenues for redress to be administered by the Bureau. For fiscal year 2023 the $2.5 million reported as Fiduciary Revenues is shown as a net negative amount due to the reduction of an accounts receivable and associated revenue exceeding the remaining redress revenues. Further information is contained in our financial statements at Note 19 entitled, "Fiduciary Activities."

Further, section 1055 of the Act provides that the CFPB may obtain the remedy of disgorgement for a violation of Federal consumer law. Disgorgement paid by the defendant is treated by the CFPB as custodial revenue and maintained in the Miscellaneous Receipts Fund of the U.S. Treasury. The CFPB reported fiscal year 2024 disgorged deposits of approximately $3.9 million and any other miscellaneous funds collected or receivable on the Statement of Custodial Activity – a statement that displays all custodial revenue for fiscal years 2024 and 2023.

What the CFPB has funded

The CFPB's fiscal year 2024 obligations related to resources essential to operations and activities such as personnel, information technology, mission-specific and human capital support, and other general support service activities. The CFPB's new obligations and upward adjustments for fiscal year 2024 were $1,478.4 million – $480.2 million in Salary & Benefits, $997.1 million in Contracts & Support Services [12], and $1.1 million in Other. The Civil Penalty Fund accounted for $723.2 million in obligations for disbursements to harmed consumers.

FIGURE 4: FISCAL YEAR 2024 NEW OBLIGATIONS AND UPWARD ADJUSTMENTS ($ IN MILLIONS)



Examples of some of the larger obligations incurred in the Bureau Fund for the CFPB's fiscal year 2024 activities included in the $997.1 million for contracts and support services include:

- $23.4 million to the Board of Governors of the Federal Reserve System for services provided by the Office of the Inspector General of the Board of Governors of the Federal Reserve System and the Consumer Financial Protection Bureau.
- $21.2 million for Case and Customer relationship management system tools and services in support of the IT service desk management system, stakeholder engagement, legal case and matter management, enforcement case and matter management, supervision and examination support, and other enterprise platform tools.

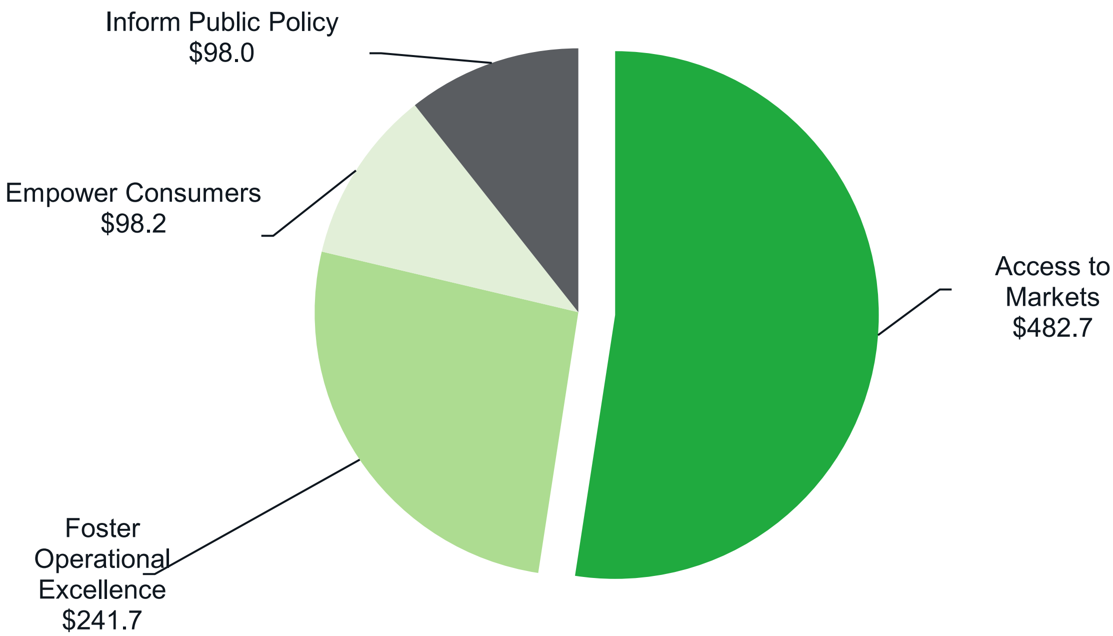
[12] Includes $92.9 million of interagency agreements (IAA) the Bureau entered into with other Federal agencies and other Federal payments made to Federal Agencies. IAA's are not reported in USASpending.gov

- $18.9 million for enterprise-wide cloud hosting infrastructure, system administration and related IT support services.
- $14.2 million for cybersecurity program management, support, monitoring and incident response services.
- $11.6 million to continue to fulfill the Dodd-Frank requirement to facilitate the centralized collection, monitoring, and response to consumer complaints, as well as maintain a toll-free consumer hotline.
- $8.5 million to the Department of Treasury for shared government systems and administrative support services, including: human capital support, procurement, financial management, core financial accounting and transaction processing, and travel services.
- $8.1 million for e-discovery systems and litigation support services.
- $7.9 million for IT data platform engineering and support.
- $7.6 million for Salesforce program and support.
- $7.2 million for development of the Small Business Lending Program regulatory data collection system and associated services and support.

Net costs of the CFPB's operations

The Statement of Net Cost presents the CFPB net cost for its four strategic goals: (1) Implement and enforce the law to ensure consumers have access to fair, transparent, and competitive markets that serve consumers' needs and protect consumers from unfair, deceptive, and abusive practices, and from discrimination; (2) Empower consumers to live better financial lives, focusing on traditionally underserved people; (3) Inform public policy with data-driven analysis on consumers' experiences with financial institutions, products, and services; and (4) Foster operational excellence and further commitment to workforce equity to advance the CFPB's mission. Net program costs for fiscal year 2024 total $ 920.6 million and are displayed in the chart below.

FIGURE 5: FISCAL YEAR 2024 NET PROGRAM COSTS ($ IN MILLIONS)



1.7 Possible future risks and uncertainties

Possible future impact on financial services environment

It is anticipated that markets in both U.S. and foreign financial services sectors will evolve to address different and ever-changing risk factors based on their programs, unique business mixes, and organizational structures. These future external risk factors must be monitored, as they will impact the work of the CFPB in protecting financial consumers and addressing a continually changing financial environment. It is also anticipated that as CFPB continues to exercise its authorities and regulate the financial services markets, the financial institutions in those markets will continue to contest the CFPB's rules, regulations, and authorities. In addition, the CFPB's statutory method of funding was the subject of litigation. In October 2022, a three-judge panel of the Fifth Circuit held that the law funding the CFPB's operations violates the Appropriations Clause. On May 16, 2024, the Supreme Court reversed that decision and held that the way Congress chose to fund the CFPB is constitutional.

2. Financial statements and note disclosures

Message from Jafnar Gueye

Chief Financial Officer of the CFPB

I am pleased to join Director Chopra in presenting the CFPB's Financial Report for fiscal year 2024. The Financial Report is the CFPB's principal statement of accountability to the American people, the United States Congress, and the President of the United States. Under Director Chopra's leadership, the CFPB continues its responsible stewardship of public resources, and to demonstrate our commitment and obligation to transparency and accountability as evidenced by earning its fourteenth consecutive unmodified audit opinion on our comparative financial statements for fiscal years 2024 and 2023.

Financial Results for 2024

The CFPB continues to be a responsible steward of agency funds and remains dedicated to sound financial management practices. During fiscal year 2024, the CFPB requested a total of $729.4 million from the Board of Governors to fund CFPB operations. The Bureau Fund obligations totaled approximately $755.1 million, which represents an increase of $58.5 million (8 percent) from 2023. Outlays totaled approximately $777.3 million. The CFPB's staffing increased from 1,677 in fiscal year 2023 to 1,758 in fiscal year 2024.

The CFPB continues to make progress in providing compensation to consumers who have been harmed by violations of federal consumer financial protection law. During fiscal year 2024, our enforcement actions resulted or will result in financial institutions, businesses, and individuals providing more than $244.5 million in monetary relief to consumers. We collected over $170.0 million in civil penalties from financial institutions, businesses, and individuals for various violations of consumer financial protection laws ordered in fiscal year 2024. Additionally, the CFPB collected approximately $3.9 million in disgorgement paid to the U.S. Department of the Treasury. The unobligated balance held in the Consumer Financial Civil Penalty Fund, a victims relief fund, was $2,123.1 million as of September 30, 2024. This amount has been fully allocated or reserved for specific cases to provide funding for harmed consumers who are eligible for full or partial relief from illegal actions taken by financial institutions. The Civil Penalty Fund is exclusively allocated to providing relief to harmed consumers.

Provided herein are the CFPB's financial statements as an integral part of the fiscal year 2024 Financial Report. Our statements provide the combined financial activity of the Bureau Fund and the Civil Penalty Fund for reporting purposes. For fiscal year 2024, GAO issued an unmodified audit opinion on the CFPB's fiscal years 2024 and 2023 financial statements. GAO opined that the CFPB maintained, in all material respects, effective internal control over financial reporting as of September 30, 2024. Also, GAO reported that its tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2024 that would be reported under U.S. generally accepted government auditing standards.

Sincerely,

Jafnar Gueye

2.1 U.S. Government Accountability Office auditor’s report

U.S. GOVERNMENT ACCOUNTABILITY OFFICE
441 G St. N.W.
Washington, DC 20548

Independent Auditor's Report

To the Director of the Consumer Financial Protection Bureau

In our audits of the fiscal years 2024 and 2023 financial statements of the Consumer Financial Protection Bureau (CFPB),[1] we found

- CFPB's financial statements as of and for the fiscal years ended September 30, 2024, and 2023, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;

- CFPB maintained, in all material respects, effective internal control over financial reporting as of September 30, 2024; and

- no reportable noncompliance for fiscal year 2024 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

The following sections discuss in more detail (1) our report on the financial statements and on internal control over financial reporting, which includes a section on required supplementary information (RSI)[2] and a section on other information included with the financial statements;[3] (2) our report on compliance with laws, regulations, contracts, and grant agreements; and (3) agency comments.

Report on the Financial Statements and on Internal Control over Financial Reporting

Opinion on the Financial Statements

In accordance with title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Full-Year Continuing Appropriations Act, 2011, we have audited CFPB's financial statements.[4] CFPB's financial statements comprise the balance sheets as of September 30, 2024, and 2023; the related statements of net cost, changes in net position, budgetary resources, and custodial activity for the fiscal years then ended; and the related notes to the financial statements. In our opinion, CFPB's financial statements present fairly, in all material respects, CFPB's financial position as of September 30, 2024, and 2023, and its net cost of

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[1]The Dodd-Frank Wall Street Reform and Consumer Protection Act established the Bureau of Consumer Financial Protection, also known as the Consumer Financial Protection Bureau. Pub. L. No. 111-203, tit. X, § 1011, 124 Stat. 1955, 1964 (2010), *classified at* 12 U.S.C. § 5491.

[2]The RSI consists of Management's Discussion and Analysis, which is included with the financial statements.

[3]Other information consists of information included with the financial statements, other than the RSI and the auditor's report.

[4]Pub. L. No. 111-203, tit. X, § 1017(a)(4)(B), (a)(5), 124 Stat. 1376, 1976-77 (2010), *classified at* 12 U.S.C. § 5497(a)(4)(B), (a)(5); Pub. L. No. 112-10, div. B, tit. V, § 1573(a), 125 Stat 38, 138 (2011), *classified at* 12 U.S.C. § 5496a.

operations, changes in net position, budgetary resources, and custodial activity for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

Opinion on Internal Control over Financial Reporting

We also have audited CFPB's internal control over financial reporting as of September 30, 2024, based on criteria established under 31 U.S.C. § 3512(c), commonly known as the Federal Managers' Financial Integrity Act of 1982 (FMFIA), and applicable sections of Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. In our opinion, CFPB maintained in all material respects, effective internal control over financial reporting as of September 30, 2024, based on criteria established under FMFIA and applicable sections of OMB Circular A-123.

During our 2024 audit, we identified a deficiency in CFPB's internal control over financial reporting that we do not consider to be a material weakness or a significant deficiency.[5] Nonetheless, this deficiency warrants CFPB management's attention. We have communicated this matter to CFPB management.

Basis for Opinions

We conducted our audits in accordance with U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements and Internal Control over Financial Reporting section of our report. We are required to be independent of CFPB and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements and Internal Control over Financial Reporting

Management is responsible for

- the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles;

- preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles;

- preparing and presenting other information included in CFPB's financial report, and ensuring the consistency of that information with the audited financial statements and the RSI;

[5] A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

- designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;

- assessing the effectiveness of internal control over financial reporting based on the criteria established under FMFIA and applicable sections of OMB Circular A-123; and

- its assessment about the effectiveness of internal control over financial reporting as of September 30, 2024, included in the accompanying Management's Report on Internal Control over Financial Reporting in appendix I.

Auditor's Responsibilities for the Audits of the Financial Statements and Internal Control over Financial Reporting

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether effective internal control over financial reporting was maintained in all material respects, and (2) issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements or an audit of internal control over financial reporting conducted in accordance with U.S. generally accepted government auditing standards will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit of financial statements and an audit of internal control over financial reporting in accordance with U.S. generally accepted government auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to our audit of the financial statements in order to design audit procedures that are appropriate in the circumstances.

- Obtain an understanding of internal control relevant to our audit of internal control over financial reporting, assess the risks that a material weakness exists, and test and evaluate the design and operating effectiveness of internal control over financial reporting based on the assessed risk. Our audit of internal control also considered CFPB's process for evaluating and reporting on internal control over financial reporting based on criteria established under FMFIA and applicable sections of OMB Circular A-123. We did not evaluate all internal controls relevant to operating objectives as broadly established under FMFIA and applicable sections of OMB Circular A-123, such as those controls relevant to preparing performance information and ensuring efficient operations. We limited our internal control testing to testing controls over financial reporting. Our internal control testing was for the purpose of expressing an opinion on whether effective internal control over financial reporting was maintained, in all material respects. Consequently, our audit may not identify all deficiencies in internal control over financial reporting that are less severe than a material weakness.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the financial statement audit.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel. The objectives of internal control over financial reporting are to provide reasonable assurance that

- transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and

- transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error. We also caution that projecting any evaluation of effectiveness to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Required Supplementary Information

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the RSI be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB, which considers it to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context.

We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards. These procedures consisted of (1) inquiring of management about the methods used to prepare the RSI and (2) comparing the RSI for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

CFPB's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in CFPB's financial report. The other information comprises the following sections of the CFPB fiscal year 2024 agency financial report: Message from the Director, Message from the Chief Financial Officer, and Other Information. Other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

In connection with our audits of CFPB's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibilities discussed below.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2024 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to CFPB. Accordingly, we do not express such an opinion.

Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards.

Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

CFPB management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to CFPB.

Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our responsibility is to test compliance with selected provisions of laws, regulations, contracts, and grant agreements applicable to CFPB that have a direct effect on the determination of material amounts and disclosures in CFPB's financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all provisions of laws, regulations, contracts, and grant agreements applicable to CFPB. We caution that noncompliance may occur and not be detected by these tests.

Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

Agency Comments

In commenting on a draft of this report, CFPB stated that it was pleased to receive an unmodified audit opinion on its fiscal years 2024 and 2023 financial statements and on its internal control over financial reporting. In addition, CFPB stated that it will continue to work to enhance its system of internal control and ensure the reliability of its financial reporting.

The complete text of CFPB's response is reprinted in appendix II.

James R. Dalkin
Director
Financial Management and Assurance

November 7, 2024

APPENDIX I

Management's report on internal control over financial reporting

Consumer Financial Protection Bureau

1700 G Street NW, Washington, D.C. 20552

November 7, 2024

Mr. Gene Dodaro
Comptroller General of the United States
441 G Street, NW Washington, DC 20548

Dear Mr. Dodaro,

As required by Section 1017 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, 12 U.S.C. § 5497(a)(4)(D), the Bureau of Consumer Financial Protection, known as the Consumer Financial Protection Bureau (CFPB) provides this management assertion regarding the effectiveness of internal control that apply to financial reporting by CFPB based on criteria established in Section 3512(c) of Title 31, United States Code (commonly known as the Federal Managers' Financial Integrity Act) and applicable sections of Office of Management and Budget (OMB) Circular A-123.

CFPB's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition; and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority; regulations; contracts; and grant agreements, noncompliance with which could have a material effect on the financial statements.

CFPB management is responsible for maintaining effective internal control over financial reporting, including the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. CFPB management assessed the effectiveness of CFPB's internal control over financial reporting as of September 30, 2024, based on the criteria established under 31 U.S.C. § 3512(c) (commonly known as the Federal Managers' Financial Integrity Act) and applicable sections of OMB Circular A-123.

Based on that assessment, we conclude that, as of September 30, 2024, CFPB's internal control over financial reporting was effective.

Sincerely,

Rohit Chopra

Rohit Chopra, Director
Consumer Financial Protection Bureau

Jafnar Gueye, Chief Financial Officer
Consumer Financial Protection Bureau

APPENDIX II

Management's response to the auditor's report

Consumer Financial Protection Bureau

1700 G Street NW, Washington, D.C. 20552

November 7, 2024

Mr. James Dalkin
Director, Financial Management and Assurance
U.S. Government Accountability Office
441 G Street, N.W., Room 5Q24
Washington, DC 20548

Dear Mr. Dalkin:

I appreciate the opportunity to respond to the Government Accountability Office's (GAO) draft audit report titled, Financial Audit: Consumer Financial Protection Bureau's FY2024 and FY2023 Financial Statements and want to thank you and your staff for your dedicated efforts and collaboration to meet the audit requirements.

We are pleased that GAO's auditors rendered an unmodified or "clean" audit opinion, meaning GAO found that the Consumer Financial Protection Bureau's (CFPB's) financial statements are presented fairly, in all material respects, and in conformity with U.S. generally accepted accounting principles, the CFPB maintained, in all material respects, effective internal control over financial reporting, and that there were no instances of reportable noncompliance with laws and regulations tested by GAO. Maintaining an unmodified or "clean" audit opinion on the CFPB's comparative financial statements for fiscal years 2024 and 2023 is a significant accomplishment.

The CFPB will continue to work to enhance our system of internal control and ensure the reliability of the CFPB's financial reporting. The CFPB looks forward to working with GAO in future audits and truly appreciates GAO's work over the past fiscal year.

If you have any questions relating to this response, please contact Jafnar Gueye, Chief Financial Officer at Ngagne.Gueye@cfpb.gov.

Rohit Chopra

Rohit Chopra
Director
Consumer Financial Protection Bureau

consumerfinance.gov

2.2 Financial statements and notes

CONSUMER FINANCIAL PROTECTION BUREAU
BALANCE SHEETS
As of September 30, 2024 and 2023
(In Dollars)

	2024	2023
Assets:		
Intragovernmental Assets:		
Fund Balance with Treasury (Note 2)	$ 249,866,492	$ 30,210,378
Investments, Net (Note 3)	417,101,257	430,382,057
Accounts Receivable, Net (Note 5)	607,023	1,006,130
Advances and Prepayments	3,358,851	2,231,998
Total Intragovernmental Assets	670,933,623	463,830,563
Assets With the Public:		
Cash and Other Monetary Assets		
Cash in the Bureau Fund (Note 4)	329,900	312,194
Cash in the Civil Penalty Fund (Note 4)	2,133,910,660	2,642,844,620
Accounts Receivable, Net (Note 5)	2,100,997	73,393
Property, Equipment, and Software, Net (Note 6)	169,717,733	160,318,086
Advances and Prepayments	9,932,476	7,603,099
Total Assets With the Public	2,315,991,766	2,811,151,392
Total Assets	$ 2,986,925,389	$ 3,274,981,955
Liabilities (Note 10):		
Intragovernmental Liabilities:		
Accounts Payable	$ 2,791,222	$ 3,405,444
Advances from Others and Deferred Revenue (Note 7)	151,756	271,822
Other Liabilities		
Benefits Contributions Payable	1,545,842	3,153,154
Custodial Liability	4,189	3,390
Other (Note 8)	407,667	1,099,097
Total Intragovernmental Liabilities	4,900,676	7,932,907
Liabilities With the Public:		
Accounts Payable	21,374,698	30,749,234
Federal Employee Salary, Leave and Benefits Payable		
Employer Benefits Contributions	3,939,384	19,415,564
Accrued Funded Payroll	7,547,369	17,455,062
Unfunded Leave (Note 10)	40,880,767	38,692,762
Other Liabilities		
Civil Penalty Fund Liability (Note 9)	2,289,298,876	2,574,969,581
Other (Note 8)	50,378	49,723
Total Liabilities With the Public	2,363,091,472	2,681,331,926
Total Liabilities	$ 2,367,992,148	$ 2,689,264,833
Commitments and Contingencies (Note 11)	-	-
Net Position:		
Cumulative Results of Operations - Funds From Dedicated Collections (Consolidated Totals) (Note 13)	618,933,241	585,717,122
Total Liabilities and Net Position	$ 2,986,925,389	$ 3,274,981,955

The accompanying notes are an integral part of these financial statements.

CONSUMER FINANCIAL PROTECTION BUREAU
STATEMENTS OF NET COST
For the Years Ended September 30, 2024 and 2023
(In Dollars)

	2024	2023
Gross Program Costs:		
Implement and enforce the law to ensure consumers have access to fair, transparent, and competitive markets that serve consumers' needs and protect consumers from unfair, deceptive, and abusive practices, and from discrimination		
Gross Costs	$ 482,688,907	$ 2,346,314,699
Less: Earned Revenue	(1,275)	(1,557)
Net Implement and enforce the law to ensure consumers have access to fair, transparent, and competitive markets that serve consumers' needs and protect consumers from unfair, deceptive, and abusive practices, and from discrimination	$ 482,687,632	$ 2,346,313,142
Empower consumers to live better financial lives, focusing on traditionally underserved people		
Gross Costs	98,232,995	96,841,090
Less: Earned Revenue	(552)	(413)
Net Empower consumers to live better financial lives, focusing on traditionally underserved people	$ 98,232,443	$ 96,840,677
Inform public policy with data-driven analysis on consumers' experiences with financial institutions, products, and services		
Gross Costs	101,125,630	90,909,369
Less: Earned Revenue	(3,089,428)	(3,046,519)
Net Inform public policy with data-driven analysis on consumers' experiences with financial institutions, products, and services	$ 98,036,202	$ 87,862,850
Foster operational excellence and further commitment to workforce equity to advance the CFPB's mission		
Gross Costs	241,650,394	211,224,327
Less: Earned Revenue	(1,870)	(826)
Net Foster operational excellence and further commitment to workforce equity to advance the CFPB's mission	$ 241,648,524	$ 211,223,501
Total Gross Program Costs	923,697,926	2,745,289,485
Less: Total Earned Revenue	(3,093,125)	(3,049,315)
Net Cost of Operations	$ 920,604,801	$ 2,742,240,170

The accompanying notes are an integral part of these financial statements.

CONSUMER FINANCIAL PROTECTION BUREAU
STATEMENTS OF CHANGES IN NET POSITION
For the Years Ended September 30, 2024 and 2023
(In Dollars)

	2024	2023
Cumulative Results of Operations:		
Beginning Balances	$ 585,717,122	$ 694,480,784
Nonexchange Revenue		
Transfers from Board of Governors of the Federal Reserve System	729,400,000	721,200,000
Civil Penalties	171,989,141	1,868,920,116
Interstate Land Sales Fees	77,200	71,900
Interest from Investments	35,800,685	27,862,456
Total Nonexchange Revenue	937,267,026	2,618,054,472
Imputed Financing (Note 14)	16,521,922	15,512,149
Other	31,972	(90,113)
Net Cost of Operations	(920,604,801)	(2,742,240,170)
Net Change in Cumulative Results of Operations	33,216,119	(108,763,662)
Cumulative Results of Operations: Ending - Funds from Dedicated Collections (consolidated totals) (Note 13)	$ 618,933,241	$ 585,717,122
Net Position	$ 618,933,241	$ 585,717,122

The accompanying notes are an integral part of these financial statements.

CONSUMER FINANCIAL PROTECTION BUREAU
STATEMENTS OF BUDGETARY RESOURCES
For the Years Ended September 30, 2024 and 2023
(In Dollars)

	2024	2023
Budgetary Resources:		
Unobligated Balance From Prior Year Budget Authority, Net (Note 15)	$ 2,798,827,969	$ 1,011,836,398
Funds Available for Obligation	1,034,948,256	2,558,813,382
Spending Authority from Offsetting Collections	3,035,115	2,808,465
Total Budgetary Resources	$ 3,836,811,340	$ 3,573,458,245
Status of Budgetary Resources:		
New Obligations and Upward Adjustments (Total)	$ 1,478,359,910	$ 836,937,071
Unobligated Balance, End of Year:		
Exempt from Apportionment, Unexpired Accounts	2,358,451,430	2,736,521,174
Total Budgetary Resources	$ 3,836,811,340	$ 3,573,458,245
Outlays, Net:		
Outlays, Net (Total)	$ 1,237,809,771	$ 789,464,008
Agency Outlays, Net	$ 1,237,809,771	$ 789,464,008

The accompanying notes are an integral part of these financial statements.

CONSUMER FINANCIAL PROTECTION BUREAU
STATEMENTS OF CUSTODIAL ACTIVITY
For the Years Ended September 30, 2024 and 2023
(In Dollars)

	2024	2023
Total Custodial Revenue:		
Sources of Cash Collections:		
Disgorgement	$ 3,932,757	$ 3,210,586
Miscellaneous	509	133
Total Cash Collections	3,933,266	3,210,719
Accrual Adjustments	424	864
Total Custodial Revenue	3,933,690	3,211,583
Disposition of Collections:		
Amounts Transferred to the Department of Treasury	3,933,266	3,210,719
Increase/(Decrease) in Amounts Yet to be Transferred	424	864
Total Disposition of Collections	3,933,690	3,211,583
Custodial Revenue Less Disposition of Collections	$ -	$ -

The accompanying notes are an integral part of these financial statements.

Note 1: Summary of significant accounting policies

A. Reporting entity

The Consumer Financial Protection Bureau (CFPB) was established on July 21, 2010 under Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act Public Law No. 111-203 (Dodd-Frank Act). The CFPB was established as an independent bureau within the Federal Reserve System. The CFPB is an Executive agency as defined in section 105 of Title 5, United States Code. Section 1017 of the Dodd-Frank Act provides that the CFPB financial statements are not to be consolidated with the financial statements of either the Board of Governors (BOG) of the Federal Reserve or the Federal Reserve System.

The Dodd-Frank Act authorizes the CFPB to exercise its authorities to ensure that, with respect to consumer financial products and services:

a. Consumers are provided with timely and understandable information to make responsible decisions about financial transactions;

b. Consumers are protected from unfair, deceptive, or abusive acts and practices and from discrimination;

c. Outdated, unnecessary, or unduly burdensome regulations are regularly identified and addressed in order to reduce unwarranted regulatory burdens;

d. Federal consumer financial law is enforced consistently in order to promote fair competition; and

e. Markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation.

Under the Dodd-Frank Act, on the designated transfer date, July 21, 2011, certain authorities and functions of several agencies relating to Federal consumer financial law were transferred to the CFPB in order to accomplish the above objectives. These authorities were transferred from the BOG, Comptroller of the Currency (OCC), Office of Thrift Supervision (OTS), Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), and the Department of Housing and Urban Development (HUD). In addition, the

Dodd-Frank Act vested the CFPB with authority to enforce in certain circumstances the Federal Trade Commission's (FTC) Telemarketing Sales Rule and its rules under the FTC Act, although the FTC retains full authority over these rules. The Dodd-Frank Act also provided the CFPB with certain other federal consumer financial regulatory authorities in addition to these transferred authorities.

To accomplish its mission, the CFPB is organized into six primary divisions:

1. **Consumer Response and Education:** delivers scalable services and tools designed to empower consumers to share their experiences in the marketplace, respond to challenges, and make better informed financial decisions.

2. **External Affairs:** builds and fosters diverse relationships with external stakeholders to promote a fair, transparent consumer financial marketplace.

3. **Supervision, Enforcement and Fair Lending:** ensures compliance with Federal consumer financial laws by supervising market participants and bringing enforcement actions when appropriate.

4. **Research, Monitoring and Regulations:** synthesizes market intelligence and insight from consumer populations, legal and regulatory expertise, and social science research to identify risks to household financial stability and to develop and implement policy choices that promote a fair, transparent, and competitive financial marketplace for all consumers.

5. **Legal:** ensures the CFPB's compliance with all applicable laws and provides advice to the Director and the CFPB's divisions.

6. **Operations:** builds and sustains the CFPB's operational infrastructure to support the entire organization.

In addition to the six primary divisions described above, the Office of the Director also includes offices focused on strategy, equal opportunity, civil rights, and fairness.

The CFPB workforce is spread across the country with its headquarters in Washington, D.C. The CFPB's headquarters is located at 1700 G Street, N.W., Washington, D.C., utilizing space pursuant to an interagency agreement with the Office of the Comptroller of the Currency. The CFPB also utilizes space pursuant to occupancy agreements with General Services Administration (GSA) for the regional offices in New York, Chicago, San Francisco, and Atlanta.

Additional information on the organizational structure and responsibilities of the CFPB is available on the CFPB's website at http://www.consumerfinance.gov

B. Basis of presentation

The CFPB's principal statements were prepared from its official financial records and general ledger in conformity with GAAP and, while not required to comply with all OMB guidance such as OMB Circular A-136, *Financial Reporting Requirements,* the CFPB generally tracks the general presentation guidance established by OMB Circular A-136, as revised. The financial statements are a requirement of the Dodd-Frank Act. The financial statements are in addition to the financial reports prepared by the CFPB, which are used to monitor and control budgetary resources. The financial statements have been prepared to report the financial position, net cost of operations, changes in net position, the status and availability of budgetary resources, and the custodial activities of the CFPB. Financial statements are presented on a comparative basis. The CFPB has issued a strategic plan effective for fiscal years 2023 through 2026 that contains four strategic goals and associated performance metrics. The strategic plan was designed to meet the objectives of the Government Performance and Results Act and help the CFPB measure its performance in fulfilling its responsibilities under the Dodd-Frank Act. The 2023 - 2026 strategic goals result in the preparation of the Statement of Net Cost (SNC) with four responsibility segments to report beginning in fiscal year 2023.

C. Basis of accounting

Transactions are recorded on both an accrual accounting basis and a budgetary basis. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when incurred, without regard to receipt or payment of cash. Budgetary accounting facilitates compliance with legal requirements and controls over the use of funds. The Statement of Custodial Activity is presented on the modified cash basis of accounting. Cash collections and amounts transferred to Treasury are reported on a cash basis. The change in receivables is reported on an accrual basis. The CFPB conforms to GAAP for federal entities as prescribed by the standards set forth by the Federal Accounting Standards Advisory Board (FASAB). FASAB is recognized by the American Institute of Certified Public Accountants as the body designated to establish GAAP for federal government entities.

Certain assets, liabilities and costs have been classified as intragovernmental throughout the financial statements and notes. Intragovernmental assets and liabilities are those due from or to other federal entities. Intragovernmental costs are payments or accruals due to other federal entities. Accounting transactions with the Federal Financial Institutions Examination Council (FFIEC) are classified as intragovernmental whereas accounting transactions with the Federal Reserve System, which includes both the BOG and the Federal Banks, are classified as with the public.

For fiscal year 2024, CFPB implemented Statement of Federal Financial Accounting Standards 54: Leases. For intragovernmental leases (intragovernmental occupancy agreements), lease expense is recognized based on (i) the payment provisions of the contract or agreement and (ii) standards regarding recognition of accounts payable and other related amounts. CFPB's implementation of SFFAS 54 did not have a material effect on CFPB's financial statements. See Note 12 “Intragovernmental Occupancy Agreements” for lease related disclosures.

The CFPB has rights and ownership of all assets, except for custodial or non-entity assets, reported in these financial statements. Custodial/Non-entity assets can result from the CFPB enforcement actions that require the defendant to pay disgorgement as well as from the collection of Freedom of Information Act (FOIA) fees. Disgorgement is an equitable remedy that a court or the CFPB can impose in a judicial or administrative action to deprive defendants of their ill-gotten gains and to deter violations of Federal consumer financial laws. In addition, as further discussed in Note 1.S. and Note 19 the CFPB also administers certain funds in a fiduciary capacity.

D. Funding sources

The CFPB’s funding is obtained primarily through transfers from the BOG, interest earned on investments, and penalties and fees collected. The Dodd-Frank Act requires the CFPB to maintain an account with the Federal Reserve – the “Consumer Financial Protection Bureau Fund” (Bureau Fund). The Director of the CFPB, or the Director’s designee, requests transfers from the BOG in amounts necessary to carry out the authorities and operations of the CFPB. The BOG transfers the funds into the Bureau Fund, which is maintained at the Federal Reserve Bank of New York (FRBNY). CFPB funds determined not needed to meet the current needs of the CFPB are invested in Treasury securities on the open market. Earnings from the investments are also deposited into this fund. The CFPB requests funds on a quarterly basis. The funds maintained at the FRBNY are reported in the financial statements and related notes and represent budget authority for the CFPB.

The CFPB funding requests for the Bureau Fund are capped as follows:

The amount that shall be transferred to the CFPB in each fiscal year shall not exceed a fixed percentage of the total operating expenses ($4.98 billion) of the Federal Reserve System, subject to an annual inflation adjustment, as reported in the Annual Report, 2009, of the BOG, equal to:

- In fiscal year 2011, up to 10 percent of these Federal Reserve System expenses (or approximately $498.0 million),
- In fiscal year 2012, up to 11 percent of these expenses (or approximately $547.8 million),
- In fiscal year 2013, up to 12 percent of these expenses (or approximately $597.6 million), and

- In fiscal year 2014 and beyond, the cap remains at 12 percent but will be adjusted annually based on the percentage increase in the employment cost index for total compensation for State and local government workers published by the federal government.

The Dodd-Frank Act explicitly provides that CFPB funds obtained by or transferred to the Bureau Fund are not government funds or appropriated funds.

The CFPB also collects filing fees from developers under the Interstate Land Sales Full Disclosure Act (ILSA). ILSA protects consumers from fraud and abuse in the sale or lease of land. On July 21, 2011, the responsibility for administering ILSA was transferred to the CFPB from HUD pursuant to the Dodd-Frank Act. The Dodd-Frank Act requires land developers to register subdivisions of 100 or more non-exempt lots and to provide each purchaser with a disclosure document called a Property Report. Developers must pay a fee when they register such subdivisions. While the CFPB continues to administer the legislation with respect to the transfer of these functions under the ILSA, and collect the fees, the fees are currently being deposited into a separate subaccount. The fees collected may be retained and are available until expended for the purpose of covering all or part of the costs that the CFPB incurs for ILSA program operations.

The CFPB also collected, during calendar years 2016, 2017, and 2018, advances from the FFIEC[13] member agencies and HUD for the development of the system to collect data per authority under the Home Mortgage Development Act (HMDA). Through a Memoranda of Understanding (MOU) an agreement was reached on the funding needed to develop a new HMDA system. The amounts collected represent a liability for advances from others and deferred revenue. A further discussion can be found in Note 1. Q and Note 7.

Pursuant to the Dodd-Frank Act, the CFPB is also authorized to obtain civil penalties for violations of Federal consumer financial laws. The Act requires the CFPB to maintain a separate fund, known as the Consumer Financial Civil Penalty Fund (Civil Penalty Fund). Civil penalties are deposited into the Civil Penalty Fund (CPF) established and maintained at the FRBNY. The Act authorizes the CFPB to use the CPF for payment to the victims of activities for which civil penalties have been imposed and, in certain circumstances, for consumer education and financial literacy programs. Amounts in the CPF are available "without fiscal year limitation".

The CFPB sequesters new budget authority in both the Bureau Fund and CPF in the current fiscal year. The sequestered funds are not available for obligation in the Bureau Fund or

[13] The FFIEC member agencies with HMDA responsibilities and party to the MOU for the design and development of the new HMDA system are: Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the Consumer Financial Protection Bureau.

allocation in the CPF in the year collected but will become available for obligation or allocation in the following fiscal year. The amount of funds sequestered can be found in Note 2 and in the President's Budget, which is scheduled for publication in February of each year, at the OMB Web site: http://www.whitehouse.gov/omb/. See additional discussion in Note 4.

Certain goods and services are received from other federal entities at no cost or at a cost less than the full cost to the providing federal entity. Consistent with accounting standards, certain costs of the providing entity that are not fully reimbursed by the CFPB are recognized as imputed cost in the CFPB's Statement of Net Cost and are offset by an imputed financing source in the CFPB's Statement of Changes in Net Position. The CFPB recognizes as an imputed financing source the amount of pension and post-retirement benefit expenses for current employees that the Office of Personnel Management (OPM) has or will pay on the CFPB's behalf. However, unreimbursed costs of goods and services other than those identified above are not included in our financial statements. See additional discussion in Note 14. Further, the CFPB recognizes earned revenue for reimbursable activity of the CFPB staff detailed to either intragovernmental or public entities.

E. Use of estimates

The CFPB has made certain estimates and assumptions relating to the reporting of assets, liabilities, revenues, expenses, accruals, and the disclosure of contingent liabilities to prepare these financial statements. The estimates are based on current conditions that may change in the future. Actual results could differ from these estimates. Some of the significant transactions subject to estimates include accruals, costs regarding benefit plans for the CFPB employees that are administered by OPM, OCC and the Federal Reserve System, costs regarding payments to victims from the CPF, and cost allocations among the programs on the Statement of Net Cost.

F. Funds from dedicated collections

FASAB's Statement of Federal Financial Accounting Standards (SFFAS) No. 27, as amended by SFFAS 43, contains three requirements for funds to be considered funds from dedicated collections: (1) A statute committing the federal government to use specifically identified revenues and/or other financing sources that are originally provided to the federal government by a non-federal source only for designated activities, benefits or purposes; (2) Explicit authority for the fund to retain revenues and/or other financing sources not used in the current period for future use to finance the designated activities, benefits, or purposes; and (3) A requirement to account for and report on the receipt, use and retention of the revenues and/or other financing sources that distinguishes the fund from the federal government's general revenues.

Based on the standard's criteria, the CFPB has determined that the Bureau Fund is a fund from dedicated collections due to its meeting the three required criteria – source of funds are from a non-federal source, explicit authority to retain funds for future use, to finance designated activities, benefits, or purposes, and a requirement to account for and report on the funds receipt, use and retention separate from the federal government's general revenues. Further, the CFPB has determined based on the criteria of SFFAS 27 & 43 that the CPF is also a fund from dedicated collections and has established a separate special fund to account for its activity. These funds, which also qualify as special funds, are discussed further in Note 1.H. below. See additional disclosure in Note 13 "Funds from Dedicated Collections."

G. Entity and non-entity assets

Entity assets are assets that the CFPB may use in its operations. This includes amounts where the CFPB management has the authority to decide how funds will be used. Non-Entity Assets are those assets that an agency holds on behalf of another Federal agency or on behalf of a third party and are not available for the agency's use. The CFPB's non-entity assets include accounts receivable and cash from disgorgement payments made by defendants and other miscellaneous fees collected and recorded in the Statement of Custodial Activity (See Note 5 "Accounts receivable, net"). FOIA non-entity fees collected are reported on the Statement of Changes in Net Position and the Statement of Net Cost.

H. Fund balance with Treasury

The U.S. Treasury holds funds in the Treasury General Account for the CFPB which are available to pay agency liabilities and to finance authorized purchase obligations. Treasury processes cash receipts, such as fees collected from the ILSA program, and makes disbursements on the CFPB's behalf. As discussed in Note 1.D. above, the CFPB also maintains an account with the FRBNY known as the Bureau Fund. During the year, increases to the Bureau Fund are generally comprised of fund transfers from the BOG and investment interest. These funds are available for transfer to the CFPB's Fund Balance with Treasury. Also, as discussed above in Note 1.D., the CFPB maintains an additional account at the FRBNY for the CPF. These funds are also available for transfer to the CFPB's Fund Balance with Treasury under a separate fund symbol from the Bureau Fund. The CFPB's Fund Balances with Treasury for all funds described above are maintained as special funds. A special fund is established where the law requires collections to be used for a specific purpose, and the law neither authorizes the fund to conduct a cycle of business-type operations (making it a revolving fund) nor designates it as a trust fund.

The CFPB also receives non-entity assets, custodial revenues and fiduciary activity that are maintained in the Miscellaneous Receipts Fund of the U.S. Treasury, and a deposit fund respectively. The Miscellaneous Receipts fund holds non-entity receipts that the CFPB cannot deposit into funds under its control. This fund includes disgorgement deposits and any other miscellaneous funds collected (e.g., FOIA fees) that will be sent to the U.S. Treasury General Fund upon collection. Enforcement activity can result in the CFPB receiving redress funds that are maintained in a deposit fund. Redress funds are held in a fiduciary capacity until the CFPB can make payment directly to the harmed individuals or entities.

I. Investments

The CFPB has the authority to invest the funds in the Bureau Fund account that are not required to meet the current needs of the CFPB. The CFPB invests solely in U.S. Treasury securities purchased at a discount on the open market, which are normally held to maturity and carried at cost. The CFPB selects investments with maturities suitable to its needs, currently three-month Treasury bills. Investments are adjusted for discounts. The CFPB records the value of its investments in U.S. Treasury securities at cost and amortizes the discount on a straight-line basis over the term of the respective issues. Results under the straight-line method approximate results under the interest method. Interest is credited to the Bureau Fund.

J. Accounts receivable

Accounts receivable consists of amounts owed to the CFPB. An allowance for uncollectible accounts receivable from the public is established when either (1) management determines that collection is unlikely to occur after a review of outstanding accounts and the failure of all collection efforts, or (2) an account for which no allowance has been established is submitted to Treasury for collection, which generally takes place when it becomes 120 days delinquent.

K. Property, Equipment, and Software, Net

Property, Equipment, and Software is recorded at historical cost. It consists of tangible assets and software. Under the CFPB's property management policy, equipment acquisitions of $50,000 or more are capitalized and depreciated using the straight-line method (using a half year convention for the year assets are placed into service) over the estimated useful life of the asset. Similarly, internal use software, software purchased or developed to facilitate the operation of an entity’s programs, is capitalized for software of $750,000 or more and depreciated using the straight-line method (using a half year convention) over the estimated useful life of the asset. Additionally, for bulk purchases of similar items, which individually do not meet the capitalization threshold, the acquisition is capitalized and depreciated if the depreciated basis of the bulk purchase is $500,000 or more. Applicable standard governmental guidelines regulate the disposal and convertibility of agency property and equipment.

The useful life classifications for capitalized assets are as follows:

TABLE 21: TABLE OF PROPERTY, EQUIPMENT, AND SOFTWARE CATEGORY USEFUL LIVES

Property, Equipment, and Software Category	Useful Lives (years)
Laptop/Desktop Computers	3
Internal Use Software	5
Mainframe Computer System	7
Servers	7
Telecommunications Equipment	7
Furniture	8
Other Equipment	10
Leasehold Improvement	See Note[14]

The CFPB has no real property holdings or stewardship or heritage assets. Other property items, normal repairs, and maintenance are charged to expense as incurred.

L. Advances and Prepaid Charges

Advances and prepayments may occur because of reimbursable agreements, subscriptions, payments to contractors and employees, and payments to entities administering benefit programs for the CFPB employees. Payments made in advance of the receipt of goods and services are recorded as advances or prepaid charges at the time of prepayment and recognized as expenses when the related goods and services are received.

M. Liabilities

Liabilities represent the amount of monies likely to be paid by the CFPB because of transactions or events that have already occurred. Liabilities may be intragovernmental (claims against the CFPB by other Federal agencies) or with the public (claims against the CFPB by an entity or person that is not a Federal agency). However, no liability can be paid if there is no funding. Liabilities for which funds are not available are classified as not covered by budgetary resources. There is no certainty that the funding will be received.

[14] A leasehold improvement's useful life is equal to the remaining occupancy agreement term, including option year extensions, or the estimated useful life of the improvement, whichever is shorter.

CIVIL PENALTY FUND

The CFPB has determined that for the funds collected and deposited into the CPF, victims do not have ownership rights to those funds that the Federal government must uphold. Of the funds deposited into the CPF, the CPF Administrator allocates funds to classes of victims of violations for which civil penalties have been imposed under the Federal consumer financial laws and, to the extent that such victims cannot be located or such payments are otherwise not practicable, to consumer education and financial literacy programs. The amount allocated by the Fund Administrator may differ from the amount of uncompensated harm initially estimated based on the court order, settlement agreement, or documentation provided by the Office of Enforcement due to additional research and documentation obtained after the initial estimate was calculated. The measurement of the liability for consumer education and financial literacy programs is based on the services provided under the applicable contracts and any year end accruals. The measurement of the liability for potential payments to harmed consumers is based on the results of the defined allocation process and any year end accruals. The year-end accruals are based on documentation from the Office of Enforcement regarding the probable uncompensated harm of closed cases as of September 30^{th} of each year. Please see Note 9 for additional information on the amounts accrued in the financial statements for these cases.

N. Annual, Sick, and Other Leave

Annual leave, compensatory time, and credit hours earned by the CFPB's employees, but not yet used, are reported as accrued liabilities. The accrued balance is adjusted annually to current pay rates. The accrued leave, for which funding is not available, is recorded as an unfunded liability. Sick and other leave are expensed as taken.

O. Employee Benefits

The CFPB's employees may enroll in some benefit programs administered by OPM and have the option to enroll in non-Title 5 benefit programs sponsored by the CFPB in addition to, or in lieu of, OPM programs. For those employees participating in OPM's benefit programs, the CFPB records the employer's contribution to those programs. For those employees participating in the CFPB's non-Title 5 benefit programs, the CFPB directly contracts with vendors to provide those services. The CFPB recognizes the employer's contributions for these benefits as the benefits are earned. All of these costs are reflected as expenses in the CFPB's financial statements.

P. Pension costs and other retirement benefits

The CFPB's employees are enrolled in several retirement and pension programs and post-employment benefits in accordance with the Dodd-Frank Act.

EMPLOYEES TRANSFERRED FROM THE FEDERAL RESERVE, OCC, OTS, FDIC, AND HUD

The Dodd-Frank Act allowed employees transferred from OCC, OTS, FDIC, and HUD to continue participating in the pension or retirement plans in which they were enrolled at their transferring agency or to affirmatively elect, between January 21, 2012 and January 20, 2013, to join the Federal Reserve System Retirement Plan (FRSRP) and the Federal Reserve System Thrift Plan. Many transferee employees from these agencies are in the traditional Title 5 retirement plans (Federal Employees Retirement System (FERS), Civil Service Retirement System (CSRS), or CSRS Offset); however, a few transferees from OTS are in a non-Title 5 plan (i.e., Pentegra Defined Benefit Plan). Transferees from the Federal Reserve were allowed to remain in the Federal Reserve System retirement program or to affirmatively elect into the appropriate Title 5 retirement plan during that same timeframe. For those employees who elected to enroll in an alternative retirement plan, the enrollment became effective in January 2013.

The CFPB does not report on its financial statements' information pertaining to the retirement plans covering its employees. Reporting amounts such as plan assets, accumulated plan benefits, and related unfunded liabilities, if any, is the responsibility of the Federal Reserve System, OCC, or OPM as the administrator of their respective plans. In all cases, the CFPB pays any employer contributions required by the plans. Refer to the chart below for information on which agency administers each of the retirement plans for the CFPB employees.

OCC, OTS, and FDIC also offered other agency-only savings plans to employees. Any transferees who participated in such plans are allowed to continue their participation as long as they remain enrolled in their current retirement plans. In such cases, the CFPB pays any employer contributions. Employees who elect to enroll in the Federal Reserve System retirement plan will not be allowed to continue their participation in either the Title 5 Thrift Savings Plan or the OCC, OTS, and FDIC agency savings plans.

The CFPB has also reimbursed the transferring agencies for administrative costs pursuant to MOU with the transferring agencies. These costs are reflected as expenses in the CFPB's financial statements.

ALL OTHER EMPLOYEES OF THE CFPB

Employees hired with prior Title 5 Federal Retirement System coverage who are not transferees under the Dodd Frank Act may remain enrolled in the appropriate retirement programs administered by OPM – CSRS, CSRS Offset, or FERS. These employees alternatively have the option to enroll in the FRSRP. The CFPB began providing these new employees the opportunity to enroll in the Federal Reserve retirement system plans beginning in November 2011. For those employees electing to enroll in the Federal Reserve System's retirement plans, the enrollment becomes effective at the beginning of the pay period following receipt of their written election decision. New employees with no previous coverage under a Title 5 retirement plan are automatically enrolled in the Federal Reserve System's retirement plans. The CFPB pays the employer's contribution into those plans.

TABLE 22: PENSION/RETIREMENT PLANS FOR CFPB EMPLOYEES

Name	Administering Agency
Federal Reserve System Retirement Plan (FRSRP)	Federal Reserve System
Federal Reserve System Thrift Plan	Federal Reserve System
Pension Enhancement Plan for Officers of the Board of Governors of the Federal Reserve System	Federal Reserve System
Retirement Plan for Employees of the Federal Reserve System Benefits Equalization Plan	Federal Reserve System
Retirement Plan for Employees of the Federal Reserve System Benefits Equalization Plan for Section 415 Excess Benefits	Federal Reserve System
Thrift Plan for Employees of the Federal Reserve System Benefits Equalization Plan	Federal Reserve System
Civil Service Retirement System (CSRS)	OPM
CSRS Offset	OPM
Federal Employees Retirement System (FERS)	OPM
Thrift Savings Plan	Federal Retirement Thrift Investment Board
Federal Deposit Insurance Corporation (FDIC) Savings Plan	FDIC
Office of the Comptroller of the Currency (OCC) 401(k)	OCC
Office of Thrifty Supervision (OTS) 401(k)	OCC
OTS Deferred Compensation Plan	OCC
Pentegra Defined Benefit Plan (OTS)	OCC (administration is through Pentegra)

The CFPB does not have a separate pension or retirement plan distinct from the plans described above. The CFPB expenses its contributions to the retirement plans of covered employees as the expenses are incurred. The CFPB reports imputed costs (not paid by the CFPB) with respect to retirement plans (OPM-administered), health benefits and life insurance pursuant to guidance received from OPM. These costs are paid by OPM. Disclosure is intended to provide information regarding the full cost of the CFPB's program in conformity with GAAP.

The CFPB recognizes the employer's contributions for the retirement plans administered by the Federal Reserve. The CFPB is responsible for transferring to the Federal Reserve both the employer's contributions and the employee's contributions that the CFPB has collected from employees. Under section 1013(a)(3)(C) of the Dodd-Frank Act, the CFPB is required to pay an employer contribution to the FRSRP in an amount established by the employer contribution under the Federal Employees Retirement System – for fiscal year 2024 it was 18.4 percent of salary.

Consistent with the disclosures in the financial statements of the BOG, the FRSRP provides retirement benefits to employees of the Board, the Federal Reserve Banks and certain employees of the CFPB. The FRBNY, on behalf of the Federal Reserve System, recognizes the net assets and costs associated with the System Plan in its financial statements. Consistent with provisions of a single-employer plan, costs associated with the System Plan are aggregated by the FRBNY on behalf of the Federal Reserve Systems and were not redistributed to individual entities (e.g., CFPB). Accordingly, the CFPB cannot report the full cost of the plan benefits applicable to the CFPB employees. Please see the Federal Reserve Banks Combined Financial Statements for the net assets and costs associated with the System Plan.
(https://www.federalreserve.gov/aboutthefed/fed-financial-statements.htm)

Q. Advances from Others and Deferred Revenue

Through a MOU with the FFIEC, the FFIEC members[15] and HUD, an agreement was reached on the funding needed to develop a new HMDA system. During the design and development of the system, the CFPB treated the receipt of payments made by FFIEC members and HUD as advances and recorded the collections as advances from others and deferred revenue. Once the system became operational and made available, the associated portion of the CFPB's advances were liquidated to earned exchange revenue over the useful life of the asset. During fiscal year 2024 these advances for the HMDA system development were fully liquidated. Additionally, on an annual basis the FFIEC members and HUD contribute to the ongoing operations and maintenance costs of the system. HUD pays their portion up-front for the full year. The collection of HUD's payment is also recorded as advances from others and deferred revenue and liquidated over the calendar year. See Note 7 for additional information.

[15] The FFIEC member agencies with HMDA responsibilities and party to the MOU for the design and development of the new HMDA system are: Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the Consumer Financial Protection Bureau.

R. Commitments and Contingencies

Commitments reflect binding agreements that may result in the future expenditure of financial resources that are not recognized or not fully recognized on the Balance Sheet. See Note 12, "Intragovernmental occupancy agreements" and see Note 16, "Undelivered orders at the end of the period".

A contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible gain or loss to an entity that will ultimately be resolved when one or more future events occur or fail to occur. Liabilities are deemed contingent when the existence or amount of the liability cannot be determined with certainty pending the outcome of future events. Contingencies are recognized on the balance sheet and statement of net cost when the future outflow or sacrifice of resources is probable and can be reasonably estimated. Contingencies are disclosed in the notes to the financial statements when there is a reasonable possibility of a loss from the outcome of future events or when there is a probable loss that cannot be reasonably estimated. See Note 11 for additional information.

S. Fiduciary activities

The Dodd-Frank Act, section 1055 authorizes the court in a judicial action or the CFPB in an administrative proceeding to grant any appropriate legal or equitable relief for a violation of Federal consumer financial law. Such relief may include redress for victims of the violations, including refunds, restitution, and damages. Relief that is intended to compensate victims is treated as fiduciary funds and deposited into the "Legal or Equitable Relief Fund" established at the Department of the Treasury. Fiduciary assets are not assets of the CFPB and are not recognized on the balance sheet. See Note 19, Fiduciary Activities.

T. Custodial activities

Under section 1055 of the Dodd-Frank Act, the CFPB may obtain disgorgement for violations of Federal consumer law. Disgorgement paid by the defendant is treated by the CFPB as a custodial activity. The CFPB will report those disgorged deposits and any other miscellaneous funds collected on the Statement of Custodial Activity.

U. Classified activities

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

Note 2: Fund balance with Treasury

Fund Balance with Treasury account balances as of September 30, 2024 and September 30, 2023 were as follows:

	2024	2023
Status of Fund Balance With Treasury:		
Unobligated Balance		
Available	$ 2,358,451,431	$ 2,736,521,175
Unavailable	53,310,324	152,079,105
Obligated Balances Not Yet Disbursed	385,524,666	210,316,438
Investments at Cost	(413,179,369)	(425,549,526)
Cash Held Outside of Treasury (Note 4)	(2,134,240,560)	(2,643,156,814)
Total Fund Balance with Treasury	$ 249,866,492	$ 30,210,378

Unobligated Balance Available represents the amount of budget authority that can be used to enter into new obligations. This amount, or a portion thereof, may be administratively dedicated for specific purposes that have not yet been obligated. The Unobligated Balance Unavailable represents the amount of budget authority that has been sequestered and cannot be used this fiscal year to enter into new obligations. The Obligated Balance Not Yet Disbursed represents amounts designated for payment of goods and services ordered but not received or goods and services received but for which payment has not yet been made.

Note 3: Investments

As discussed further in Note 4, the CFPB invests the portion of the Bureau Fund that is not required to meet the current needs of the CFPB. The CFPB funds available are used to invest in three-month U.S. Treasury bills. The market value is determined by the secondary U.S. Treasury market and represents the value an individual investor is willing to pay for these securities, as of September 30, 2024 and September 30, 2023.

Investments as of September 30, 2024 consist of the following:

	Cost	Amortization Method	Amortized (Premium) Discount	Investments Net	Market Value
Intragovernmental Securities:					
Marketable	413,179,369	Straight-Line	3,921,888	417,101,257	417,257,400
Total Investments	$ 413,179,369		$ 3,921,888	$ 417,101,257	$ 417,257,400

Investments as of September 30, 2023 consist of the following:

	Cost	Amortization Method	Amortized (Premium) Discount	Investments Net	Market Value
Intragovernmental Securities:					
Marketable	425,549,526	Straight-Line	4,832,531	430,382,057	430,305,455
Total Investments	$ 425,549,526		$ 4,832,531	$ 430,382,057	$430,305,455

Note 4: Cash and other monetary assets

The CFPB has both cash and investments held outside of Treasury. When transfers are made from the BOG to the CFPB, the funds are deposited into an account held within the FRBNY referred to as the Bureau Fund. The account has a required minimum balance of $250,000 and any funds in excess of this minimum are invested in Treasury securities in increments of $100,000. The CFPB requests cash disbursement from the Bureau Fund at the FRBNY to the CFPB's Fund Balance with Treasury based on projections of future cash outlays.

Funds obtained by, transferred to, or credited to the Bureau Fund are immediately available to the CFPB less sequestered funds. The funds are under the control of the Director, and shall remain available until expended, to pay for the expenses of the CFPB in carrying out its duties and responsibilities. Bureau Funds include $43.6 million that was sequestered in fiscal year 2024. These funds are not available for obligation in fiscal year 2024 but will become available to the CFPB in fiscal year 2025. In fiscal year 2023, $42.7 million was sequestered and was unavailable for obligation in fiscal year 2023 but became available for obligation in fiscal year 2024.

Amounts in the CPF are immediately available to the CFPB less sequestered funds. The funds are under the control of the Director, and shall remain available until expended, for payments to victims of activities for which civil penalties have been imposed. To the extent that such victims cannot be located, or such payments are otherwise not practicable, the CFPB may use funds in the CPF for the purpose of consumer education and financial literacy programs. CPF funds include $9.7 million that was sequestered in fiscal year 2024. These funds are not available for allocation in fiscal year 2024 but will become available to the CFPB in fiscal year 2025. In fiscal year 2023, $109.4 million was sequestered and was unavailable for allocation in fiscal year 2023 but became available for allocation in fiscal year 2024.

In enforcement actions and proceedings under Federal consumer financial laws, a court or the CFPB may order any appropriate legal or equitable relief for a violation of Federal consumer financial law. Relief provided may include certain types of monetary relief, including refunds, restitution, disgorgement, and civil penalties. Any civil penalty obtained from any person and entity in any judicial or administrative action under Federal consumer financial laws is deposited into the CPF. Funds obtained by or transferred to the Bureau Fund shall not be construed to be government funds or appropriated monies. Funds in the Bureau Fund and the CPF are not subject to apportionment for purposes of chapter 15 Title 31, United States Code, or under any other authority.

Account balances as of September 30, 2024 and September 30, 2023:

	2024	2023
Cash		
Cash Held in the Bureau Fund at the Federal Reserve	$ 329,900	$ 312,194
Cash Held in the Civil Penalty Fund at the Federal Reserve	2,133,910,660	2,642,844,620
Total Cash and Other Monetary Assets	$ 2,134,240,560	$ 2,643,156,814

As of September 30, 2024, and 2023, the CFPB had allocated or set-aside, but not distributed, $2,346.7 million and $2,597.2 million, respectively, for victim compensation and administrative set-asides. See Note 9 for a discussion regarding victim compensation allocation and for a discussion regarding the amount available for future allocations.

Note 5: Accounts receivable, net

Accounts receivable represents amounts owed to the CFPB. Account balances as of September 30, 2024 and September 30, 2023:

		2024		2023
Intragovernmental				
Accounts Receivable	$	607,023	$	1,006,130
Total Intragovernmental Accounts Receivable	$	607,023	$	1,006,130
With the Public				
Accounts Receivable:				
Bureau Fund	$	62,392	$	70,003
Civil Penalty Fund		2,034,416		-
Custodial Funds		4,189		3,390
Total Public Accounts Receivable	$	2,100,997	$	73,393
Total Accounts Receivable	**$**	**2,708,020**	**$**	**1,079,523**

Account receivable amounts disclosed above are for Federal and Non-federal transactions. As of September 30, 2024, the large majority of accounts receivable relate to anticipated collections of Civil Monetary Penalties (with the Public) and amounts due from the FFIEC for HMDA O&M costs (Intragovernmental). In fiscal year 2023, the large majority of accounts receivable related to amounts due from the FFIEC for HMDA O&M costs and from the U.S. Government Publishing Office (Intragovernmental). There was no allowance recognized as all receivables were considered fully collectible as of September 30, 2024 and 2023, respectively.

Note 6: Property, equipment and software, net

Schedule of Property, Equipment, and Software as of September 30, 2024 consists of the following:

Major Class		**Acquisition Cost**		**Accumulated Depreciation and Amortization**		**Net Book Value**
Leasehold Improvements	$	182,755,839	$	42,731,422	$	140,024,417
Furniture & Equipment		29,880,154		25,077,124		4,803,030
Internal Use Software		39,702,664		29,145,430		10,557,234
Internal Use Software-In-Development		14,333,052		-		14,333,052
Total Property, Equipment and Software	$	266,671,709	$	96,953,976	$	169,717,733

Schedule of Property, Equipment, and Software as of September 30, 2023 consists of the following:

Major Class	Acquisition Cost	Accumulated Depreciation and Amortization	Net Book Value
Leasehold Improvements	$ 180,703,466	$ 34,699,870	$ 146,003,596
Furniture & Equipment	32,084,233	24,392,905	7,691,328
Internal Use Software	28,687,960	25,090,196	3,597,764
Internal Use Software-In-Development	3,025,398	-	3,025,398
Total Property, Equipment and Software	$ 244,501,057	$ 84,182,971	$ 160,318,086

Leasehold Improvements primarily represent costs incurred for the completed building renovations at the CFPB's headquarters at 1700 G Street N.W., Washington D.C. Internal Use Software and Internal Use Software-In-Development represent costs incurred for system development to support CFPB's mission. See Note 1.K. for useful life and depreciation method.

Note 7: Advances from others and deferred revenue

The CFPB has treated the receipt of all payments collected from the FFIEC (via payments made by FFIEC members and HUD) for the development phase of the HMDA system as advances from others and deferred revenue. The associated portion of the CFPB's advances were liquidated to earned exchange revenue over the useful life of the software asset of five years. During fiscal year 2024, these advances for the HMDA system development were fully liquidated. Additionally, on an annual basis the FFIEC members and HUD contribute to the ongoing operations and maintenance costs of the system. HUD pays their portion up-front for the full year. The collection of HUD's payment is also recorded as advances from others and deferred revenue and liquidated over the calendar year.

Advances from Others and Deferred Revenue as of September 30, 2024 and September 30, 2023 consist of the following:

	2024	2023
Intragovernmental Liabilities		
Advances from Others and Deferred Revenue	$ 151,756	$ 271,822
Total Advances from Others and Deferred Revenue	$ 151,756	$ 271,822

Note 8: Other liabilities

Other liabilities as of September 30, 2024 and September 30, 2023 consist of the following:

	2024	2023
Intragovernmental Liabilities:		
Payroll Taxes Payable	$ 407,667	$ 1,099,097
Total Intragovernmental Liabilities	$ 407,667	$ 1,099,097
With the Public:		
Employee Withholdings	$ 31,096	$ 31,716
Other Liabilities w/Related Budgetary Obligations	19,282	18,007
Total Public Liabilities	$ 50,378	$ 49,723
Total Other Liabilities	**$ 458,045**	**$ 1,148,820**

Other liabilities are comprised of several items, the largest being payroll taxes payable. All other liabilities are considered current liabilities.

Note 9: Civil penalty fund liability

The CPF Liability account is the cumulative balance of activity comprised of the beginning balance, plus new allocations to victims, less distributions made to victims and other adjustments. Consistent with the CPF rule, the CPF Administrator made two allocations of money to victims during fiscal year 2024.

The ending balance of the CPF Liability as of September 30, 2024, and September 30, 2023 is calculated as following:

	2024	2023
Civil Penalty Fund Liability		
Beginning Balance	$ 2,574,969,581	$ 673,924,436
Plus: New Allocations to Victims	2,048,801,727	417,443,832
Year End Accrual for Probable Allocations	108,071,959	1,940,060,536
Less: Reversal of Prior Year End Accrual for Probable Allocations	(1,940,060,536)	(318,873,586)
Less: Distributions	(502,053,354)	(137,585,605)
Less: Other Adjustments	(430,501)	(32)
Total Civil Penalty Fund Liability	$ 2,289,298,876	$ 2,574,969,581

The CPF Administrator made two allocations from the CPF in fiscal year 2024: the twenty-second allocation on November 29, 2023, and the twenty-third allocation on May 30, 2024. The Fund Administrator will make the twenty-fourth allocation on or before November 29, 2024. At that time, there will be 14 cases considered for allocation and the total amount available for allocation is $108.1 million. As of September 30, 2024, $108.1 million was accrued in the financial statements for a portion of these cases in which the likelihood of payment to harmed consumers was probable and the amounts were measurable. In fiscal years 2024 and 2023, the line Distributions represent reductions of the liability due to funds being released to vendors for distribution to harmed consumers. Other Adjustments represent reductions of the liability due to case closures or the determination that less CPF money is required to compensate eligible harmed consumers because of other redress efforts or other factors.

Note 10: Liabilities not covered by budgetary resources

Liabilities not covered by budgetary resources as of September 30, 2024 and September 30, 2023 consist of the following:

	2024	2023
Intragovernmental		
Intragovernmental-FECA	$ 158,672	$ 417,119
Benefits Contributions Payable	-	6,338
With the Public		
Unfunded Leave	40,880,767	38,692,762
Actuarial FECA	2,006,472	1,806,332
Total Liabilities Not Covered by Budgetary Resources	$ 43,045,911	$ 40,922,551
Total Liabilities Covered by Budgetary Resources	2,324,942,048	2,648,338,892
Total Liabilities Not Requiring Budgetary Resources	4,189	3,390
Total Liabilities	$ 2,367,992,148	$ 2,689,264,833

Note 11: Commitments and contingencies

Commitments

Commitments reflect binding agreements that may result in the future expenditure of financial resources that are not recognized or not fully recognized on the Balance Sheet. See Note 12, "Intragovernmental occupancy agreements" and see Note 16, "Undelivered orders at the end of the period".

Legal Contingencies

The CFPB has determined there is one pending legal case that is deemed to be reasonably possible that an unfavorable outcome may occur with a direct and material impact on the CFPB's financial statements and, therefore, is required to be disclosed. For this identified case, regarding a labor dispute, the CFPB has estimated the amount of the potential loss to be $1,100,000. However, no accrued liability was recorded as of September 30, 2024, because the likelihood of loss is less than probable. This case was also disclosed last year as reasonably possible that an unfavorable outcome may occur, with an estimated amount of potential loss of $663,000. However, no accrued liability was recorded as of September 30, 2023, because the likelihood of loss was less than probable.

There was one pending legal case, regarding a labor dispute, that was disclosed last year as reasonably possible that an unfavorable outcome may occur with an unknown estimated amount or range of potential loss. No liability was accrued as of September 30, 2023 because the likelihood of loss was less than probable and the potential loss was unknown. This case was resolved in fiscal year 2024.

Civil Penalty Fund Contingencies

The CFPB may continue to make payments from the CPF to harmed consumers after its third-party administrator has concluded administering the payments in certain cases. Unclaimed funds were returned to the CFPB and a portion of those funds remain allocated to the case. Subsequently, if a harmed consumer reaches out to the CFPB with a claim related to the respective case, the CFPB may make a direct payment to the harmed consumer. There were two such outstanding claims from harmed consumers as of September 30, 2024 that totaled approximately $1,100.

The CFPB recorded a contingent liability for the Period 24 CPF Allocation (see Note 9).

Note 12: Intragovernmental occupancy agreements

CFPB enters into intragovernmental occupancy agreements with other Federal agencies for space needs across the United States. The occupancy agreements meet the criteria outlined in SFFAS 54 as an intragovernmental lease. The CFPB records the monthly payments as expenses pursuant to the terms in the occupancy agreements. The table below contains by building location the annual expense incurred for the following intragovernmental occupancy agreements for fiscal year 2024:

Property Location		Amount
Washington, D.C.	$	14,633,904
Atlanta, GA		367,274
New York, NY		1,477,428
San Francisco, CA		1,613,869
Chicago, IL		364,268
Total Annual Expense	$	18,456,743

DESCRIPTION OF AGREEMENTS

A. OA with the OCC for space to accommodate the CFPB staff assigned to its headquarters at 1700 G Street, N.W., Washington, D.C. The OA with OCC covers use of the premises through February 17, 2032 with two optional five (5) year renewal periods, upon which the CFPB can exercise with one year's notice, expiring February 17, 2037 and 2042 respectively. The annual rent shall escalate two percent each year. This OA may not be canceled by the CFPB, but the OCC may cancel pursuant to the terms of the OA.

B. OA between the CFPB and the GSA for supplies, services and the use of space at 401 West Peachtree Street, NW Atlanta, GA. The OA is for a period through June 30, 2030. The rent is to be adjusted annually for operating costs and real estate taxes. This OA may be canceled pursuant to the terms of the OA.

C. OA between the CFPB and the GSA for supplies, services and the use of space at 140 East 45th Street, New York, NY through January 28, 2024. The revised OA for the new location at 555 Madison Ave., New York, NY is for a period through February 27,2032. The rent is to be adjusted annually for operating costs and real estate taxes. This OA may not be canceled pursuant to the terms of the OA.

D. OA between the CFPB and the GSA for supplies, services and the use of space at 301 Howard Street, San Francisco, CA. The OA is for a period through December 16, 2027. The rent is to be adjusted annually for operating costs and real estate taxes. This OA may be canceled pursuant to the terms of the OA.

E. OA between the CFPB and the GSA for supplies, services and the use of space at 230 S. Dearborn Street, Chicago, IL. The OA is for a period through June 30, 2029. The rent is to be adjusted annually for operating costs and real estate taxes. This OA may be canceled pursuant to the terms of the OA.

Note 13: Funds from dedicated collections

Provided below is summary consolidated component entity information for the CFPB's two primary funds from dedicated collections – the Bureau Fund and the CPF. Custodial collections (disgorgement paid and other fees collected) reside in non-budgetary FBWT accounts and are excluded from this presentation.

FY 2024	Bureau Fund	Civil Penalty Fund	Total Funds from Dedicated Collections (Consolidated)
BALANCE SHEET			
Assets:			
Intragovernmental			
Fund Balance with Treasury	$ 26,334,339	$ 223,532,153	$ 249,866,492
Investments, Net	417,101,257	-	417,101,257
Accounts Receivable, Net	607,023	-	607,023
Advances and Prepayments	3,358,851	-	3,358,851
Total Intragovernmental	**447,401,470**	**223,532,153**	**670,933,623**
With the Public			
Cash and Other Monetary Assets	329,900	2,133,910,660	2,134,240,560
Accounts Receivable, Net	66,581	2,034,416	2,100,997
Property, Equipment, and Software, Net	169,717,733	-	169,717,733
Advances and Prepayments	9,932,476	-	9,932,476
Total With the Public	**180,046,690**	**2,135,945,076**	**2,315,991,766**
Total Assets	**$ 627,448,160**	**$ 2,359,477,229**	**$ 2,986,925,389**
Liabilities:			
Intragovernmental			
Accounts Payable	$ 2,791,222	$ -	$ 2,791,222
Advances from Others and Deferred Revenue	151,756	-	151,756
Benefits Contributions Payable	1,545,842	-	1,545,842
Custodial Liability	4,189	-	4,189
Other	407,667	-	407,667
Total Intragovernmental	**4,900,676**	**-**	**4,900,676**
With the Public			
Accounts Payable	20,587,974	786,724	21,374,698
Employer Benefits Contributions	3,939,384	-	3,939,384
Accrued Funded Payroll	7,547,369	-	7,547,369
Unfunded Leave	40,880,767	-	40,880,767
Civil Penalty Fund Liability	-	2,289,298,876	2,289,298,876
Other	50,378	-	50,378
Total With the Public	**73,005,872**	**2,290,085,600**	**2,363,091,472**
Total Liabilities	**$ 77,906,548**	**$ 2,290,085,600**	**$ 2,367,992,148**
Cumulative Results of Operations	549,541,612	69,391,629	618,933,241
Total Liabilities and Net Position	**$ 627,448,160**	**$ 2,359,477,229**	**$ 2,986,925,389**
STATEMENT OF NET COST			
Program Costs	$ 748,095,430	$ 175,602,496	$ 923,697,926
Less: Earned Revenue	(3,093,125)	-	(3,093,125)
Net Cost of Operations	**$ 745,002,305**	**$ 175,602,496**	**$ 920,604,801**
STATEMENT OF CHANGES IN NET POSITION			
Cumulative Results of Operations:			
Beginning Balance	$ 512,712,137	$ 73,004,985	$ 585,717,122
Nonexchange Revenue	765,277,886	171,989,140	937,267,026
Imputed Financing	16,521,922	-	16,521,922
Other	31,972	-	31,972
Net Cost of Operations	(745,002,305)	(175,602,496)	(920,604,801)
Net Change in Cumulative Results of Operations	36,829,475	(3,613,356)	33,216,119
Total Cumulative Results of Operations: Ending Net Position, end of period	**$ 549,541,612**	**$ 69,391,629**	**$ 618,933,241**

FY 2023	Bureau Fund	Civil Penalty Fund	Total Funds from Dedicated Collections (Consolidated)
BALANCE SHEET			
Assets:			
Intragovernmental			
Fund Balance with Treasury	$ 25,068,469	$ 5,141,909	$ 30,210,378
Investments, Net	430,382,057	-	430,382,057
Accounts Receivable, Net	1,006,130	-	1,006,130
Advances and Prepayments	2,231,998	-	2,231,998
Total Intragovernmental	**458,688,654**	**5,141,909**	**463,830,563**
With the Public			
Cash and Other Monetary Assets	312,194	2,642,844,620	2,643,156,814
Accounts Receivable, Net	73,393	-	73,393
Property, Equipment, and Software, Net	160,318,086	-	160,318,086
Advances and Prepayments	7,603,099	-	7,603,099
Total With the Public	**168,306,772**	**2,642,844,620**	**2,811,151,392**
Total Assets	**$ 626,995,426**	**$2,647,986,529**	**$ 3,274,981,955**
Liabilities:			
Intragovernmental			
Accounts Payable	$ 3,405,444	$ -	$ 3,405,444
Advances from Others and Deferred Revenue	271,822	-	271,822
Benefits Contributions Payable	3,153,154	-	3,153,154
Custodial Liability	3,390	-	3,390
Other	1,099,097	-	1,099,097
Total Intragovernmental	**7,932,907**	**-**	**7,932,907**
With the Public			
Accounts Payable	30,737,272	11,962	30,749,234
Employer Benefits Contributions	19,415,564	-	19,415,564
Accrued Funded Payroll	17,455,062	-	17,455,062
Unfunded Leave	38,692,762	-	38,692,762
Civil Penalty Fund Liability	-	2,574,969,581	2,574,969,581
Other	49,723	-	49,723
Total With the Public	**106,350,383**	**2,574,981,543**	**2,681,331,926**
Total Liabilities	**$ 114,283,290**	**$2,574,981,543**	**$ 2,689,264,833**
Cumulative Results of Operations	512,712,136	73,004,986	585,717,122
Total Liabilities and Net Position	**$ 626,995,426**	**$2,647,986,529**	**$ 3,274,981,955**
STATEMENT OF NET COST			
Program Costs	$ 705,471,708	$2,039,817,777	$ 2,745,289,485
Less: Earned Revenue	(3,049,315)	-	(3,049,315)
Net Cost of Operations	**$ 702,422,393**	**$2,039,817,777**	**$ 2,742,240,170**
STATEMENT OF CHANGES IN NET POSITION			
Cumulative Results of Operations:			
Beginning Balance	$ 450,578,138	$ 243,902,646	$ 694,480,784
Nonexchange Revenue	749,134,356	1,868,920,116	2,618,054,472
Imputed Financing	15,512,149	-	15,512,149
Other	(90,113)	-	(90,113)
Net Cost of Operations	(702,422,393)	(2,039,817,777)	(2,742,240,170)
Net Change in Cumulative Results of Operations	62,133,999	(170,897,661)	(108,763,662)
Cumulative Results of Operations: Ending Net Position, end of period	**$ 512,712,137**	**$ 73,004,985**	**$ 585,717,122**

Note 14: Inter-entity costs

The CFPB recognizes certain inter-entity costs for goods and services that are received from other federal entities at no cost or at a cost less than the full cost of the providing entity. Consistent with accounting standards, certain costs of the providing entity that are not fully reimbursed by the CFPB are recognized as imputed cost in the CFPB's Statement of Net Cost and are offset by imputed revenue (i.e., imputed financing sources) in the CFPB's Statement of Changes in Net Position. However, unreimbursed costs of goods and services other than those identified below are not included in our financial statements. The CFPB recognizes as inter-entity costs the amount of accrued pension and post-retirement benefit expenses for current employees. The assets and liabilities associated with such benefits are the responsibility of the administering agency, OPM. For the periods ended September 30, 2024, and 2023 inter-entity costs were as follows:

	2024	2023
Office of Personnel Management	$ 16,521,922	$ 15,512,149
Total Inter-entity Costs	$ 16,521,922	$ 15,512,149

Note 15: Net adjustments to unobligated balance, brought forward, October 1

During the quarters ending September 30, 2024 and 2023, transactions are recorded that adjust the unobligated balance brought forward from the prior fiscal year. The adjustments during the quarters ended September 30, 2024 and 2023 are presented below:

	2024	2023
Unobligated Balance Brought Forward, October 1	$ 2,736,521,174	$ 982,020,935
Adjustment to budgetary resources made during current year		
Downward adjustments of prior year undelivered orders	12,989,971	26,277,303
Downward adjustments of prior year delivered orders	49,316,824	3,538,160
Unobligated Balance From Prior Year Budget Authority, Net	$ 2,798,827,969	$ 1,011,836,398

Note 16: Undelivered orders at the end of the period

SFFAS 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, states that the amount of budgetary resources obligated for undelivered orders at the end of the period should be disclosed. The CFPB's Undelivered Orders represent obligated amounts designated for future payment of goods and services ordered but not received.

Undelivered Orders as of September 30, 2024 were as follows:

	Federal	Non-Federal	Total
Paid Undelivered Orders	$ 3,358,851	$ 9,932,476	$ 13,291,327
Unpaid Undelivered Orders	17,328,499	334,625,146	351,953,645
Total Undelivered Orders	$ 20,687,350	$ 344,557,622	$ 365,244,972

Undelivered Orders as of September 30, 2023 were as follows:

	Federal	Non-Federal	Total
Paid Undelivered Orders	$ 2,231,998	$ 7,603,099	$ 9,835,097
Unpaid Undelivered Orders	21,020,821	118,024,290	139,045,111
Total Undelivered Orders	$ 23,252,819	$ 125,627,389	$ 148,880,208

Note 17: Reconciliation of net cost to net outlays

The CFPB has reconciled its net costs to its net outlays for the periods ended September 30, 2024 and September 30, 2023. The reconciliation of net cost, presented on an accrual basis, to net outlays, presented on a budgetary basis, provides an explanation of the relationship between financial and budgetary information. The reconciliation below lists the key differences between net cost and net outlays.

CONSUMER FINANCIAL PROTECTION BUREAU
RECONCILIATION OF NET COST TO NET OUTLAYS
For the Year Ended September 30, 2024
(In Dollars)

	Intragovernmental	With the Public	Total
Net Cost of Operations	$ 100,625,644	$ 819,979,157	$ 920,604,801
Components of Net Cost of Operations Not Part of Budgetary Outlays			
Property, Equipment and Software Depreciation	-	(15,198,055)	(15,198,055)
Property, Equipment and Software Disposal & Reevaluation	-	(385,731)	(385,731)
Increase/(Decrease) in Assets Not Affecting Budget Outlays:			
Accounts Receivable	(399,107)	(7,015)	(406,122)
Advances and Prepayments	1,126,853	2,329,377	3,456,230
(Increase)/Decrease in Liabilities Not Affecting Budget Outlays:			
Accounts Payable	734,285	9,374,536	10,108,821
Salaries and Benefits	2,033,957	25,584,634	27,618,591
CPF Liability Allocation	-	285,670,706	285,670,706
Unfunded Leave	-	(2,188,004)	(2,188,004)
Other Liabilities	264,409	(201,415)	62,994
Other Financing Sources:			
Imputed Federal Employee Retirement Benefit Costs	(16,521,922)	-	(16,521,922)
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	$ (12,761,525)	$ 304,979,033	$ 292,217,508
Components of the Budget Outlays That Are Not Part of Net Cost of Operations			
Acquisition of Capital Assets	2,052,373	22,931,060	24,983,433
Total Components of the Budget Outlays That Are Not Part of Net Cost of Operations	$ 2,052,373	$ 22,931,060	$ 24,983,433
Other Temporary Timing Differences	375	3,654	4,029
Outlays, Net (total)	$ 89,916,867	$ 1,147,892,904	$ 1,237,809,771

Reconciliation of Net Cost to Net Outlays as of September 30, 2023:

CONSUMER FINANCIAL PROTECTION BUREAU
RECONCILIATION OF NET COST TO NET OUTLAYS
For the Year Ended September 30, 2023
(In Dollars)

	Intragovernmental	With the Public	Total
Net Cost of Operations	$ 97,938,777	$ 2,644,301,393	$2,742,240,170
Components of Net Cost of Operations Not Part of Budgetary Outlays			
Property, Equipment and Software Depreciation	-	(13,862,480)	(13,862,480)
Property, Equipment and Software Disposal & Reevaluation	-	(73,046)	(73,046)
Increase/(Decrease) in Assets Not Affecting Budget Outlays:			
Accounts Receivable	439,714	(25,948)	413,766
Advances and Prepayments	(1,195,615)	(807,773)	(2,003,388)
(Increase)/Decrease in Liabilities Not Affecting Budget Outlays:			
Accounts Payable	(70,371)	(5,990,280)	(6,060,651)
Salaries and Benefits	(372,485)	(14,945,430)	(15,317,915)
CPF Liability Allocation	-	(1,901,045,145)	(1,901,045,145)
Unfunded Leave	-	(4,121,138)	(4,121,138)
Other Liabilities	(68,884)	(249,468)	(318,352)
Other Financing Sources:			
Imputed Federal Employee Retirement Benefit Costs	(15,512,149)	-	(15,512,149)
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	$ (16,779,790)	$ (1,941,120,708)	$(1,957,900,498)
Components of the Budget Outlays That Are Not Part of Net Cost of Operations			
Acquisition of Capital Assets	-	5,121,852	5,121,852
Total Components of the Budget Outlays That Are Not Part of Net Cost of Operations	$ -	$ 5,121,852	$ 5,121,852
Other Temporary Timing Differences	100	2,384	2,484
Outlays, Net (total)	$ 81,159,087	$ 708,304,921	$ 789,464,008

Note 18: President's Budget

SFFAS 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, requires explanations of material differences between amounts reported in the Statement of Budgetary Resources and the actual balances published in the Budget of the United States Government (President's Budget). However, the President's Budget that will include fiscal year 2024 actual budgetary execution information has not yet been published. The President's Budget is scheduled for publication in February 2025 and can be found at the OMB Web site: http://www.whitehouse.gov/omb/. The 2025 Budget of the United States Government, with the "Actual" column completed for 2023 has been reconciled to the 2023 Statement of Budgetary Resources and there were no material differences.

	Budgetary Resources	New Obligations and Upward Adjustments (Total)	Net Outlays
Combined Statement of Budgetary Resources	$ 3,573,458,245	$ 836,937,071	$ 789,464,008
Difference Due to Rounding	(458,245)	62,929	535,992
Budget of the U.S. Government	$ 3,573,000,000	$ 837,000,000	$ 790,000,000

Note 19: Fiduciary activities

Section 1055 of the Dodd-Frank Act authorizes the court in a judicial action, or the CFPB in an administrative proceeding, to grant any appropriate legal or equitable relief for a violation of Federal consumer financial law. Such relief may include redress for victims of the violations, including refunds, restitution, and damages. Funds paid as relief that is intended to compensate victims of violations are treated as fiduciary funds and deposited into the "Legal or Equitable Relief Fund" established at the Department of the Treasury. Fiduciary assets are not assets of the CFPB. The victims have an ownership interest in the cash or other assets held by the CFPB under provision of law, regulation, or other fiduciary arrangement. The CFPB uses a third-party administrator to make disbursements to harmed consumers. Funds unclaimed by harmed consumers are returned to the CFPB. For fiscal year 2024 Fiduciary Revenues totaled $135.7 million. For fiscal year 2023 the $2.5 million reported as Fiduciary Revenues is shown as a net negative amount due to the reduction of an accounts receivable and associated revenue exceeding the remaining redress revenues. The $7.4 million reported for fiscal year 2024 for "Disbursements to and on behalf of beneficiaries" is shown as a net negative disbursement due to the return of funds from third party vendors exceeding disbursements paid to harmed consumers. The $20.4 million reported for fiscal year 2023 for "Disbursements to and on behalf of beneficiaries" is shown as a net disbursement as amounts paid to harmed consumers exceeded the return of funds from third party vendors.

During fiscal years 2024 and 2023, the CFPB had the following fiduciary activity:

CONSUMER FINANCIAL PROTECTION BUREAU
SCHEDULE OF FIDUCIARY ACTIVITY
For the Years Ended September 30, 2024 and 2023
(In Dollars)

		2024 Legal or Equitable Relief Fund		2023 Legal or Equitable Relief Fund
Fiduciary Net Assets, Beginning of Year	$	21,476,475	$	44,662,483
Fiduciary Revenues		135,706,567		(2,509,470)
Administrative Expenses		(69,082)		(281,303)
Disbursements [+/-] to and on Behalf of Beneficiaries		7,403,232		(20,395,236)
Increase/(Decrease) in Fiduciary Net Assets		143,040,718		(23,186,009)
Fiduciary Net Assets, End of Year	$	164,517,193	$	21,476,474

CONSUMER FINANCIAL PROTECTION BUREAU
FIDUCIARY NET ASSETS
As of September 30, 2024 and 2023
(In Dollars)

		2024 Legal or Equitable Relief Fund		2023 Legal or Equitable Relief Fund
Fiduciary Assets				
Cash	$	159,453,800	$	21,476,474
Accounts Receivable		5,063,393		-
Total Fiduciary Net Assets	$	164,517,193	$	21,476,474

3. Other Information

The Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of 1996 and further amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, directs Federal agencies to adjust for inflation the civil penalty amounts within their jurisdiction each year. In prior years CFPB provided a table with this information. For fiscal year 2024, CFPB has chosen to shift from presenting the table to providing a link to the information. The link below provides those adjustments for fiscal year 2024.

www.federalregister.gov/documents/2024/02/12/2024-02829/civil-monetary-penalties-inflation-adjustments-for-2024